Exhibit to Agenda Item #1b

Legal, Government Affairs & Reliability Compliance 2022 Proposed Budget.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, November 9, 2021, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Safety & Reliability

- Western Electricity Coordinating Council (WECC) Audit of North American Electric Reliability Corporation (NERC) Standards
  - SD-4, 17

- Compliance with legislative and regulatory mandates (e.g., in response to extreme weather events)
  - SD-7, 17

- Ensuring information management requirements are met in new and existing systems
  - SD-16

- Increasing Internal Control focus to mitigate reliability risk in high-risk areas
  - SD-4, 17

- Ensure cybersecurity protections are in place and actively monitored
  - Using Domain Registries to reduce cybersecurity risk
  - SD-16
Affordability

- Federal grant assistance supporting 2030 Zero Carbon Plan
- Legal support for new revenue opportunities and monetization of intellectual property
- Execute litigation strategies for defense and cost recovery
  - Union Pacific Railroad
  - Rancho Seco settlement (annual claims process)
- Defend against costly mandates (e.g., wildfire mitigation, pole attachments)
Organizational Agility

- Improvements to evidence gathering and controls to better protect SMUD against property damage and injury claims
  
  - SD-2, 5, 17

- Enhancement of Document Usability and Control
  
  - Implementation of email records management policy
  
  - Streamlining of records classification and evaluation process
  
  - SD-2, 8

- Participate in wholesale energy market development
  
  - SD-7, 9, 11
Environmental Leadership

- Proactive advocacy at the local, state, and federal level that advances our strategic directives
  - Transportation and building electrification (ex. Advanced Clean Fleet)
  - California Air Resources Board (CARB) 2022 Scoping Plan
  - Distributed Energy Resource (DER) policy
  - California Energy Commission (CEC) Load Management Standard (LMS)
  - State clean energy project funding
  - Federal clean energy legislation/rule making

- Draft and negotiate power purchase agreements

- Legal/Government Affairs support for solar development (property rights & permitting)

- Establish firmer parameters around wind and other renewable development through litigation (*Solano County v SMUD*) and legislative outreach
Community Vitality

- Provide legal counsel that advances SMUD business objectives in the community
  - Sustainable communities
  - 59th Street re-use

- Local and regional government collaboration on building and transportation electrification in support of the 2030 Zero Carbon Plan

SD-2, 5, 7, 8
SD-5, 13, 15