

Exhibit to Agenda Item #1

Discuss August 30, 2023, as the date for the **Public Hearing** for considering the **Chief Executive Officer and General Manager's Report and Recommendation on Rates and Services (CEO & GM Report)** dated June 15, 2023.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Wednesday, June 14, 2023, immediately following the Energy Resources & Customer Services Committee Meeting and Special SMUD Board of Directors Meeting scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

2023 Rate Process

Board meeting on June 15, 2023

- Staff will release the Chief Executive Officer & General Manager’s Report (GM’s Report) and Recommendations on Rates and Services
- Board resolution vote to approve public hearing date

Rate Process Timeline

Public
Outreach
Period
76 Days



Date	Milestone
April 18	Board Workshop
June 14	Request a public hearing date at the Finance & Audit Committee meeting
June 15	Set public hearing date and release GM Report
July 13	Public Outreach Rate Workshop #1 at 10 a.m.
August 3	Public Outreach Rate Workshop #2 at 5:30 p.m.
August 30	Public hearing and rates resolution drafted at 6 p.m.
September 21	Board resolution vote

Three public notices are scheduled to be published on June 22, June 28 and July 3

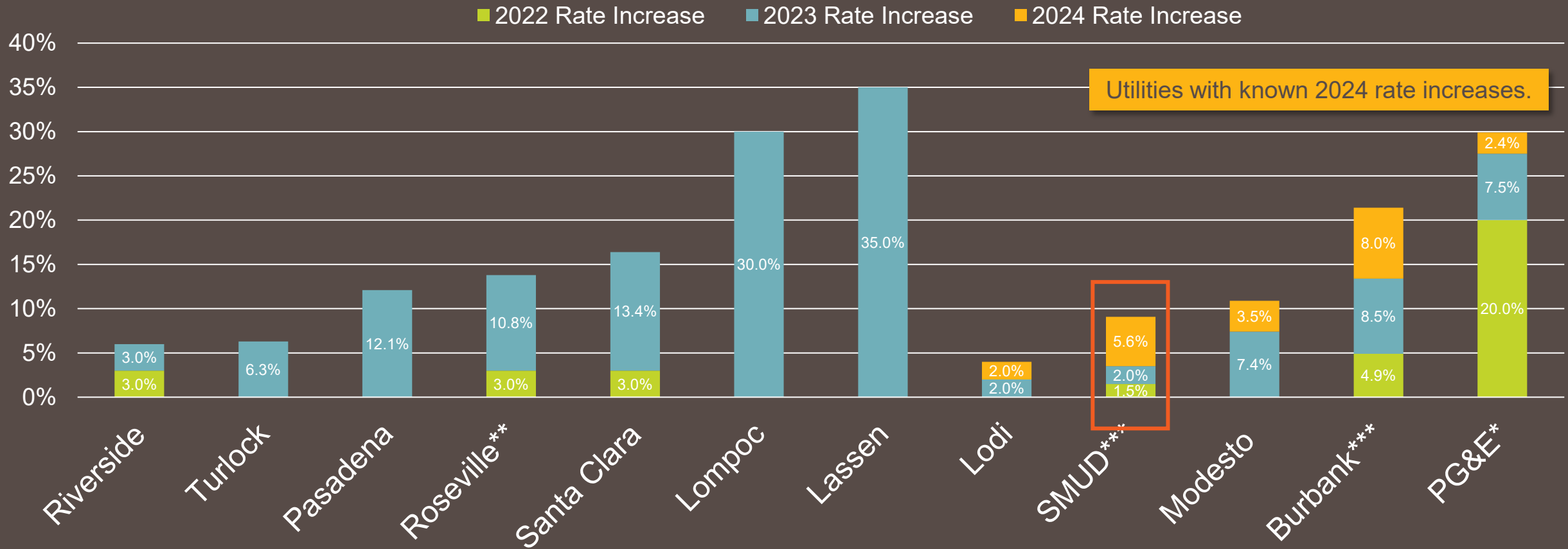
Rates Proposal

Rate Proposal	Rates & Effective Date	Customer Groups Impacted
2024 – 2025 Rate Increases	2.75% effective on 1/1/2024 2.75% effective on 5/1/2024 2.75% effective on 1/1/2025 2.75% effective on 5/1/2025	All Customers

