I. Applicability

This Rate Schedule EDR is available to qualifying commercial customers locating, expanding, or retaining business in SMUD’s service territory with a maximum demand of at least 300 kW on a single meter that meet all eligible criteria.

II. Eligibility

A. Eligible customers are those taking service under Rate Schedules GS-TOD1, GS-TOD2 or GS-TOD3.

B. Third party verification by a leading Sacramento area economic development organization will validate the legitimacy of the attraction, retention or expansion effort. The following criteria may be considered in the decision process:
   1. Alternative locations under consideration (within and outside of California)
   2. Workforce requirements
   3. Other tax or cash incentives
   4. Logistical requirements
   5. Infrastructure or site improvement costs
   6. Timeline for creating new load and jobs

III. Pricing Structures

A. Eligible customers have two options (either Option A or B) to receive a reduction of the System Infrastructure Fixed Charge, Site Infrastructure Charge, Summer Peak Demand Charge and electricity usage charges on their bill, based on the table below.

<table>
<thead>
<tr>
<th>Economic Development Discount</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>5.0%</td>
<td>4.0%</td>
<td>3.0%</td>
<td>2.0%</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Option B</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

B. Eligible customers locating in areas of high unemployment and poverty as determined by the Disadvantaged Community designation under the California Office of Environmental Health and Hazard Assessment have two options (either Option C or D) to receive a reduction of the System Infrastructure Fixed Charge, Site Infrastructure Charge, Summer Peak Demand Charge and electricity usage charges on their bill, based on the table below.

<table>
<thead>
<tr>
<th>Disadvantaged Communities Economic Development Discount</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option C</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>6.5%</td>
<td>5.0%</td>
<td>3.5%</td>
<td>2.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Option D</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

IV. Conditions of Service

A. Customers must execute an Economic Development Rate (EDR) Option Agreement for ten years commencing on the agreement effective date.
B. New customers must apply for the EDR option prior to commencement of service with SMUD. Temporary service is not eligible for the EDR option. Applicants will have 12 months from the agreement date to reach the maximum demand of at least 300 kW load requirement. The effective start date for the EDR for new customers is the date of the first meter read for billing after three consecutive months with a maximum demand of at least 300 kW.

C. Existing customers must apply for the EDR option prior to the installation of new load with only additional load qualifying for the EDR. Existing customers specify in the Economic Development Rate Option Agreement the date when the new load will be added. The effective start date of the EDR is the first billing period following the specified date of load addition.

D. Retention customers will require the execution of a certificate by a company executive and/or owner certifying that the company is exploring other locations and electricity costs are a factor in its decision to do business in a location. The certification requires review and verification by a senior executive of a leading Sacramento area economic development organization. Retention customers specify in the Economic Development Rate Option Agreement the date when the existing load will be retained with only the portion of load deemed likely to relocate or cease operations qualifying for the EDR. The effective start date is the first billing period with the EDR following the specified date of the retained load.

(End)