

Exhibit to Agenda Item #4

Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute **Amendment No. 1** to the **Transmission Agency of Northern California Project Agreement No. 3**, substantially in the form attached.

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting

Wednesday, August 19, 2026, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Requested Action

Authorize the Chief Executive Officer and General Manager, or her designee, to negotiate and execute Amendment No. 1 to the Transmission Agency of Northern California's First Amendment to Project Agreement (PA) No. 3, substantially in the form attached.

Amendment No. 1 to the Transmission Agency of Northern California (TANC) Project Agreement (PA) No. 3

TANC Background

- TANC is a joint powers agency established by a group of California publicly-owned utilities in 1984.
- TANC's initial purpose was to construct the California-Oregon Transmission Project (COTP) transmission line between the California-Oregon border and Central California.
- Today, TANC's purpose is to provide transmission to its Member utilities and day-to-day operations, maintenance, and upgrades to the COTP.
- TANC's current Membership includes 15 publicly-owned utilities. The cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, as well as Plumas-Sierra Rural Electric Cooperative, Modesto Irrigation District, Turlock Irrigation District, and SMUD.

Amendment No. 1 to the Transmission Agency of Northern California (TANC) Project Agreement (PA) No. 3

COTP Background

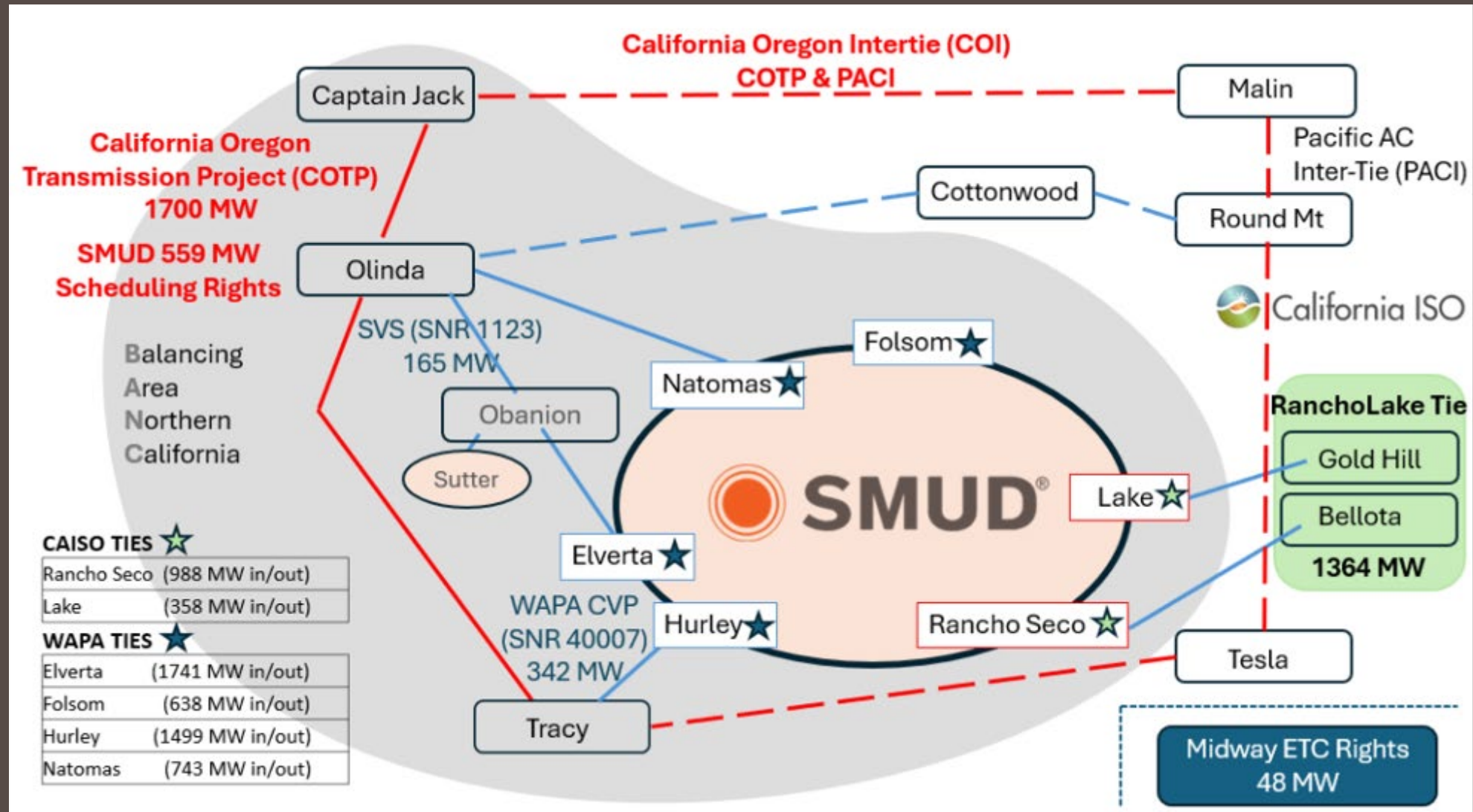
- The COTP and the Pacific AC Intertie (PACI) form the California-Oregon Intertie (COI).
- COTP is a 340-mile 500kV transmission line and related facilities that runs from Captain Jack substation in southern Oregon to six miles south of the Tracy substation in central California, completed and energized in 1993.
- COTP provides TANC Members with:
 - Bi-directional transmission to Pacific Northwest spot and long-term markets.
 - Access to Western Power Pool reserve sharing group.
 - Access to regional renewables.
 - Market diversity.
 - Risk mitigation.

Amendment No. 1 to the Transmission Agency of Northern California (TANC) Project Agreement (PA) No. 3

COTP Background

- SMUD's current total share of COTP transmission is 559 MW of North to South and 402 MW of South to North.
 - 393 MW of N-S and 282 MW of S-N are from SMUD's ownership participation percentage.
 - 103 MW of N-S and 74 MW of S-N are from a long-term layoff from Silicone Valley Power which expires 6/30/2039.
 - 38 MW of N-S and 28 MW of S-N are from a long-term layoff from select Northern California Power Agency members which expires 6/30/2039.
 - 25 MW of N-S and 18 MW of S-N are from a long-term layoff from Palo Alto which expires 1/31/2034.

SMUD Transmission Map



Amendment No. 1 to the Transmission Agency of Northern California (TANC) Project Agreement (PA) No. 3

Transaction Background

- In March of 1990, TANC members entered into the TANC PA No. 3.
- PA No. 3 provides for members' rights and obligations associated with COTP including:
 - Entitlement percentage share in the COTP.
 - Costs.
 - Assignment rights/obligations.
 - Voting requirements.

Amendment No. 1 to the Transmission Agency of Northern California (TANC) Project Agreement (PA) No. 3

Amendment No. 1 Context

- Streamlining how changes to member participation percentages are processed.
- Updating appendices to reflect existing member participation percentages.
 - No changes are being made to percentages from Amendment No. 1.
- Various other minor or non-substantive changes.
- No material impact to members costs, rights, or obligations.