

SMUD BOARD POLICY

Category: Strategic Direction	Title: Resource Planning
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It is a core value of SMUD to provide its customers and community 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, renewables portfolio standard (RPS) eligible renewables, large hydroelectric generation, and biogas. SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water 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

In keeping with this policy, SMUD shall also achieve the following:

- a) Achieve overall energy efficiency for our customers to maximize carbon reduction consistent with our Net Zero carbon target.

We are establishing the following goals for carbon reduction associated with building decarbonization:

Year	Attributable Building Decarbonization (metric tons)
2030	75,000
2040	330,000

- 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.

Monitoring Method: GM Report
Frequency: Annual