

SMUD BOARD POLICY



Category: Strategic Direction
Policy No.: SD-2
Title: Competitive Rates

Maintaining competitive rates is a core value of SMUD.

Therefore:

- a) The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class.
- b) SMUD's rates shall be competitive with other local utilities on a system average basis.
- c) In addition, SMUD's rates shall be designed to balance and achieve the following goals:
 - i) Reflect the cost of energy when it is used or exported to the SMUD grid;
 - ii) Reduce consumption during periods of high system demand;
 - iii) Encourage energy efficiency, conservation and carbon reduction;
 - iv) Encourage cost effective and environmentally beneficial Distributed Energy Resources (DERs) (examples of DERS include but are not limited to rooftop solar, battery storage, and energy reduction applications);
 - v) Minimize the rate of change in the transition from one rate design to another;
 - vi) Provide customers flexibility and choices;
 - vii) Be as simple and easy to understand as possible;
 - viii) Address the needs of people with low incomes and severe medical conditions; and
 - ix) Equitably allocate costs across and within customer classes.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

May 1, 2003	Resolution No. 03-05-08	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
February 21, 2008	Resolution No. 08-02-06	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
January 21, 2010	Resolution No. 10-01-09	Date of Revision.
February 18, 2021	Resolution No. 21-02-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]