

Large electrical load projects outreach

Commercial Development

Agenda

- Meeting purpose & overview – 5 min.
- Speaker introductions – 5 min
- Presentation – 20 min.
- Next steps – 5 min.
- Closing



Meeting purpose & overview

- **Purpose:** To gather feedback on a policy for how SMUD governs new large electrical load projects that balances affordability, reliability and our obligation to serve, while keeping our community at the forefront of all we do.
- **Feedback:** Provide feedback via polls and comments.

Speakers



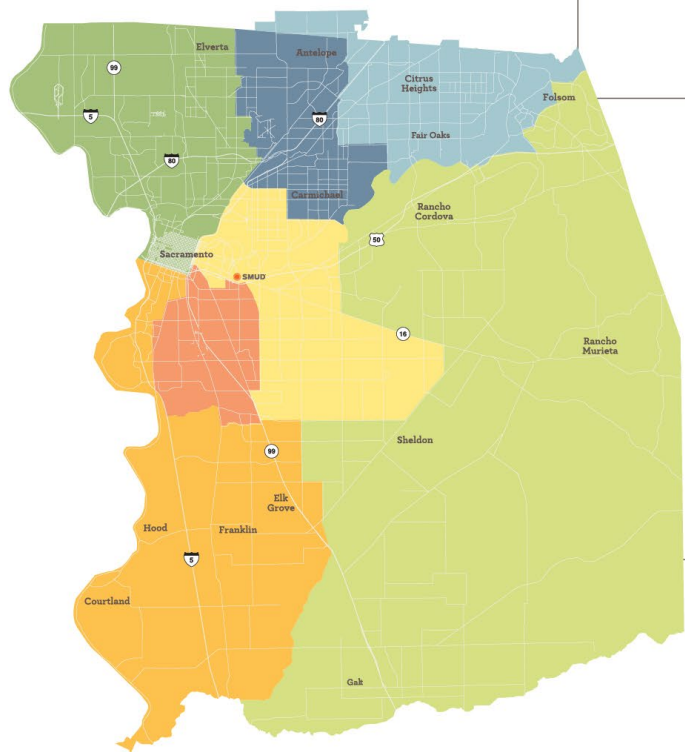
**Danielle Mendoza Buffalino,
Community Engagement Supervisor**



**Tracy Carlson,
Director of Customer Success**

SMUD is your community-owned, not-for-profit electric service.

6th largest
community-owned
in the U.S.



75+
Years
Est. 1946

~682,000 Customers

~2,500 Employees

2024
Power mix
62%
carbon-free



7 member
Elected
Board of Directors

SMUD's rates are among the lowest in California.

Background & context

- **900 square miles** = SMUD's service area with varying capacity by location.
- **44% lower rates** than neighboring electric utility & among the lowest in California.
- Large load projects are an **evolving issue** in the U.S.
- **≥ 50 megawatts** (MW) = Large electrical load projects that trigger complex transmission service needs and specialized planning.
 - **0** customers today
 - **1** application in the queue
- **Early engagement** with SMUD's team is **critical** to align project timelines, costs and infrastructure planning.

Feedback opportunity

**What concerns, if any, do you have about large electrical load projects coming to the Sacramento region?
Please select all that apply.**



SMUD's current policy

SMUD's current definition of large load is $\geq 50\text{MW}$



$<50\text{MW}$

Distribution service

Existing policy covers distribution service

- Standard Secondary, Primary, Sub-transmission rates (69kV, 21kV, 12kV) approved by Board
- Infrastructure cost allocation clearly outlined in Rule & Regulations 16
- Develop customer tailored agreement as necessary



$\geq 50\text{MW}$ (Large Load)

Transmission service

Policy needed for transmission service

- Transmission rate needed (230/115kV)
- Infrastructure cost allocation is not clearly outlined
- Develop customer tailored agreement as necessary

External & internal approval processes

Project approvals and land use authority resides with local jurisdictions



Local Jurisdiction approval process

Engage with key stakeholders

Submit entitlement application to local jurisdiction

Initiate environmental review (CEQA)

Public review process

Obtain local jurisdiction and project approval



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SMUD internal approval process

Study & design

Budget funds

Build infrastructure

Public input process

Buy land

Permitting



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Feedback opportunity

Were you already aware of who is responsible for approving large electrical load projects that connect to the grid?



New large load inquiries

Business Segments
Technology Manufacturing (Clean Tech, Semiconductors, Battery, etc)
Data Centers (AI Compute and Cloud based)
Manufacturing (traditional, food and beverage)
Headquarters Facilities
Warehouse/Cold Storage



Policy

- Chief Financial Officer Scott Martin presented early policy framing at the SMUD Board's June 17 Energy Resources & Customer Services Committee Meeting.
- Developing a policy to protect **affordability**, ensure **reliability** and comply with legal obligations.
- **Feedback** from our customers and community.
- Committed to **supporting regional growth** in a way that **protects existing customers** from increasing costs.
- We'll bring draft policy recommendations back to the SMUD Board.

Feedback opportunity

What do you feel SMUD should prioritize as large electrical load projects grow in the region? Please rank each item from highest priority to lowest.



Feedback opportunity

What is your overall reaction to the idea of large electrical load projects in the Sacramento area?



What's next

- Large Load policy being developed for consideration by our Board
- FAQs: [Large electrical load project growth](https://www.smud.org/Corporate/About-us/Reliability/Large-electrical-load-project-growth)
(<https://www.smud.org/Corporate/About-us/Reliability/Large-electrical-load-project-growth>)
- Contact email: LLpolicy@smud.org



Powering forward.
Together.