

SMUD Rate Proposal Public Workshop #1 – April 30, 2025

Speaker 1 (SMUD)

Welcome to our rates workshop. Thank you for allowing me to speak with you today. My name is Danielle Buffalino and I'm a member of the Community Relations team here at SMUD. I'm joined by my colleagues and subject matter experts from SMUD as well.

We're here to have a conversation about a rate change proposal that our Board of Directors will vote on later this year. I want to note that the proposal has not been approved yet. Whenever there's a rate proposal, we reach out to the community to make sure we engage in an open and transparent process that allows for public input and discussion. As part of our process, we're here today to share this information with you and receive your feedback and answer any questions you may have.

This presentation includes a broad overview of the proposal and time for specific questions and comments at the end, so please hold your questions and comments until then. We're happy to stay as long as necessary to make sure the proposal is clear to everyone here and our guests online. For those of you that are joining us in person, in the event of an emergency, please note the emergency exits and evacuation plan shown on the screen and please take a moment to locate your nearest emergency exit.

All right. We have ninety minutes for today's workshop, that includes about thirty minutes for our presentation and thirty minutes each for moderated virtual comments and questions and in person comments and questions. This meeting is being recorded and will be transcribed for virtual attendees. Questions submitted through the virtual Q&A box will be available post meeting at [SMUD dot org back-slash rateinfo](https://www.smud.org/back-slash/rateinfo). Questions can be typed into the Q&A box at the bottom of the screen. Comments and statements placed in the Q&A box will not be addressed during the meeting. The moderator will read the questions and invite a team member to answer the question. All questions must be relevant to the proposals in this rate process. For in-person, attendees pre-registered in person members of the public can ask questions or provide verbal comment; three minute limit per person. For attendees unable to pre-register, we have a clipboard in the back right outside the room that you can sign in. If out of time, comments or questions may be submitted via e-mail to contact us at [SMUD dot org](https://www.smud.org) or at a future public workshop and or at the public hearing on June 4th.

Today we are joined by a few SMUD representatives. Alcides Hernandez is the Revenue Strategy Manager and has worked at SMUD for 14 years. Melissa Kwong is the Supervisor of our Pricing Department and has worked at SMUD for 14 years. Jennifer Restivo is the Director of Planning and Revenue Strategy and has worked at SMUD for 26 years.

I'd like to invite all Alcides to the podium to share the current rate proposal information.

Speaker 2 (SMUD)

Thank you, Danielle, for the introduction and good evening everyone. Thank you for coming here to the SMUD headquarters, those in person. We appreciate your time to join us for this workshop and those online as well.

First, let me start off by telling you an overview about SMUD. What you see here on the screen is general information about who we are. We have been your community-owned utility, not-for-profit for over 75 years. We are governed by a 7 member Board of Directors who live in the wards that they serve, and they are interested in your feedback on this proposal, which they will vote on in June. It is our priority to keep rates low, provide safe and reliable service, as well as programs and services that help you manage your energy use. In addition, we focus efforts on protecting our environment and providing benefits to the community and our customers.

Just to let you know, today we are one of the cleanest utilities in the nation and we are committed to eliminating 100% of the greenhouse gas emissions from our power supply by 2030. We're doing this because providing carbon-free energy is essential to improving our air quality and creating a better, cleaner environment for the

future for our region. You can learn more about our Clean Energy Vision or the 2030 Zero Carbon Plan at our website: [Clean Power City dot org](http://CleanPowerCity.org).

Why are we here today? Let me go over this briefly. It is our policy to actively communicate key business decisions that we make and which may impact your bills. Whenever there is a rate proposal, which we are in the middle of that proposal right now, we reach out to the community to make sure that we engage in an open and transparent process. That allows for public input and discussion. Tonight we will explain the proposal, answer your questions the best we can, and take any notes of any feedback and any comments that come.

We have two items that we're recommending in the rate proposal and I will walk you through those in the later slides. One is related to a proposed rate increase for all customers in year 2026 and 2027. The second is an optional rate for residential customers; those who have small electrical panel sizes and low energy usage, and I will provide you more details in the next few slides. Please know that before we present and discuss any proposal like this with the public and the Board, we focus internally in finding cost savings to ensure that this modest rate increase will have as little financial impact on our customers as possible. We know that rate increases are never easy. We don't take that lightly and we want to make sure that we are transparent about why we are proposing these changes.

