Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, December 4, 2019, scheduled to begin at 5:30 p.m.
Headquarters Building, Auditorium
Public Power Business Model

- Core value
- SD-11 guides legislative and regulatory advocacy

In compliance with SD-11
Public Power Business Model
SD-11

Supporting and strengthening the public power business model is a core value. Local decision making and flexibility are essential to effective and responsible local governance.

Community-owned utilities are primarily accountable to their customers, not stockholders. Community citizens have a direct voice in public power decisions.

Preservation of this business model is vital to ensure public power systems continue to provide innovative solutions tailored to best meet the needs of their customers and communities.
Public Power Business Model
Support and Preservation

- Expanded CCA service to Silicon Valley Clean Energy
- Ability to hold nonstock security in a partnering company
  - AB 689 (McCarty): Passed
- Protected against CPUC oversight of Wildfire Plans
  - AB 1054 (Holden): Passed
- Preserved use of 2019 Cap-and-Trade Proceeds
Public Power Business Model
Support and Preservation

- Neighborhood SolarShares Program at the CEC
- Pushed back against federal sale of PMA transmission assets
- Worked to bring down costs of CVP power
- Successfully joined Energy Imbalance Market
Public Power Business Model
Continuing Issues 2020-2021

- Legislative restrictions on rate-setting
- Wildfires: Deenergization mandates, PSPS
- Centralized procurement
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