- SMUD is committed to keeping rate increases within inflation
- Major drivers for rate proposal:
 - Reliability
 - New generation projects and higher commodity costs for California clean energy compliance requirements
 - Infrastructure improvements to maintain a reliable grid
 - Wildfire prevention and mitigation
 - Reliability for our generation facilities
 - Customer programs to support our 2030 Zero Carbon Plan
 - Inflation and increased operating costs, including materials, services and labor costs
- Continued internal focus on cost savings and efficiencies to minimize rate increases

For more details, please see the Rate Increase Drivers section in the GM Report.

Other utilities rate increases (%)



* Includes rates increase from the 2023 General Rate Case

** Includes Roseville's 8% energy surcharge

*** Proposed rate increase

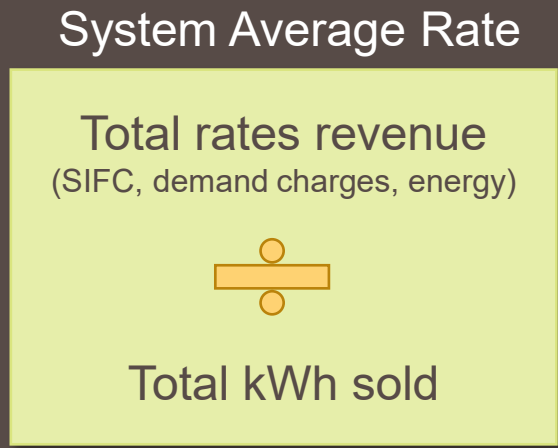
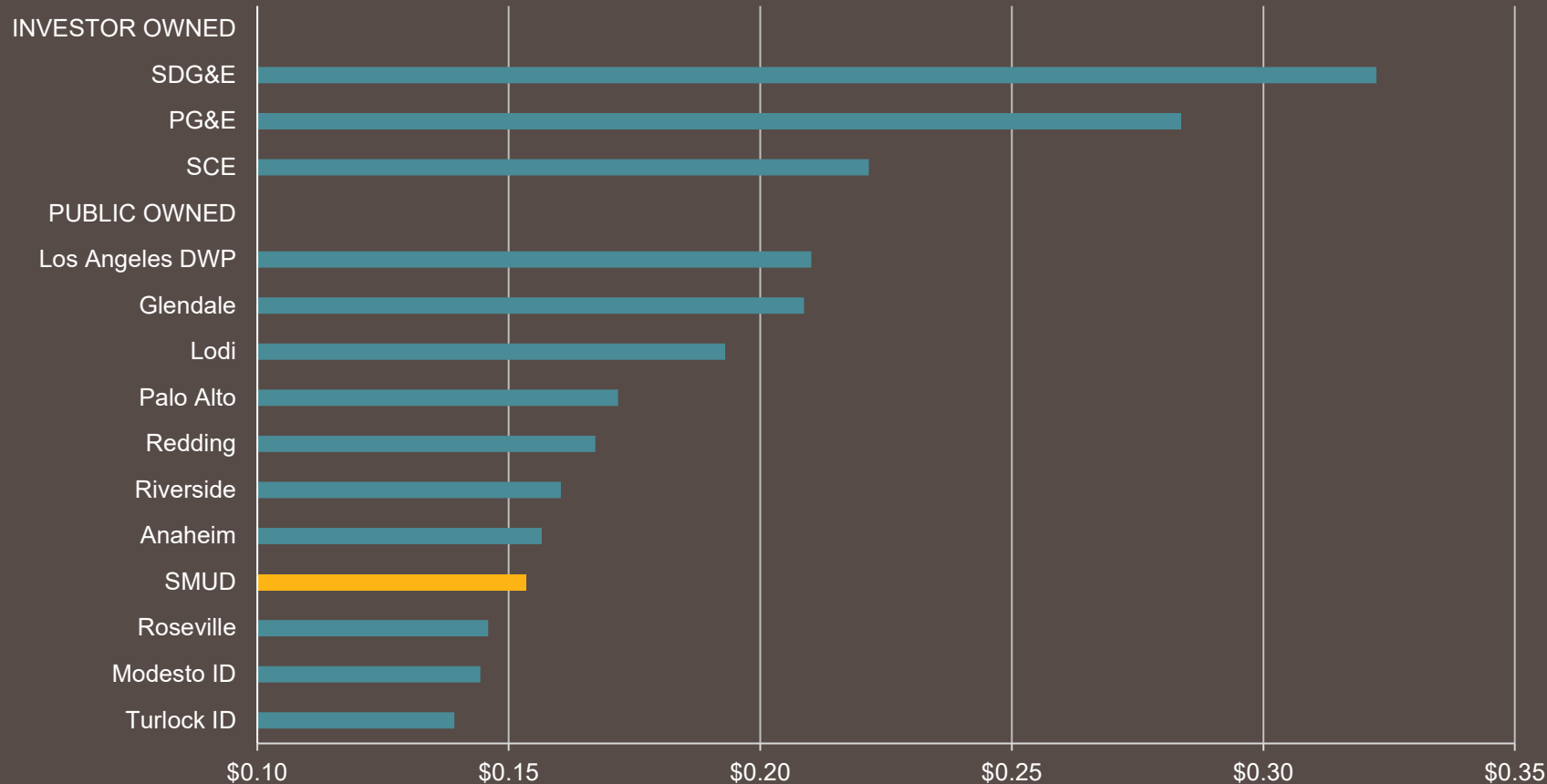
Bill Impacts with Proposed Rates