First, the current state of the economy has created challenges for everyone, including U.S. electric utilities due to increases in our compliance requirements as well as cost increases in our goods, services and energy prices. These changes are needed. Here you see on the slide a summary of those drivers specifically. We see cost pressures in the areas listed here on the screen and now we'll walk you through them. Those four items, reliability and infrastructure additions and improvements to our grid, those include items like substations and our new fees on administrative operation building that we need to make those investments to continue to provide service, increases in costs to comply with California State requirements. Those include additional spending in generation and also energy storage projects, increasing costs for wildfire prevention and mitigation. You know, we are in California and that's an ongoing challenge for electric utilities. And lastly, inflation pressures keep increasing and as you probably heard in the news, inflation hasn't come down. It continues to stay high at levels that we haven't seen before. Now, to keep these proposed rate increases as low as possible, we focus on incorporating operational and efficiency savings in almost everything we do. Last year, just to provide you an example, we saved about 52 million dollars in a mix of one-time types of savings and ongoing savings from these efficiencies that we find in our operations. We have also worked to attract funding to support the community on our own through partnerships with regional agencies. These efforts have helped us keep our rates low and we will continue to do that as we move along into the future.

Now here are the specifics of the first item of the rate proposal. You know, there's a lot of information on the slide. Let me briefly walk you through. We're proposing rate increases in 2026 and 2027. These changes will impact all our customers. 3% effective in January of '26 and another 3% effective in January of 2027. Just to provide you an overview, this table has to browse at the toward the middle to illustrate the average impact to a residential customer. It will be approximately four dollars and thirty five cents, with the first rate increase in 2026 and about four dollars and forty eight cents in 2027, for a total cumulative of about eight dollars and eighty three cents; under nine dollars. Know that every customer uses electricity differently, so these are an average just to provide an illustration of how much the rate increase may look. Similarly, we are showing here the average impact of commercial bills; small commercial business with a cost of electricity of about three thousand four hundred and twenty five. So with that 3%, it will represent just slightly above one-hundred dollars. Similar for the second year in 2027 for about two-hundred dollars. Two-hundred and nine for the specific on this slide for that illustration.

Customers on our low-income Energy Assistance Program Rate, we call that EAPR, and also Medical Equipment Discount Rate, we call that MedRate, they will see slightly different rate increases because we offer them a rate discount to their standard bill.

Those proposed rate increases that we are recommending will apply to all customers on all the items on the monthly bill. Now as your not-for-profit community-owned utility, we have a policy to ensure that our rates remain among the lowest in California. We're also providing safe and reliable power. This graph shows how SMUD rates compare, and are very low to other utilities. So this is an illustration of dollars per kilowatt hour in an average benchmark used to compare the power cost of utilities or the average bills across the utility. SMUD is highlighted in the Orange bar toward the bottom. You see we are among the lowest in the region, and about 50% below Pacific Gas & Electric utility, which is the neighboring investor-owned utility close to our territory.

Now let's talk about some of our programs that we have available to help our customers lower their energy bills. First, we have the program that I was making reference to earlier; the Energy Assistance Program Rate (EAPR). That program provides a discount to eligible low-income customers where applicable. We have four different tiers depending on the federal poverty level. Information on the program is available on SMUD dot org. We also provide a medical discount to customers who have equipment needed for medical reasons. And that information is also available on SMUD dot org. It's actually 15 dollars per device that we provide as a discount. We also help customers access the federal Home Energy Assistance Program to get help with their electric bills. In addition to that, we help our customers lower their monthly bill with energy-saving bundles and programs that we have to make their homes more efficient and provide ongoing savings. Additionally, we have flexibility in terms of working with our customers to provide flexible payment arrangements and alert thresholds so they can actively monitor their electric bills. Details on those programs and benefits that we provide are available on our website SMUD dot org.

This covers the first part of the rate proposal. I'm now going to move on to the second part. We are going to be talking here about the optional low-use residential rate. Our standard residential time-of-day rate, we call it TOD in abbreviation, includes something that we call a System Infrastructure Fixed Charge. We often make reference to it as SIFC, this charge. As you see on the screen, it covers a small portion of the class of connecting the customer to the rest of the infrastructure, including power lines and local transformers. It also includes non-grid-related causes in the form of billing customer service and like the Contact Center. Different customers use different amounts of energy. They vary on size and, for instance, a typical home or large home uses more energy and have typically a large panel size. And small homes or apartments use less energy and have a smaller panel size. For customers that do not use much energy, this System Infrastructure Fixed Charge, or SIFC, could be a significant share of the proportion of the bill and for example, right now the System Infrastructure Fixed Charge effective on May 1st is \$26.20 per month.

