

Exhibit to Agenda Item #1

Provide the Board an informational briefing on federal legislative activities.

Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, October 7, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Strategizing in the Era of Trump 2.0

First 100 Days → Second 100 Days

- National Energy Emergency → Emergency reliability orders
- Funding Freeze → Legal morass and delay
- Deregulatory push → Endangerment Finding withdrawal
- Shock and awe tariffs → Confusion, retaliation
- “End the Green New Scam” → Loss of tax credits + further hostility to wind and solar

Required Reading:
“Art of the Deal”
“The 48 Laws of Power”



Permitting Reform



- Fiscal Responsibility Act
- OB3A Pay-to-Play
- Tech-specific Executive orders
- *Seven County* decision
- *Marin Audubon* decision
- Updated Council on Environmental Quality (CEQ), agency guidance
- Streamlining Procurement for Effective Execution and Delivery “SPEED Act” et. al

Energy Abundance ≠ All of the Above

Wind and Solar are OUT OF FAVOR despite speed to market and cost competitiveness:

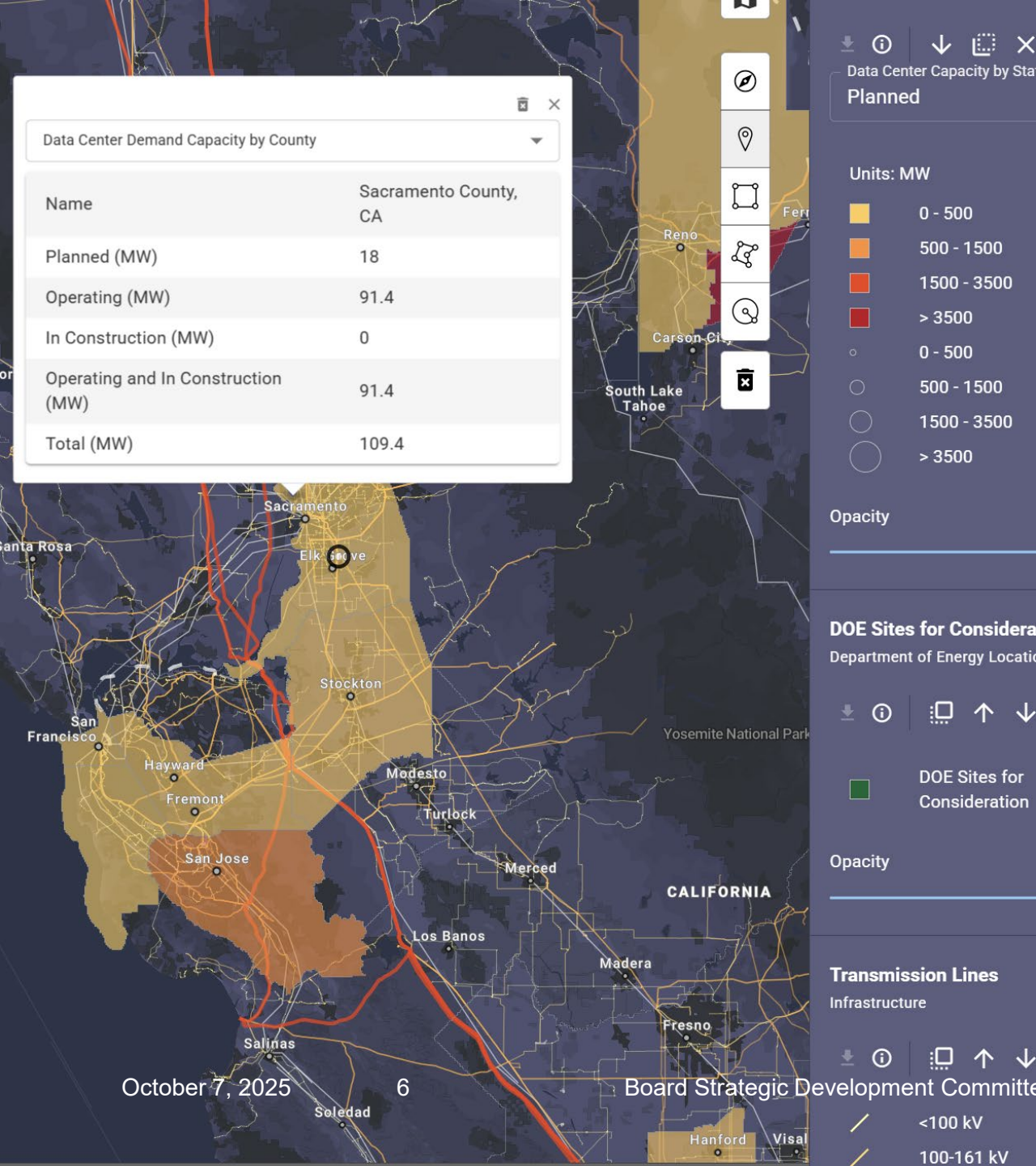
- Accelerated phase-out of wind and solar
- Elimination of 5% safe harbor to commence construction
- Interior Department: Secretarial approval of wind and solar permits, review of preferential treatment, avian mortality review
- Agriculture Department: No grants or loans for solar on prime farmland
- Corps of Engineers: Energy density preference, onshore wind pause
- Commerce Department: national security probe of wind turbines
- Environmental Protection Agency, Bureau of Ocean Energy Management: offshore wind permit remands



A close-up photograph of a camera lens, showing its internal elements and the surrounding metal housing. The lens is positioned on the left side of the frame, with a blurred background of colorful bokeh lights in shades of purple, blue, and green.

AI as the “Lens”

- Race against China
- Unusual investments/stakes in U.S. tech companies
- Focus on reliability at the expense of decarbonization AND affordability!
- AI Action Plan:
 - Prevent premature retirements
 - “nationwide standards for resource adequacy”
 - Advanced grid management and transmission upgrades
 - Prioritize baseload
 - Reform power markets



What next?

Hostility to intermittent power

Continued deregulation

Uneven permitting reform gains

Prioritization of data centers

Potential for market intervention

Congressional action on
permitting/AI/reliability

Questions?



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