Exhibit to Agenda Item #3

Authorize the Chief Executive Officer and General Manager to negotiate and award a sole source contract to **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term January 19, 2024, through December 31, 2026, for a total not-to-exceed amount of $6 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting

Tuesday, January 16, 2024, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

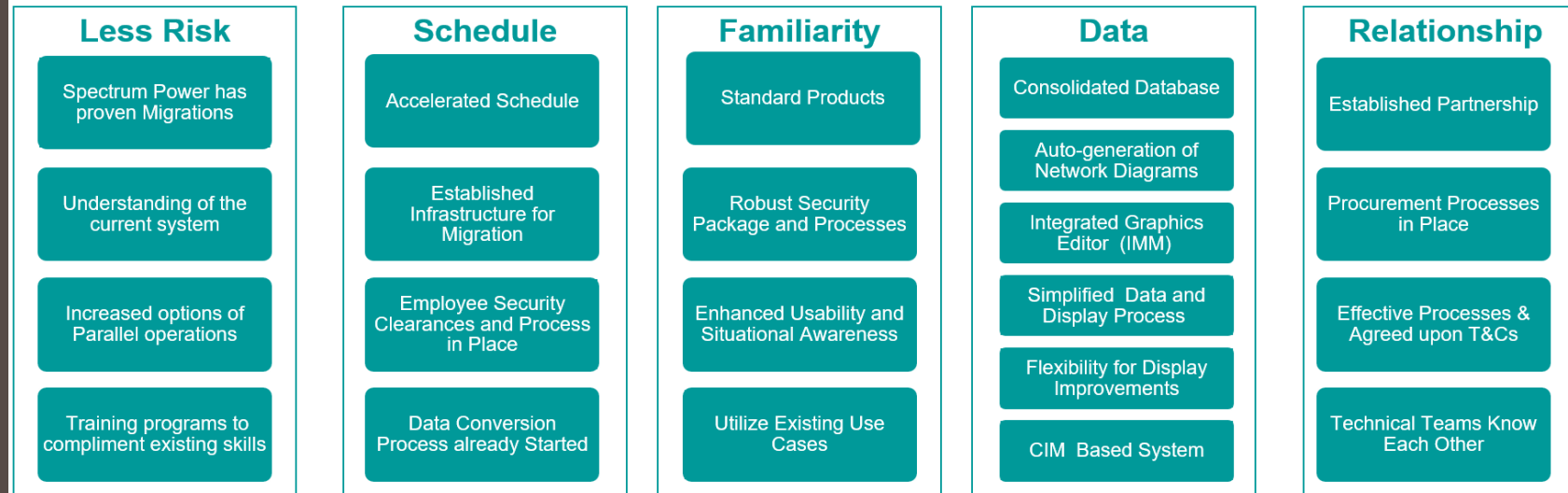Powering forward.
Together.

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Background

Siemens is our current Energy Management System (EMS) vendor and has been a SMUD strategic partner for over 35 years

- Critical platform used for real-time monitoring and operations of SMUD's transmission, generation, gas pipeline systems

- SMUD staff has invested over 500 person years of experience with the Siemens EMS, saving significant dollars being able to implement enhancements to suit specific SMUD/BANC needs

- Minimizes operational cost to participate in CAISO based programs such as the Western Energy Imbalance Market (WEIM), Extended-Day Ahead Market (EDAM), and Reliability Coordinator (RC) programs

- No other vendors can upgrade our existing EMS due to the proprietary nature of the software

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Procurement strategy

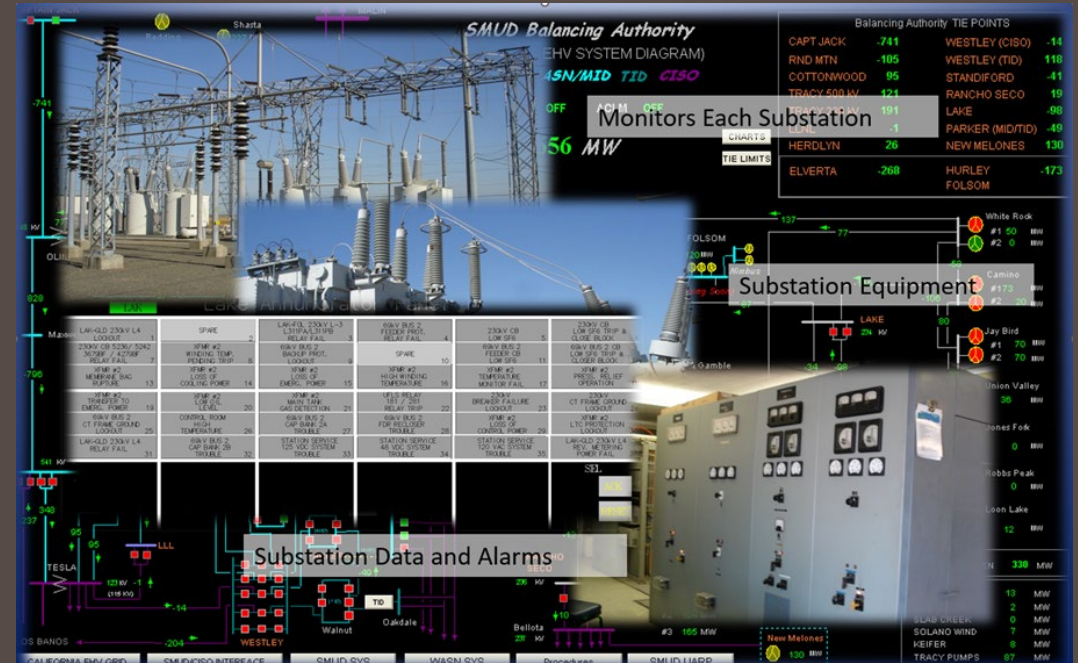| Less Risk	Schedule	Familiarity	Data	Relationship
Spectrum Power has proven Migrations	Accelerated Schedule	Standard Products	Consolidated Database	Established Partnership
Understanding of the current system	Established Infrastructure for Migration	Robust Security Package and Processes	Auto-generation of Network Diagrams	Procurement Processes in Place
Increased options of Parallel operations	Employee Security Clearances and Process in Place	Enhanced Usability and Situational Awareness	Integrated Graphics Editor (IMM)	Effective Processes & Agreed upon T&Cs
Training programs to compliment existing skills	Data Conversion Process already Started	Utilize Existing Use Cases	Simplified Data and Display Process	Technical Teams Know Each Other
			Flexibility for Display Improvements	
			CIM Based System	

Fair and Reasonable Pricing
- Reasonable total cost of ownership
- Flexible payment schedule based on milestones completion
- Additional services or functionalities
  - All SMUD customizations are either part of the base product or implemented
  - Software/license fees
  - Agile methodology used for project delivery
  - SMUD focused training/workshops
  - Battery Energy Storage System (BESS) Module to support SMUD's Clean Energy Vision

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Action Requested

Authorize the Chief Executive Officer and General Manager to negotiate and award a sole source contract to **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term January 19, 2024, through December 31, 2026, for a total not-to-exceed amount of $6 million.

Questions?

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting

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