To help balance these out, we are recommending a new optional rate for those customers with a small panel size, and also, with low electricity use. The next slide will provide more details of this recommendation. I would like you to know that this rate option will apply to a very small group of residential customers, not all of them consume low electricity, so most customers tend to consume higher than the very low. It is for those customers specifically that use electricity of below four hundred and sixty seven, and in that range, of kilowatt hours a month, and who have an electrical panel size of up to one hundred and twenty five amps. And just to give you an illustration, when I'm talking about amps, it is the amount of electricity that gets used. For example, an air conditioner could use 40 amps, just to give you a reference. So a small home could have a panel size of one hundred and twenty five, so it's capable of running the air conditioner and obviously other devices in the house.

This optional rate is designed to be revenue-neutral within the number of customers that we expect to be eligible for that rate, meaning that on this rate, customers will pay a lower System Infrastructure Fixed Charge. We are recommending seventeen dollars for this group of customers, in the slightly higher energy charges, so the balance creates a revenue-neutral situation for this group of customers. They may say there will be customers actually that will save, and if you believe that this rate might apply to you, you can learn more about this at our website SMUD dot org slash rate info. This proposal hasn't been approved yet, and the board will be listening to us on June 4th and on June 19th; that will be the night of the vote. If the proposal passes, we will reach out to those eligible customers that we believe will benefit from this rate and provide additional information so they can explore this optional rate.

Now here's a list of other programs that we have, and we would like to highlight some because they help customers save electricity and, obviously, reduce their monthly bill. We offer appliance rebates, free shade trees, and provide incentives to customers to adopt technology and continue to save. We also work with customers to provide free home electrification and weatherization for low-income customers, and much more as you see here on this slide. MyEnergyTools is another application that we have available to our customers. It can help them see how they are using electricity and what is causing it so they can customize tips to help save on electricity. Also, customers can set bill alerts to help them track how they are using electricity and how they are keeping that within their budget. Customers can learn about all these programs and tools that we have at SMUD dot org.

Now every time that we bring a rate recommendation to the board, we take the opportunity to bring additional recommendations that are not necessarily rate increases. So we're taking this opportunity for an update on something that is called an Open Access Transmission Tariff. The acronym is OATT, and this is for rates that are needed to transmit power using our high voltage transmission lines. No retail customer actually uses that tariff. Nobody is enrolled in that rate. It's mostly for those large generators that would like to pull power through our transmission lines, so does not impact any retail customer. The last time actually that we updated that rate at some portions of it was in the year 2017. Additionally, we are taking the opportunity to update miscellaneous language and terminology through certain tariffs in the tariff book, making it more consistent and basically doing some, we call it, a clean up of that language to be more clear on the interpretation and consistency. That covers pretty much what we have in the rate recommendation. We have a lot of details available at SMUD dot org slash rate info. We published two General Manager reports. We call them issued GM reports with details of this. That information again is available online and this workshop has been also organized to provide, you know, a venue to address any questions the customers may have.

So thank you once again for allowing me to speak to you this evening and provide you an overview of the rate proposal. Our team will be here, happy to address any questions that you may have. And Danielle, I think you probably can also help me out to see if there are questions online and help me with the ones that we may have here. Either myself or Jennifer or Melissa will be able to assist with answering the questions you may have. Thank you.

Speaker 1 (SMUD)

Thank you, Alcides. So at this time, we will check online to see if we have any questions that were submitted. If you have any questions and you're joining virtually, feel free to click the Q&A icon to open the Q&A box and type your question in the box. We will be filtering through those to be able to answer some of those questions. For those in the room, as a reminder, the in-person attendees who have pre-registered or signed in upon entrance will have no more than three minutes to ask questions and or make comments. All questions and or comments must be relevant to the proposals in the rate process. So if you have a question, feel free to raise your hand and we will bring a microphone over to you and our subject matter experts would be happy to answer. Great.