Average Monthly Bill Impacts						
Size	Average Monthly Bill	2.75% Rate Impact Jan. 1, 2024	2.75% Rate Impact May 1, 2024	2.75% Rate Impact Jan. 1, 2025	2.75% Rate Impact May 1, 2025	Total Bill Impact
Average residential at 750kWh usage	\$131.40	\$3.61	\$3.72	\$3.81	\$3.92	\$15.06
Small Commercial (20 – 299 kW)	\$3,121	\$86	\$88	\$91	\$93	\$358
Medium Commercial (500 – 999 kW)	\$27,173	\$747	\$768	\$789	\$811	\$3,115
Large Commercial (>1,000 kW)	\$103,221	\$2,839	\$2,917	\$2,997	\$3,079	\$11,831
Agriculture (Ag & Pumping)	\$445	\$12	\$13	\$13	\$13	\$51

Customers on our low-income Energy Assistance Program Rate (EAPR) & Medical Equipment Discount rate will see slightly different bill impacts than standard rate customers.

Amounts may reflect minor rounding differences

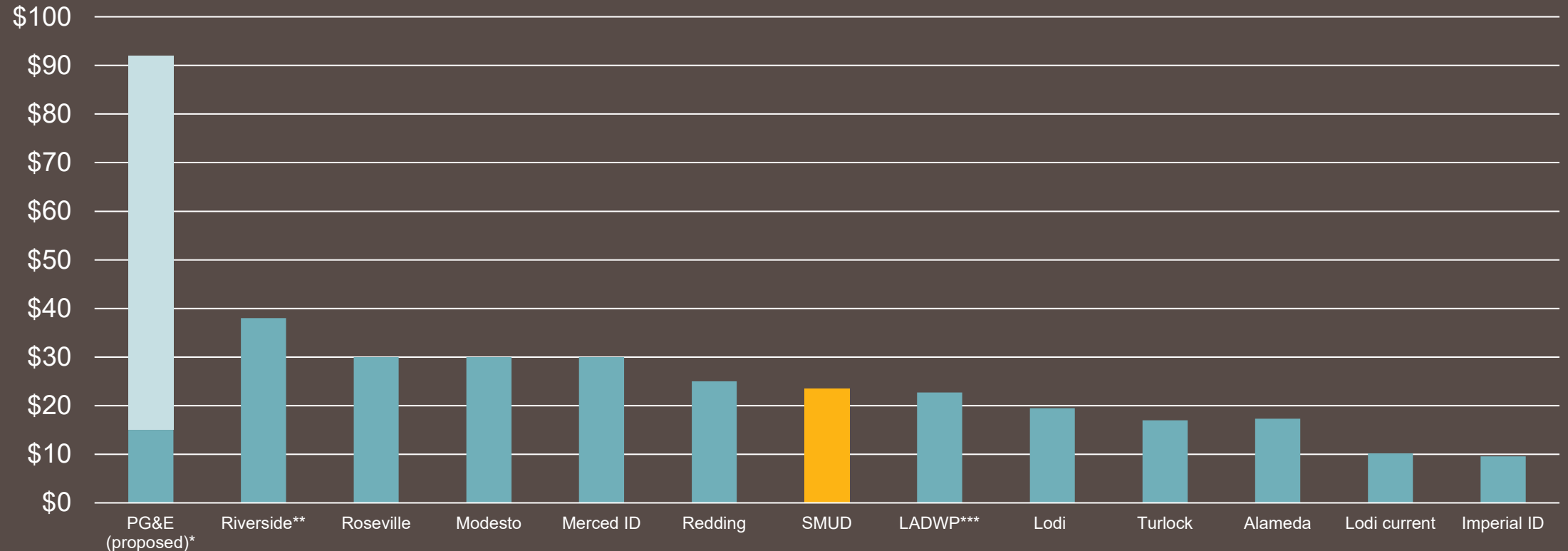
2022 Average System Rate Comparison (\$/kWh)



