

Exhibit to Agenda Item #3

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting
Wednesday, September 11, 2019 scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

SD-9 Background Information

- SD-9 compliance report addresses the following goals and objectives:
 - Near term greenhouse gas (GHG) targets and goals
 - Energy efficiency (EE) savings
 - Renewable goals, local and regional environmental benefits
 - Cost effective, clean distributed generation (DG) and storage
- SMUD Board adopted new SD9 goals in October 2018 as part of the Integrated Resource Plan process
 - New SD9 goals
 - By 2030: 60% RPS and GHG emissions of 1.35 million metric tons
 - By 2040: Net-Zero GHG emissions
 - IRP was subsequently filed with the CEC on April 29, 2019
 - CEC determined our IRP was complete on May 30, 2019
 - CEC found our IRP met state goals and objectives on August 27, 2019
 - Formal adoption of the CECs determination on SMUD's IRP expected December 2019

2018 Performance: GHG Targets and Goals

2018 SD-9 Carbon Footprint & Near-term Targets ¹	
Source	CO2e Emissions (000 MT)
Net SMUD Carbon Emissions ²	2,051
Normalizing Adjustments ³	(296)
2018 SMUD Normalized Emissions	1,755
<i>2020 Target</i>	2,318

¹ SMUD's emissions have been verified by an independent third party.

² Net of wholesale sales.

³ Adjustments for load, wind, hydro, and REC Banking.

2018 emissions out-performed 2020 GHG emissions targets due mainly to an abundance of low-cost, low-carbon market power from the Northwest that SMUD aggressively pursued when available. It is uncertain if these short term contracts will be available in the future.

2018 Performance: Energy Efficiency

Program Type	Energy Savings (Annual GWh)
Information & Education Savings	12.6
Existing Residential	30.2
Existing Commercial	59.7
New Construction	11.7
Codes & Standards	35.0
Total	149
<i>SD-9 Goals for 2018</i>	146

2018 Performance: Renewable Goals

- SMUD met its renewable energy goals for 2018 and is on path to achieve our RPS requirements in 2020

Program	2018 Goal	2018 Accomplishments	2019 Goal
RPS	29% 2,862 GWh	29% 2,862 GWh	31% 3,300 GWh (est.)

- New renewable projects that support future goals include:

Project Name	Type	MW	Status
Grady	Wind	200	Online COD 2019
Great Valley Solar (Verde)	PV	60	Online COD 2018
NTUA Drew Solar	PV	100	Under Construction
Rancho Seco 2	PV	160	Under Construction
Solano 4	Wind	100	Planning
South Fork Powerhouse	Small Hydro	3	Under Construction
Wildflower	PV	13	Planning
Total		636	

2018 Performance: Clean Distributed Generation and Storage

Customer Solar

Residential		Commercial		Totals	
Installed Systems	MW	Installed Systems	MW	Installed Systems	MW
4,546	20.25	63	10.40	4,609	30.65

Energy Storage Goal (9MW)

Residential Battery	Commercial Battery	Total
0.47 MW	1.09 MW	1.56 MW

We are also developing a 4 MW/8 MWh battery storage project to be procured in 2020 and online in 2021.

Conclusion

- SMUD is in compliance with SD-9.
 - SMUD is on track to be below our 2020 GHG emission goal of 2.3 million metric tons.
 - SMUD exceeded its 2018 energy efficiency goals.
 - SMUD met the state’s 2018 RPS goal of 29% and is on path to meet the 2020 RPS target.
 - DG and energy storage continue to expand in SMUD’s service territory.
 - Nov. 2019: Staff to propose updates to SD-9 energy efficiency goals consistent with the EE and electrification efforts identified in the IRP.