

Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, November 14, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

Original SD-9 Language

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 net long-term greenhouse gas (GHG) emissions to serve retail customer load to 350,000 tonnes (10% of its 1990 carbon dioxide emission levels) by 2050, 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. In reducing its net GHG emissions, SMUD will utilize energy efficiency, renewable and net carbon free resources, including large hydroelectric resources and biogas. SMUD may also use offsets to support these goals to the extent their use is cost effective and beneficial to SMUD customers and the region.

To guide SMUD in its resource evaluation and investment, the Board sets the following interim goal:

Year	Net Greenhouse Gas Emissions (metric tons)
2020	2,318,000

b) Provide dependable renewable resources to meet 33% of SMUD's load by 2020, and 50% of its load by 2030, excluding additional renewable energy acquired for certain customer programs. In acquiring renewable resources, SMUD shall emphasize local and regional environmental benefits.

c) Promote cost effective, clean distributed generation through SMUD programs.

**Part a) of SD9 has been excluded from this slide as it remains unchanged but will be revisited in the Spring of 2019.*

Adopted SD-9 Language

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 net long-term greenhouse gas (GHG) emissions to serve retail customer load to Net Zero by 2040. Net Zero is achieved through investments in vehicle and building electrification, energy efficiency, clean distributed resources, RPS eligible renewables, large hydro, and biogas. SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water quality, and air quality, and maintain a competitive position relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following interim goal:

Year	Net Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030	1,350,000
2040	Net Zero
2050	Net Zero

b) Provide dependable renewable resources to meet 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.

c) In meeting GHG reduction goals, SMUD shall emphasize local and regional environmental benefits.

d) SMUD will continue exploring additional opportunities to accelerate and reduce carbon in our region beyond the GHG goals in this policy.

e) Promote cost effective, clean distributed generation through SMUD programs.

**Part a) of SD9 has been excluded from this slide as it remains unchanged but will be revisited in the Spring of 2019.*

Draft SD-9 Language – Alternate Motion

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 net long-term greenhouse gas (GHG) emissions to serve retail customer load to Net Zero by 2040. Net Zero is achieved through investments in vehicle and building electrification, energy efficiency, clean distributed resources, RPS eligible renewables, large hydro, and biogas. SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water quality, and air quality, and maintain a competitive position relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following interim goal:

Year	Net Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030	1,350,000
2040	Net Zero
2050	Net Zero

b) Provide dependable renewable resources to meet 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.

c) In meeting GHG reduction goals, SMUD shall emphasize local and regional environmental benefits.

d) In addition to achieving Net Zero by 2040, SMUD may purchase offsets to further reduce GHG emissions by 650,000 metric tons by 2040 to the extent that such purchases can be made without compromising SMUD's competitiveness or energy affordability.

e) SMUD will continue exploring additional opportunities to accelerate and reduce carbon in our region beyond the GHG goals in this policy.

f) Promote cost effective, clean distributed generation through SMUD programs.