

RESOLUTION NO. 21-09-08

WHEREAS, on June 17, 2021, the Chief Executive Officer and General Manager released the “Chief Executive Officer and General Manager’s Report and Recommendation on Open Access Transmission Tariff, *Volume 1*” (the “OATT Report”), which OATT Report is incorporated by reference herein and made a part hereof; and

WHEREAS, by Resolution 21-06-06, adopted June 17, 2021, a public hearing on the OATT Report was scheduled for August 31, 2021, at 5:30 p.m.; and

WHEREAS, notice of the public hearing was duly published on the *Sacramento Bee* on June 22, June 25 and June 30, 2021, the public hearing was held at the aforementioned time virtually on ZoomGov and livestreamed via Granicus and all interested persons were given an opportunity to comment and submit testimony; and

WHEREAS, pursuant to SMUD Ordinance No. 15-1, SMUD conducted the two required public workshops on July 8, 2021, and July 27, 2021, to receive and respond to customer comments and questions; and

WHEREAS, SMUD held two qualifying public workshops, contacted over 1,200 community organizations and neighborhood associations leaders via email, letter or phone call invitations to offer an in-person presentation, sent emails to over 256,000 customers and organizations with tailored content for each audience, conducted over 50 presentations to community neighborhood and business organizations, over 300 community and business partners were provided content and were asked to share information regarding the rate proposal with their members and networks, and an additional 55 local agency elected officials were sent information packets with an offer

of in-person presentations, which resulted in one meeting being held and offers for follow-up meetings if desired; and;

WHEREAS, SMUD provided all customers information about the rate proposal via email, mail newsletters, and through the rate change proposal website on smud.org, which received approximately 3,300 page views; and

WHEREAS, SMUD received from members of the public written questions, as well as comments and alternative recommendations to the rate changes proposed; and

WHEREAS, the public hearing was held on August 31, 2021, and out of an abundance of caution due to the ongoing COVID-19 health and safety precautions, the public hearing was conducted virtually, and all interested persons were given an opportunity to comment and submit testimony; and

WHEREAS, pursuant to SMUD Ordinance No. 15-1, this resolution was duly introduced on August 31, 2021, by this Board of Directors to be circulated for a minimum of 10 calendar days for public review, input and comment; and

WHEREAS, in compliance with Government Code section 54999, SMUD sent written notifications by certified mail on June 28, 2021, and June 29, 2021, describing the rate proposal to local school districts, county offices of education, community college districts, California State University, the University of California, and state agencies; and

WHEREAS, by Resolution No. 04-02-02, this Board of Directors adopted SMUD's Open Access Transmission Tariff (OATT), and by Resolution Nos. 11-08-07 and 17-06-10, this Board of Directors updated the OATT; and

WHEREAS, revisions to the Schedule 1 (Scheduling, System Control and Dispatch Service) and Schedule 2 (Reactive Supply and Voltage Control from Generation or Other Sources Service) rates contained in the existing OATT are necessary to accurately reflect SMUD's cost of service; and

WHEREAS, in light of the adoption of Proposition 26 on November 2, 2010, which precludes certain new fees, levies or charges but is not retroactive as to local governments, this Board of Directors desires to maintain certain pre-Proposition 26 rates; this Board of Directors understands that Proposition 26 does not vitiate legislation adopted prior to November 3, 2010, and any changes in rates since this date are cost-justified under the analysis in the respective Chief Executive Officer and General Manager's Report and Recommendation on Open Access Transmission Tariff that supported the adoption of the rates; and

WHEREAS, the recommendation to increase SMUD's OATT rates in Schedule 1 and Schedule 2 are based on cost of service principles and reflect SMUD's cost increases to provide transmission service uniformly to all transmission customers; and

WHEREAS, this Board of Directors has carefully considered the OATT Report, and public comment and input from community meetings, public rate workshops, and noticed public hearings; and

