

# Exhibit to Agenda Item #1

Approve the SMUD disclosure in the **Transmission Agency of Northern California (TANC) Preliminary Official Statement for the TANC 2026 Refunding Bonds** and authorize the Chief Executive Officer and General Manager to determine that the information in the **Preliminary Official Statement** is final.

Board Policy Committee and Special SMUD Board of Directors Meeting  
Tuesday, April 7, 2026, immediately following Strategic Development Committee meeting scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# Background: Transmission Agency of Northern California

- The Transmission Agency of Northern California (TANC) is Joint Powers Authority created to build and operate a transmission line from the California-Oregon border into California
- SMUD is a Member of TANC and uses it to supply low- or carbon-free power from the Northwest
- Starting on May 1, 2026, TANC can pay off \$144 million of debt early, by refinancing the bonds and save approximately \$2 million per year in interest
- As a result of the refinancing, SMUD is expected to save approximately \$700,000 annually for the next 13 years
- The TANC Commission will likely approve the Official Statement (OS) disclosure document on April 15, 2026, for a potential bond refunding
- TANC's five largest members, including SMUD, must include their disclosure documents in TANC's OS