Source: EIA 861M 2022 and self-reported annual data from the 2022 EIA 861 annual survey

Residential Customer Charge Comparison

Customer Charge Comparison (\$/customer-month)



* PG&E proposed customer charge varies by income. \$15 up 100% FPL, and \$92 >650 FPL. The average charge is \$53.

** Includes basic charge, medium panel size reliability charge, and network access charge.

*** LADWP has a tiered fixed power access charge. The figure in the chart represents tier 3.

Source: Published rates information from utilities' web sites and rate cases.

Energy Assistance Program Rate (EAPR) Program Recommendation

Create a stabilization fund with non-rates revenue allowing additional funding for customers at the 0-50% Federal Poverty Level (FPL) level to receive an extra benefit of up to \$35 per month. Total potential benefit would increase from \$70 up to \$105 per customer. Financial impact is estimated to be approx. \$2M.

Federal Poverty Level (FPL)	# Customers**	Current EAPR Discount	Total Current Discount	Discounts Up To*	Total Discount with Recommended Funding
0% - 50% FPL	8,000	\$70	\$5.9M	\$105	\$7.9M
50% - 100% FPL	34,000	\$42	\$16.6M	\$42	\$16.6M
100% - 150% FPL	29,000	\$20	\$6.9M	\$20	\$6.9M
150% - 200% FPL	22,000	\$10	\$2.6M	\$10	\$2.6M

*EAPR discount numbers are estimates and will change annually based on non-rates revenue available and customer count.

**Approximate customer enrollments by Federal Poverty Level

Other Rate Updates

Rate Holidays

- Rate holidays mean customers pay low off-peak prices just like weekends
- Align SMUD rate holidays to federal holidays
- Remove Lincoln's Birthday and add Juneteenth

Generator Standby Charge

- Clarify that facilities that produce all of their own power needs and use SMUD only for back up service (e.g. microgrids) are subject to the charge
- No impact to solar customers since they are exempt from the charge

Hydro Generation Adjustment

- Add Western Area Power Administration (WAPA) hydro generation to the HGA tariff
- Change measuring station and associated numbers

Commercial Power Theft

- Simple \$/kWh rate to estimate unrecovered commercial revenue
- Not published in the tariff

Clean-up

- Remove residential and commercial legacy rates
- General clean-up of tariffs

Extensive outreach and communications

Our Rate Action outreach will deliver transparent, clear outreach to the widest possible range of partners and customers. We'll provide our external partners with many options of resources to support communications with their diverse constituents.

Extensive proactive outreach

Reach out to 750+ groups to provide menu of options to share an overview of the Rate Action proposal. Include email and personalized phone outreach to groups as needed.

Many options to support partners

Offer external partners many opportunities, including newsletter articles, slide decks, collateral or an opportunity for SMUD to speak at virtual or in-person meeting.

Tailored presentations

For groups requesting a meeting, we will tailor presentations based on audience type and time allotted and identify most appropriate presenter.