Speaker 3 (audience participant)

I would like to know a lot more about this Power Purchase Agreement from D.E. Shaw. D.E. Shaw owns the solar system out there at Rancho Seco and Slough House. Now I looked up online; you don't even know what you're gonna pay. You're asking for money here, based on a million, seven hundred and fifty thousand customers. You just got seventeen million dollars on the increase. Sure. Why don't you tell these good people that you billed twice, you billed it for poles, wires, transformers, wires and everything else on their electric bill, and then on the infrastructure you bill it again. Last, I've already paid. This is it right here this year you will collect over five-hundred, twenty-four million, nine-hundred and thirty-thousand dollars from infrastructure alone. And why don't you tell these people it's going up tomorrow? It's going to be more. It's going up to what? 28 dollars a month? Why don't you... people 's got to know the answer. Is the infrastructure going up to 28 dollars a month tomorrow? Yes or no?

Speaker 2 (SMUD)

Good evening. Thank you for that comment. And the question is going to be twenty... (cut off)

Speaker 3 (audience participant)

OK, multiply that times one-million, seven-hundred and fifty-thousand meters in SMUD and how much will you get?

Speaker 2 (SMUD)

\$26.20. It's actually going to be twenty-six dollars and twenty cents. That's gonna be effective.

Speaker 3 (audience participant)

See? You treat these people like this. This is what you got these people thinking like.

Speaker 2 (SMUD)

On May 1st.

Speaker 3 (audience participant)

Cash cows. How much money can we milk out of them? If you notice, who's sitting in the stool? It's Paul Lau. Why don't you put it out there on the windows? How much you get? Six-hundred thousand dollars a year and then you say, "Ohh, we got.. we need more money." You mean to say SMUD doesn't have enough brains to build a solar system out there at Rancho Seco? I know there's a lot of money going around and around and around, and where's it stopped is in your bank account. And us seniors are the ones that bear the brunt. I'm going on 82 years old. From here down, might be wore out, but between these two ears, it's working overtime. And I'm going to be here every time I get a chance. If I can move. And you give out these trinkets like this. How much does this cost for you to make and give out? A lot of these people can't afford to pay the bill. They can't afford to put... I've seen people getting from the back room, have food and come out. Do you get cars to drive back and forth to work? Paul Lau does. The Board of Supervisors. How much does it cost to put all the decals on those cars? You don't save money. Squander it as fast as you can. You people go through money like crap through a goose. And then there's more.

Speaker 1 (SMUD)

Thank you for your comments. Do we have any other questions or comments in the room?

Speaker 4 (audience participant)

I was just wondering, does SMUD have any commercial or industrial customers?

Speaker 2 (SMUD)

We do. We have a total of about over six-hundred-thousand customers combined out of those about five-hundred and fifty-thousand are residential. The remainder are a combination of commercial, some agriculture and street lighting customers.

Speaker 4 (audience participant)

I was wondering how the rate impact will affect commercial and the industrial customers, 'cause he mostly talked about residential and small business.

Speaker 2 (SMUD)

Our recommendation is to increase the rates of both residential and commercial. On the same amount, 3%, we have different levels of commercial customers and just to provide you some illustration, when I walked you through some of those examples, some of those examples, the example that I showed on this screen, it represents a small commercial customer in the neighborhood of three-thousand four-hundred and twenty-five, so that percentage increase is going to be a hundred dollars; 3% will represent about that. So two of those 3% will be about two-hundred dollars. But you can have also a large customer that can pay a monthly bill of a hundred thousand dollars. That's larger than the other. So for that, the 3% represents about three-thousand dollars and a cumulative of about six-thousand if we have two rate increases, and so on in the case of the

agricultural type of customers, the bills are not as high, so we have an average of about four-hundred and forty-five, for example, where the average bill will be 13 to 14 dollars, if we were to approve this; the Board were to approve this rate increase. Please, does that address your question in terms of how that will impact? Yes?

Speaker 4 (audience participant)

Thank you very much for answering my questions. So basically, each rate class will go up about 3%.

Speaker 2 (SMUD)

Yes, that is correct. That's what we are recommending; 3% on both residential and commercial, or non-residential.

Speaker 4 (audience participant)

All right. Thank you very much.

Speaker 5 (audience participant)

I'm just curious, when was the last time there was a rate increase and how much was it for all classes?

Speaker 2 (SMUD)

Sure. We present recommendations to the Board every other year, so the last time that we had this type of recommendation was in 2023 toward the summer of that year. So, at the time, the board adopted a series of rate increases for 2024 and '25. So those are being implemented. It was 2.75%, effective in January of '24 and 2.75 in May of '24. So then we have another similar amount in January of '25 which must have been implemented in the past five months. And this last leg, of the last percent, 2.75 effective on May first. That's what I was making reference to earlier; that that fixed charge is going to change from about twenty-five dollars and change to twenty-six twenty. Does that address your question?

