Exhibit to Agenda Item #1
Accept the monitoring report for Strategic Direction SD-2, Competitive Rates.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, February 9, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
SD-2 Competitive Rates – Board Directions

- SMUD shall be 18% below PG&E’s rates (system average basis)
- SMUD’s rates shall be competitive with other local utilities (system average basis)
- Rates shall be designed to balance and achieve the following goals

1. Reflect the cost of energy when used or exported
2. Reduce use during periods of high demand
3. Encourage energy efficiency, conservation, carbon reduction & DERs
4. Equitability allocate costs across & within customer classes
5. Minimize rate of change during rate transitions
6. Provide flexibility & choices
7. Be as simple & easy to understand as possible
8. Meet the needs of people with low incomes
## Comparison to PG&E Rates

### 2021 Average Price Comparison in $/kWh

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
<th>Difference Range Below PG&amp;E 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>All residential rates</td>
<td>35.4%</td>
</tr>
<tr>
<td>Residential EAPR</td>
<td>All low income residential rates</td>
<td>34.0%</td>
</tr>
<tr>
<td>Commercial</td>
<td>All commercial rates</td>
<td>31.5% - 41.7%</td>
</tr>
<tr>
<td>Other</td>
<td>Street lights, traffic signals and Ag</td>
<td>41.9% - 50.4%</td>
</tr>
<tr>
<td>System</td>
<td>All rates</td>
<td>37.0%</td>
</tr>
</tbody>
</table>

As of December 1, 2021

SMUD’s system average rate is 37% below PG&E, which results in approximately $869 million annually in community savings.
SMUD continues to have one of the lowest system average rates as compared to other neighboring utilities

Source: US Energy Information Administration, 2020 EIA-861
Average Monthly Residential Electric Bill (2021)

- **SMUD has time-based rates, while the other utilities have tiered rate structures.**
- **Rates effective as of December 1, 2021. Average bills include applicable fixed monthly charge, energy charge and surcharges, and exclude local taxes.**
- **As of January 1, 2022, Roseville Electric’s rates increased 2.6% and PG&E’s rates increased 7.5%.**

February 9, 2022  
Board Policy Committee and Special SMUD Board of Directors Meeting
Customers use more in the less expensive time buckets and less in the 5 – 8 p.m. time period.

Customers continue to reduce energy usage during the 5 – 8 p.m. time period.
Questions?