WHEREAS, this Board of Directors finds that updating the existing OATT Schedule 1 and Schedule 2 rates with the proposed revised OATT Schedule 1 and Schedule 2 rates is reasonable, in the best interests of the public and SMUD's customers, and provides a net benefit to SMUD; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. Effective September 17, 2021, SMUD's existing Open Access Transmission Tariff (OATT) Schedule 1 and Schedule 2 rates shall be revised and superseded by the revised OATT Schedule 1 rate of \$361.72 per MW of reserved capacity per month and revised Schedule 2 rate of \$80.38 per MW of reserved capacity per month (attached as Attachments G and H). The other Schedule 1 and Schedule 2 rates are multiples of the monthly values, and these are updated accordingly as shown in Attachment G and H.

Section 2. Environmental Assessment

1.0 Section 21080(b)(8) of the California Public Resources Code and Section 15273 of the California Environmental Quality Act (CEQA) Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.) provide that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of:

- (A) meeting operating expenses, including employee wage rates and fringe benefits;
- (B) purchasing or leasing supplies, equipment, or materials;
- (C) meeting financial reserve needs and requirements;
- (D) obtaining funds for capital projects necessary to maintain service within existing service areas;

2.0 This Board of Directors finds and declares that the proposed action will have no immediate revenue impact to SMUD since these rates are only used for incidental wholesale transmission sales, and reflects the reasonable costs to SMUD of providing transmission service under the OATT; and that no amount of revenue obtained from this rate increase will be used for any other purpose. Therefore, the proposed action to approve a revised OATT Schedule 1 and Schedule 2 rates with an effective implementation date of September 17, 2021, is for the purposes set forth in Sections 21080(b)(8)(A) through (D) of the California Public Resource Code. Therefore, this rate action is exempt from the requirements of CEQA. This finding is based upon information contained in the OATT Report.

Section 3. The Chief Executive Officer and General Manager, or his or her designee, is authorized to make non-substantive revisions to OATT Schedule 1 and OATT Schedule 2.

Approved: September 16, 2021

INTRODUCED: DIRECTOR BUI-THOMPSON				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON	X			
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

Schedule 1: Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area. This service can be provided only by the operator of the Balancing Authority Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Balancing Authority Area operator) or indirectly by the Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.

- 1) Yearly delivery: \$4,340.62/MW of Reserved Capacity per year.
- 2) Monthly delivery: \$361.72/MW of Reserved Capacity per month.
- 3) Weekly delivery: \$83.47/MW of Reserved Capacity per week.
- 4) Daily delivery: \$16.69/MW of Reserved Capacity per day.
- 5) Hourly delivery: \$1.0434/MW of Reserved Capacity per hour.

Schedule 2: Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Balancing Authority Area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Balancing Authority Area operator) or indirectly by the Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority Area operator. The charges for such service will be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Balancing Authority Area operator.

The Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

Reactive Supply and Voltage Control from Generation Sources Service for Network Integration Service Customers under Part III of the Tariff:

\$110.21/MW per month times the Transmission Customer's monthly coincident peak demand.

Reactive Supply and Voltage Control from Generation Sources Service for Point-to-Point Transmission Customers under Part II of the Tariff:

- 1) Yearly delivery: \$964.52/MW of Reserved Capacity per year.
- 2) Monthly delivery: \$80.38/MW of Reserved Capacity per month.
- 3) Weekly delivery: \$18.55/MW of Reserved Capacity per week.
- 4) Daily delivery: \$3.71/MW of Reserved Capacity per day.

5) Hourly delivery: \$0.2319/MW of Reserved Capacity per hour.

The total charge for Reactive Supply and Voltage Control from Generation Sources Service in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above times the highest amount in Megawatts of Reserved Capacity in any hour during such day. In addition, the total charge for Reactive Supply and Voltage Control from Generation Sources Service in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in Megawatts of Reserved Capacity in any hour or day during such week.