

# Exhibit to Agenda Item #1

Provide the Board with internal and external presentations on Large Load Grid Integration and Artificial Intelligence (AI).

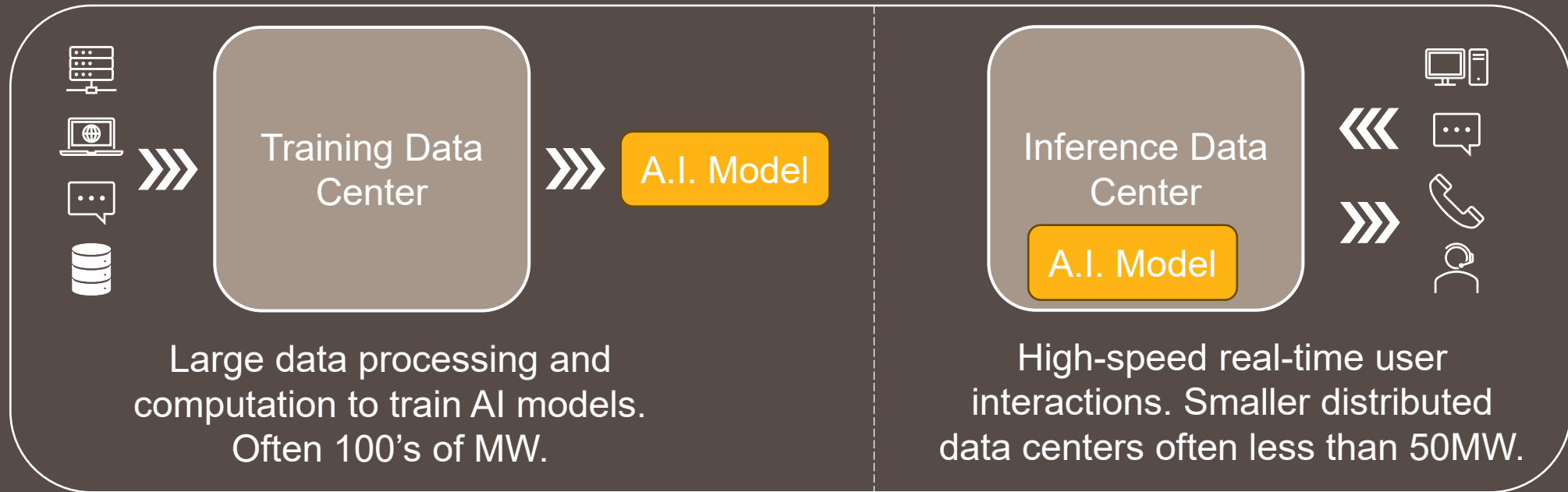
Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, February 10, 2026, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

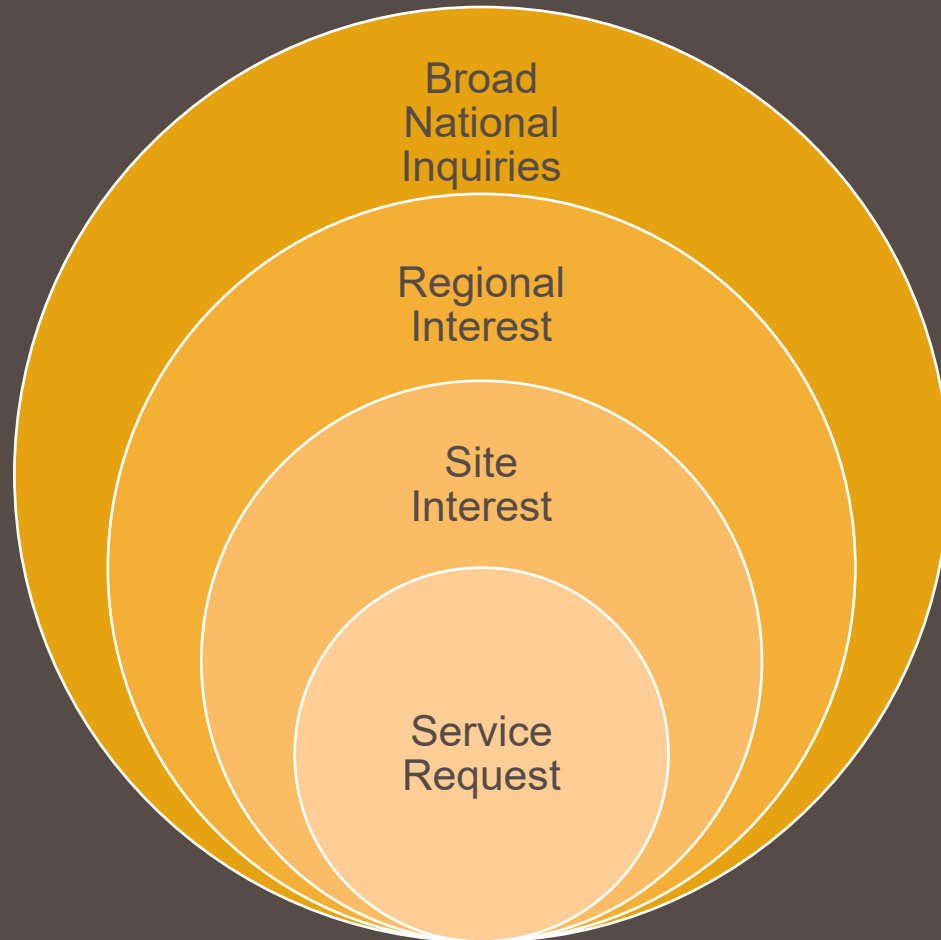
# Why Sacramento for AI Data Centers?