Speaker 5 (audience participant)

So, has it historically been roughly 2%, 3% increase each time the Board approves one?

Speaker 2 (SMUD)

It has varied, actually, and I... I could probably... let me just... I was trying to get prepared for this kind of question, and it has varied in recent years. It has been in that range of 2 to 3% percent; three point seventy five. There was actually one year when we only had 1.5%. And there were years like in the year 2019 where it was almost zero. It was pretty much, for residential, no rate increase or a very, very minor 1% rate increase for non-residential, and before that has been in that range of 2.5 and 2012, 2013 we have no rate increases at all. So, it has varied. I think an average has been in that 2.5, less than 3% for sure.

Speaker 5 (audience participant)

Thank you.

Speaker 1 (SMUD)

Thank you. Do we have any other questions in person or online? OK, no virtual questions. We have another question in the audience?

Speaker 3 (audience participant)

How much do you pay D.E. Shaw? Well, that's all right. D.E. Shaw per kilowatt hour from them solar farms?

Speaker 2 (SMUD)

I'm not familiar with that. Me, I'm not, but I can definitely reach out on this to subject matter experts.

Speaker 3 (audience participant)

For-profit corporation out of New York. Right. Multinational. And they're not out there. SMUD does not own that solar farm, if you want to know. They don't own the one at Rancho Seco and they don't want to own the one at

Slough House. And how many people here have looked at a geological survey map? Those solar farms are going to help cause flash flooding on the lower Consumnes because Consumnes river is a wild river.

Speaker 1 (SMUD)

Thank you for your comments. Do we have any other questions or comments in person? Yes.

Speaker 6 (audience participant)

So, this gentleman just made me think about a question in regards to. If we don't own the property and someone else does, so we're paying what? Lease rents? Mortgage? What? On the property and the use of their property? Just the land alone, it probably costs a great deal. And the more stuff you put on it, the more it's going to charge. Is there a big payment on that or if they raise their rates because they like to raise their rates and the ratepayers has to cough up the money for it?

Speaker 7 (SMUD)

Thanks for the question. My name is Jennifer Restivo. The reason that we do power purchase agreements often times is because it's advantageous to us from a tax perspective. Often times other entities are able to utilize investment tax credits and other tax subsidies and so, by doing a power purchase agreement with them, we're able to lock in favorable terms for that purchase of power. And we do sign a contract for the life of the term, so if something were to happen and they were to raise the rates, we're locked in to that price. And so, we do sometimes lease the land. We own the land at Rancho Seco. So, it just depends on the location and every time we do one of those transactions or we build a power plant, we look to see the most economical way to do it to ensure we're able to keep our rates low.

Speaker 6 (audience participant)

So, therefore, is there an ecological survey in regards to making sure the, you know, the snails or whatever doesn't get affected by this great, you know, plant that's getting built?

Speaker 7 (SMUD)

I can't speak to snails, but I know for every project that gets built there's a very in-depth CEQA and EPA review. I don't know what that... I'll be honest, I don't know what they stand for off the top of my head, but there's very thorough requirements for ecological review and all of the impact. So I know that those are done for projects. I don't know specifics on these two projects, but I know we do follow the rules for environmental mitigation.

Speaker 6 (audience participant)

So, therefore, that's an additional cost to the rate payers?

Speaker 7 (SMUD)

It would be that any project that gets built requires many of those.

Speaker 1 (SMUD)

Thank you. I see another question.

Speaker 3 (audience participant)

That property out there, Rancho Seco and Slough House. Is a land lease from SMUD. I haven't been able to figure out if they bought it, sold it, or what. But they, D.E. Shaw has put that solar system out there with batteries, and they have SMUD buy the electric from them. But I want to add one more thing; in 2020 SMUD started gutting rooftop solar in Sacramento County, and they've been gutting it all the way down to where it's seven point something cents. I don't need that. And now I see down there at... oh... no, that this is what bothers me, at Bruceville and Big Horn, the property. They're putting 6... 6 or 10 panels on the roof. Well, that kind of a solar system won't work. You need at least 30 panels... and an inverter, to do it. I have a solar system. If you really want to know, people, I don't have to be here because my electric bill last month was zero. But I still had to pay your 20 dollar... 25 dollars and fifty cents for service charge. Last year I paid three-hundred dollars for your infrastructure service charge, and I paid twenty dollars for electricity. Solar does work.

