

Exhibit to Agenda Item #1

Authorize the Chief Executive Officer and General Manager to negotiate and execute the **Country Acres Clean Power, LLC Power Purchase Agreement** with a 30-year term for 344 MW of solar photovoltaic power and a 20-year term for 172 MW of battery storage, as well as all other agreements necessary to facilitate the Country Acres project.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, September 19, 2023, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium

Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA)

Board Policy

- Strategic Direction SD-2, Competitive Rates; Strategic Direction SD-7, Environmental Leadership; Strategic Direction SD-9, Resource Planning
- Provides renewable generation and dispatchable battery resource that support the Zero Carbon Plan thermal transition

Background

- In 2021, SMUD released a competitive solicitation to develop the Country Acres project.
- SMUD evaluated the offers received through that solicitation and determined that Clenera offered the best value.

Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA) continued

Context

- SMUD will purchase the energy, capacity, and environmental attributes, including Portfolio Content Category 1 Renewable Energy Credits (PCC1 RECs).
- The project is located in Placer County just outside SMUD's service territory but interconnecting to the northern part of SMUD's transmission system.
- The point of interconnection limit is 344 megawatts with 344 megawatts Solar PV and 172 MW 4-hour battery storage.

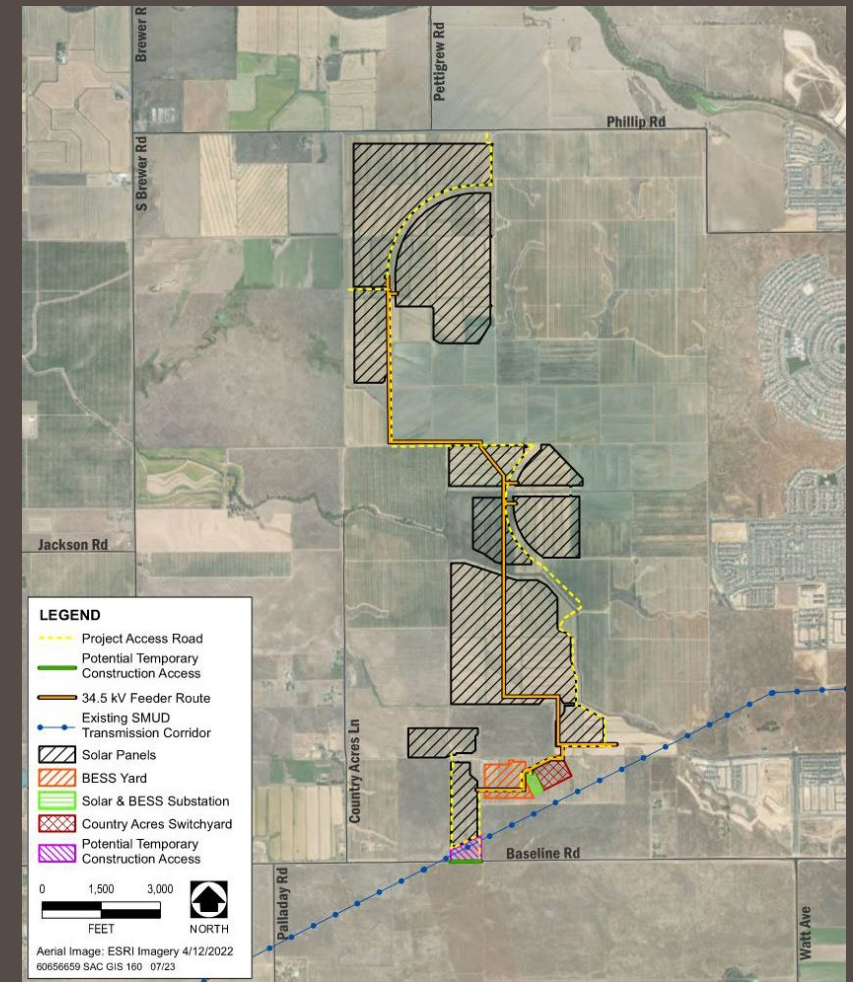
Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA) continued

Context

- Approximately 660,000 megawatt hours (MWh) per year of carbon free energy generated locally, or roughly 6% of SMUD's energy use and 172 megawatts (MW) of dispatchable 4-hour duration energy storage, at 688 MWh per battery cycle.
- This contract provides competitively priced, zero carbon power and will be a key contributor to achieving SMUD's 2030 Zero Carbon Plan.

Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA) continued

- Located on approximately 875 acres of land targeted for development by Placer County.
- Existing uses are rice fields and orchard
- California Environmental Quality Act (CEQA) approved in April 2023.
- Switchyard will be a SMUD owned asset adjacent to existing transmission lines.
- Portion is an Agrivoltaics demonstration project in partnership with UC Davis.
- Agricultural land conversion mitigation required



Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA) continued

Key Contract Terms

- Volume: 344 megawatts Solar PV, 172 megawatts 4-hr battery storage
- Annual cost: \$59.7 million for solar and battery storage
- Scheduled COD is December 15, 2026
- Term: 30 years for Solar PV, 20 years for battery storage

Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA) continued

Associated Agreements

- Development Services Agreement
 - Authorization of SMUD permitting scope
 - Reimbursement of up to \$237 million to developer
 - Reimbursement of up to \$1.5 million to SMUD for permitting
- Large Generator Interconnection Agreement
 - Authorization of 344 megawatts point of interconnection to SMUD's grid
- Land Lease
 - Lease/sublease of land for Country Acres project
- Station Service
 - Rate and structure of electric service for on-site load at Country Acres

Country Acres Solar Photovoltaic Power (Solar PV) & Battery Storage Power Purchase Agreement (PPA) continued

Associated Agreements

- Development Agreement with Placer County
 - Establishes \$1,178,790 annual fee during the operation of the project for to help pay for fire, police, and public protection services, as well as additional costs in support of the project.
- Placer Conservation Authority Agreement
 - Establishes mechanism to pay for agricultural land conversion mitigation required by the Environmental Impact Report, Placer County Conditional Use Permit and regulatory permits, expected approximately \$25 million