

Exhibit to Agenda Item #2

Provide the Board an informational briefing on federal legislative activities.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, December 11, 2024 scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium



Overview

- Biden Administration highlights
- 2024 year in review
- New Administration, new Congress
- Policy priorities
- Risks and opportunities in 2025

Biden Administration Highlights



April, 2021:

- Paul Lau introduces the 2030 Zero Carbon Plan at a hearing of the House Select Committee on the Climate Crisis



October, 2023:

- SMUD wins \$50 million Smart Grid grant for Connected Clean PowerCity project



November, 2021:

- President Biden signs the Infrastructure Investment and Jobs Act into law, including \$65 billion in power infrastructure grants



November, 2023

- SMUD makes its inaugural trip to the Conference of Parties in Dubai, UAE



December, 2021:

- Energy Secretary Jennifer Granholm visits SMUD's battery storage and Power Academy site



April, 2024:

- Biden administration EPA finalizes greenhouse gas emissions standards for new gas and existing coal plants



August, 2022:

- President Biden signs the Inflation Reduction Act into law, including \$370 billion in clean energy tax incentives



November, 2024:

- President Biden becomes first sitting U.S. President to visit Amazon rainforest, saying “no one can reverse” the clean energy revolution



2024 in Review

- Narrow House majority delays FY24 funding
- DOE walks back transformer rule
- Treasury/IRS publish guidance on elective pay, IRA credits
- EPA final rule on greenhouse gases from power plants
- FERC Order 1920 – transmission planning and cost allocation
- Supreme Court overturns *Chevron*
- Manchin-Barrasso permitting deal
- Rise of load growth from data centers

New Administration, New Congress



- Republican unified government
- 12 new Senators (53-47)
 - New GOP Leader
 - Welcome Sen.-elect Adam Schiff (D-CA)
- 60+ new MOC (~218-209)
 - Speaker Johnson's 2nd Act
 - Narrow margin vs. Trump unity factor
- New leadership on ENR, E&C, EPW



Gov. Doug Burgum

- Businessman turned ND Governor
- Established carbon neutral by 2030 goal for the State (focus on CCS)
- Presidential contender turned Trump energy adviser
- Support for increased oil & gas drilling on federal lands, critical mineral mining

Chris Wright

- Mechanical engineer turned Fracking company CEO
- Believes benefits of energy abundance outweigh risks of climate change
- Likely to refocus on innovation over commercialization and deployment
- Supports gas, nuclear, geothermal



Lee Zeldin



- Attorney and Army Reservist turned Congressman
- Climate Solutions Caucus, Conservative Climate Caucus
- Strong supporter of former President Trump during impeachment trial

“Energy Dominance” Executive orders expected



End LNG pause



Withdraw GHG rules
for power plants



Issue permits for oil
and gas drilling



NEPA
implementation

Policy Priorities

Extend TCJA

Secure the
border

Lower consumer
prices

China
competitiveness

Energy
dominance

End Russian
invasion of
Ukraine

Repeal IRA

Culture wars in
education

Reconciliation



Expedited process, must be budgetary in nature

Scope: Extend TCJA, repeal IRA provisions, others?



Permitting Reform

Lame duck prospects for Manchin-Barrasso

More legislative focus on oil & gas extraction

NEPA tweaks



Risks & Opportunities

Tax credit rescission

Tariffs/Buy American

Grant program pauses/termination

Reorganization delays

Load growth outpaces government remedies

Instability, unpredictability

Risks & Opportunities

Permissive permitting
environment

Infrastructure bill reauthorization

Economic growth

Policy focus on affordability &
reliability

Continuity & innovation in
nuclear, geothermal, CCS



Remember...

"We choose hope over fear. We see the future not as something out of our control, but as something we can shape for the better through concerted and collective effort."

PRESIDENT BARACK OBAMA
UNITED NATIONS GENERAL ASSEMBLY, 2004