But SMUD is doing everything they possibly can to stop it. They held me up for a year and a half... two and a half years... and cost me seven-hundred dollars. And if you don't think I ain't unhappy about it, you better take another look. How would you like to have seven-hundred dollars taken out of your pocket? Anybody would go along with that. I finally did get my 30 panels up, and so far this year I got 4 dollars in electric. So it works if you know how to work it.

Speaker 1 (SMUD)

Thank you for your comments. Any other questions online or in person?

Speaker 8 (audience participant)

What's going on with the panels and how it affects us, if we're paying out of our pocket for something we shouldn't be paying? I don't understand. Can somebody explain it? No?

Speaker 2 (SMUD)

The part that I can refer to is the System Infrastructure Fixed Charge and the cost of providing service; that most of it has nothing to do with the production of electricity. So those costs, for example, includes the billing aspect of the service. That is not directly rates. The customer consumes electricity and the billing part of it is indifferent of how much customer consumed. Similarly, with the calls related to customer care and other types of administrative service. Along with that is the connection of the customers to the grid, which is something that is different from the usage. It's like a... not a minimum, but it's like a base charge that we have to collect in order to maintain the financial health of it. So in that sense, that's what we collect in the 25 dollars or so that we are collecting today, and on the chart, that is going to 26 dollars and twenty cents, effective on May 1st. And to that extent, we do that because it is that way aligned with the cost and as a utility we have to follow certain parameters and guidelines so that our rates reflect costs.

Speaker 3 (audience participant)

One other thing I'd like to say; SMUD can post all of this stuff on those windows out there. Who gets what, how much they pay for what, and where and when. You post it on the window so people can come up and read it at night when they get off of work. It would be great. How much did everybody get paid? You know, they go... they like it... you have this same... most of the people get off about five o'clock in the evening. Nothing red. The most expensive time, you go to the blue. That's two and a half times less than the red. When I went to school, takes just as much to generate power at night with all them lights on. If you get up in the morning, you can look at the news and look out there in the background, lights out the gazoo and them power plants are running full tilt, but yet you charge the people two and a half times more to cook their evening meal for their kids, for their grandparents, for themselves. And you should hang your head in shame.

Speaker 1 (SMUD)

Thank you for the comments. Do we have any others?

Speaker 6 (audience participant)

Like, yeah... and it's not... it's not just, you know, people go home. We're retired, so we're home 24/7. Unfortunately, because we can't afford to go anywhere. And with all the rates going up, not just you, but especially PG&E? But the problem is that at that time between 5 and 8, especially in the summer time, it's hotter. The heat is the most. It peaks up between 3 and 6, and yet you want to charge us more between 8 and 5... I mean, 5 and 8. It doesn't make any sense for us because we're over here sweating bullets for the next two or three hours and, you know, we have our medical problems and we need our cooling system, and to PG&E, we need our heat here in the winter time because as we get older our skin starts to thin out. And so we're running around with sweaters and blankets and stuff just to stay warm. And then in the summer time, we're trying to find a room to which is the coolest one. Or do you go find somebody's swimming pool and jump in without them knowing? You know, I think that I understand that when people get home, people will use more electricity. But you're charging more?

Speaker 8 (audience participant)

Is it two? Is it? Double like? I mean, it's like going from one tier to another tier and before you know it, you're a higher bracket. So why do it? Is there a reason they charge a whole lot more, double, from five to eight? I mean, when you're home, everybody's home from work and everything, and then you want to, like you, you know, cook or you want. You're turning on the lights or whatever after you get home from work.

Speaker 7 (SMUD)

The reason that our prices are higher during that 5 to 8 period in the summertime is that's when market prices for energy are highest. It's because everyone is going home at 5 to 8 and they're all using electricity and the solar is starting to wind down, right? Because the sun 's already starting to set. And so that's why we ask customers to conserve during those hours... to sort of help that, right? Because if we're able to conserve energy, we wouldn't have to build that next power plant; and so that is really reflective of the market prices, and you can see the market prices across the year and during the summer the peak time LLC is far more expensive. But the market prices are substantially higher during that 5 to 8 time period.

Speaker 1 (SMUD)

Thank you. Any other questions or comments? And then online? OK.