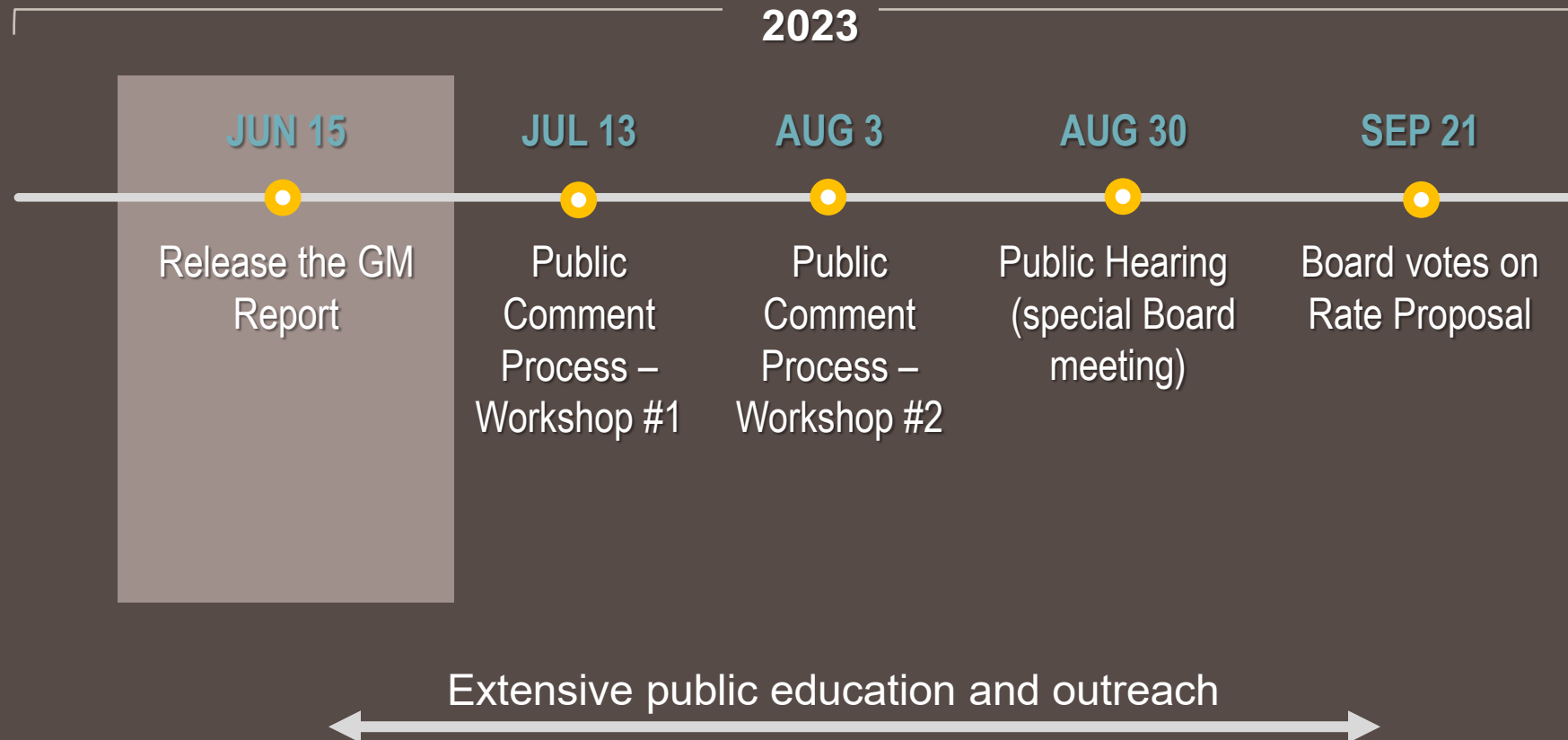
Maximize outreach across service area

Emphasis on balanced outreach across SMUD territory to reach customers. Will prioritize groups who have expressed interest in the past to make sure they are receiving information.

Multi-pronged communications and outreach



Rate Process Timeline



Requested Action

Approve August 30, 2023, as the date for the Public Hearing for considering the Chief Executive Officer and General Manager's Report and Recommendation ("CEO & GM Report") on Rates and Services (Volumes 1 and 2)