Exhibit to Agenda Item #3

Authorize the Chief Executive Officer and General Manager to negotiate and award a sole source Master Services Agreement with Itron Networked Solutions, Inc. to purchase hardware, software, and professional services to enhance the Advanced Metering Infrastructure (AMI) platform in an amount not to exceed \$42.5 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting Tuesday, February 13, 2024, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium



Background

Itron Networked Solutions, Inc. has been a SMUD strategic partner for over 25 years.



The Advanced Metering Infrastructure (AMI) platform is the backbone of SMUD's meter to cash process, with Itron providing maintenance, support, and professional services associated with the AMI platform.

SMUD's AMI platform is comprised of communication infrastructure equipment (smart meters), a communication network, and back-office systems.



Connected Clean PowerCity

Grid Resilience and Innovation Partnership (GRIP) Grant:

- SMUD was recently awarded a \$50 million grant from the Department of Energy (DOE) Grid Deployment Office's GRIP program, and Itron was identified as a named partner, for new technologies to increase reliability, efficiency, and flexibility of the electric grid.
- As part of the grant, SMUD proposed to deploy 200,000 Itron Riva edge computing sensors with measurement capabilities (smart meters) and eight Distributed Intelligence (DI) applications to enable Grid Edge Intelligence with deployment beginning in September of 2024 and continuing through the end of 2025.



Procurement strategy

To deliver on the 200,000-meter deployment schedule the following three-step procurement strategy was previously recommended:

Step #1: Maximize existing Itron contract

Purchase ~6,000 meters to deliver in August 2024 to support installations planned for September 2024



Step #2: New Itron bridge contract

Sole source contract to order ~70,000 meters needed for GRIP grant through January 2025

This is the sole source contract action previously approved in December 2023 for a total of \$15 million to ensure the grant project could commence



New contract for remaining hardware, software, and services needed for GRIP grant and ongoing legacy system needs

This is the sole source contract action currently requested for \$42.5 million