Speaker 8 (audience participant)

Excuse me. In reference to the panel, you were indicating that if you have a smaller panel and then another panel, I don't know, you would pay more if you have a larger panel? How does that work? I mean, do you have more switches, more use, or what? Because we had an electrician that was going to... he thinks he was going to put an extra panel. And I thought he was going to replace the panel because we needed some more electricity to go somewhere else. So how does that work when for the rates, I mean, does it go extremely high? Because if we want to change out the panel or what? Do you have any suggestions?

Speaker 2 (SMUD)

Yeah. No. Thank you for that great question. It's probably a common dilemma when a customer is thinking about upgrading or doing something with the electrical panel. The recommendation that we're making is actually more to address the size of those customers. Mostly I would say, apartments and small homes, that they have relatively small panels because the electric needs from the facility of the small building or the small apartment is small compared to other, like, large homes, a three-thousand square foot home, or something like that. So this won't impact other customers. This is going to be optional. So everybody who has a panel larger than one-hundred and twenty-five, they will continue to be on the rate. There are no changes to that. So this just becomes an option for those who have a small panel. This rate is beneficial to them. Then they will be eligible to enroll and perhaps save some on the electrical bill.

Speaker 8 (audience participant)

So, we'll be able to save?

Speaker 2 (SMUD)

To save some on the electrical bill. So if they were to save because of the lower System Infrastructure Fixed Charge of seventeen dollars rather than the twenty-six dollars and twenty cents.

Speaker 8 (audience participant)

So, if we wanted to change out our panel, basically, that's not going to change too much?

Speaker 2 (SMUD)

That is correct. If the panel is already larger than one-hundred and twenty-five KW then there is no change to it.

Speaker 8 (audience participant)

OK. Because I know that growing up, you know, we lived in a small home with my parents, and we had a small panel. I get it was a small house, but it kept and to this day, even though he's passed away, my nephew's living there. It keeps... the breakers keep going off, and I don't understand why. If he needs to change that panel out and if we're going to, if he's going to have to pay more for it.

Speaker 2 (SMUD)

As I said earlier, we're not changing the rates for most customers and, in fact, this is going to be an optional rate intended actually to save on the bill for those customers who have small panels. So, most customers won't be impacted by this.

Speaker 8 (audience participant)

OK. Well then, thank you.

Speaker 2 (SMUD)

Sure. Thank you.

Speaker 1 (SMUD)

Thank you.

Speaker 3 (audience participant)

Instead of sending it out, all of this propaganda that you send out... plant trees, and... ah, trees. Water's going up. Trees fall down. They do damage to the cars. If you put a solar rooftop... solar on your rooftop... you don't need a tree. It's like an umbrella. So, you can put the cost... what it costs on this... instead of sending out this kind of propaganda. How much does it cost to run your vehicles? How much is the cost for a telephone pole? How much does it cost for a thousand feet of wire? How much is the cost to run this building? You could put it in this propaganda instead of saying, "Oh, save." Well, now you push an electric stove that works off a 220. But you know, if you get little fry pans and grills and stuff and plug them into the wall, that's a hundred and ten. When I went to school, that's fifty percent less. I don't know what they teach in school now. They don't even teach which bathroom to use. A kid hugging a tree. I got it right here, kids hugging a tree. I laugh at this one. I got some other things in there you don't even want to see. This one right here. What does it cost to put this up? Oh... this was sent to me direct. How much did it cost for postage? You know, you know, you gotta think of how much you're spending every time. You say this is a non-profit. Was there somebody making a lot of profit? Because every time a legislator, these... these people we elect, they go in as broke and they come out as multi-millionaires. Where does the money come from? Comes right off the backs of the people. Because you treat them like cash cows. And remember, that's Paul Lau milking the cow for six-hundred-thousand dollars a year.

Speaker 1 (SMUD)

Thank you. OK. And so, what happens next? We will have two public workshops and a public hearing, and you can view those dates on the screen. Those dates and times. The final decision on the rate proposal will be made by our Board of Directors at the Board meeting on June 19. These are all public meetings and you're welcome to attend and comment. If you would like some more information, there are a number of sources for you. Our website at SMUD dot org back slash rate info. The CEO and General Manager's report. If you have questions or comments after today, we encourage you to e-mail us at ContactUs@SMUD.org or give us a call at this number on the slide. Please also check out information on the website for energy efficiency tips and other programs and services. We welcome your questions and comments throughout this outreach period. And that concludes our workshop for today. Thank you.