Not all data centers are the same



- Sacramento is well suited for Inference Data Centers
  - Data Latency, Land, and Cost of Energy

# Unlocking Opportunity and Navigating Challenges



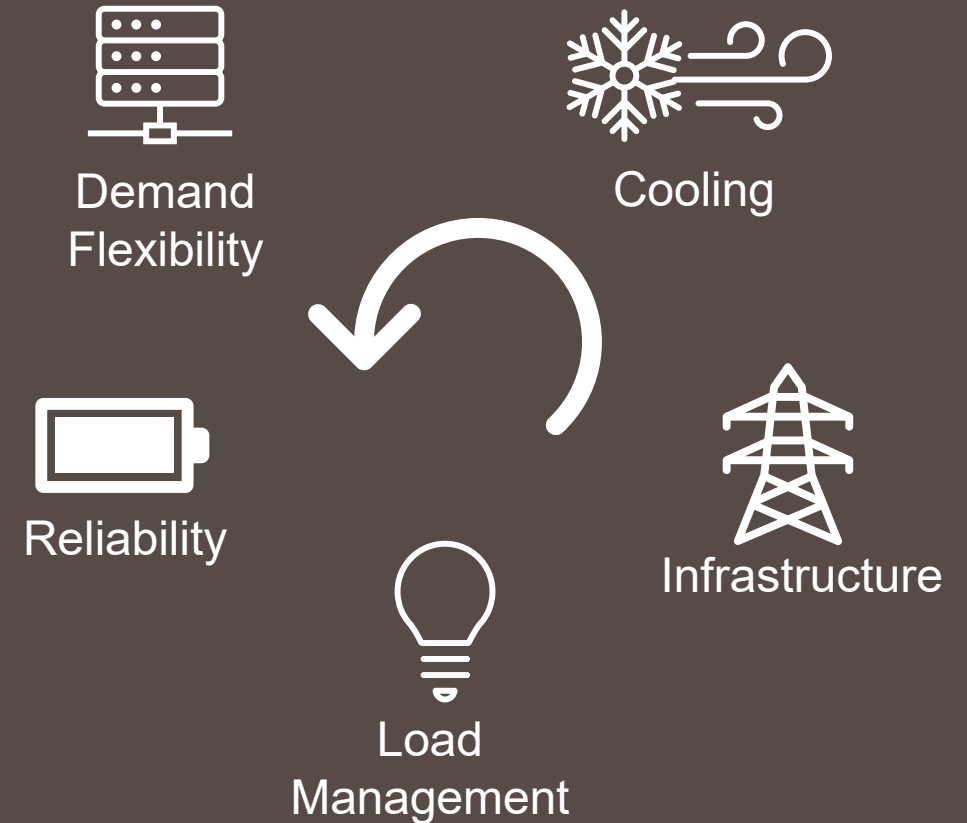
Types of Inquiries

## Keys to Success

- Quickly distinguish between speculative inquiries and high interest inquiries
- Ability to quickly respond to load serving capability questions
- Align system build-out with growing data center load
- Sustained load growth
- Regional economic growth and new jobs
- Aligned with other electrification sectors

# R&D Roadmap

- Energy Efficiency
- Load Flexibility and Demand Response
- On-Site Generation Co-Benefits
- Emerging Technologies and Advancements



# Growing AI Opportunities at SMUD

## AI Engagement

- Policies, acceptable use, ethics, risk review
- Training and change management

## General Purpose Chatbots

- Writing Assistance
- Research
- Writing Code
- Meeting Minutes

## Customized AI Chatbots

- Brand Voice
- Policies and procedures
- Rates and Rules
- Procurement
- Safety Standards

## Applications

- Transcription
- Image Analysis
- Automated Workflows

Questions?