

SMUD BOARD POLICY

Category: Strategic Direction	Title: Resource Planning
	Policy Number: SD-9
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It is a core value of SMUD to provide its customer-owners with a sustainable power supply through the use of an integrated resource planning process.

A sustainable power supply is defined as one that reduces SMUD's long-term greenhouse gas emissions from generation of electricity to 10% of its 1990 carbon dioxide emission levels by 2050 (i.e. - <350,000 metric tonnes/year), while assuring reliability of the system; minimizing environmental impacts on land, habitat, water quality, and air quality; and maintaining a competitive position relative to other California electricity providers.

Accordingly, the Board establishes the following near-term goals to guide SMUD in its resource evaluation and investment:

- a) First acquire cost-effective, reliable and feasible energy efficiency and demand reduction resources. Set a goal of reducing energy consumption by 15% by 2018 with annual targets of:

<u>Year</u>	<u>Gigawatt Hours</u>	<u>Megawatts</u>
2008	107	28
2009	145	40
2010	196	58
2011	200	59
2012	205	60
2013	209	62
2014	213	63
2015	217	64
2016	222	66
2017	226	67
Total	1,940	568

Review and revise the annual targets every three years.

- b) Emphasize local and regional environmental benefits.
- c) Lower the cost to serve our customers by reducing per customer peak usage.
- d) Provide dependable renewable resources to meet 20% of SMUD's load by 2010, and 33% of its load by 2020, thus contributing to the statewide RPS standard.
- e) Promote cost effective, clean distributed generation through SMUD programs. As part of this policy, SMUD shall continue to be a leader in solar power.

Monitoring Method: GM Report
Frequency: Annual