

Exhibit to Agenda Item #2

Accept the monitoring report for **Strategic Direction SD-7,
Environmental Leadership.**

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, September 9, 2020, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)

Strategic Direction (SD)-7

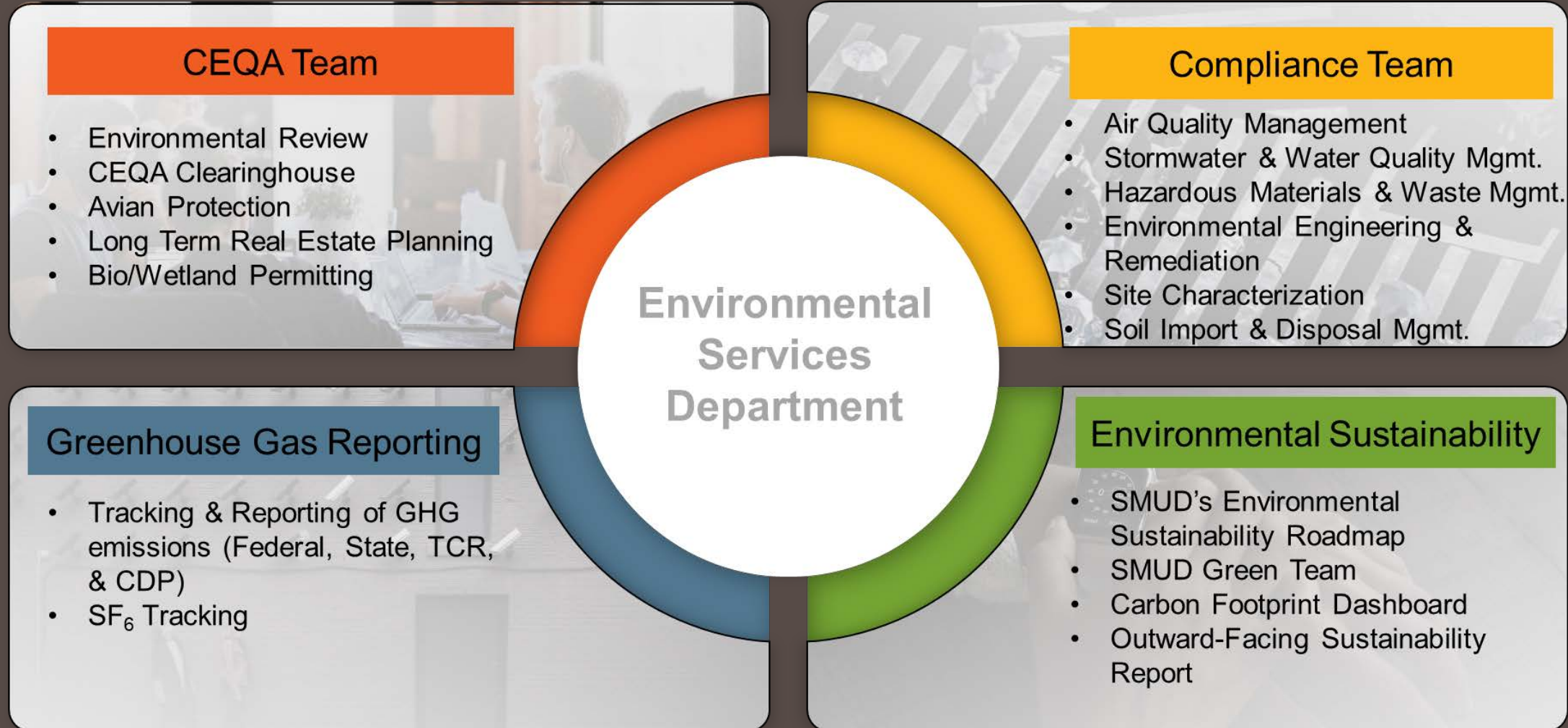
Environmental Leadership

Environmental leadership is a core value of SMUD. The Board is committed to environmental leadership through community engagement, continuous improvement in pollution prevention, carbon reduction, energy efficiency, and conservation.

Therefore:

- a. SMUD will conduct its business affairs and operations in a manner that reduces adverse environmental impacts, reduces pollution, and enhances resource conservation and stewardship.
- b. SMUD will provide leadership in the reduction of the region's total emissions of greenhouse gases through proactive programs in all SMUD activities and development and support of national, State, and regional climate change policies and initiatives.
- c. SMUD will promote the efficient use of energy by its customer-owners.
- d. SMUD will proactively engage its customer-owners and other stakeholders in meeting this directive.

The Environmental Services Department



2019 Environmental Leadership



Reduction of environmental impacts and enhanced resource conservation and stewardship (SD-7-a)

- SMUD Sustainability Efforts, internal Carbon Footprint Dashboard
- Wildfire Mitigation Plan
- Solano Wind Programmatic Eagle Permit



Regional, state and national leadership in the reduction of GHG emissions (SD-7-b)

- Sulfur Hexafluoride Reduction Program
- Transportation Electrification, California Mobility Center, Hydrogen-Derived Renewable Diesel
- Rancho Seco Solar II and Solano Phase IV
- Integrated Resource Planning Efforts



Promote customer use of efficient energy (SD-7-c)

- Environmentally Sustainable Purchasing Program (ESPP)
- Greenergy®, Energy Assistance Program (EAPR), SolarShares®
- Sacramento Shade Program
- SMUD Energy Store, training classes and videos



Proactively engage customers and other stakeholders in meeting environmental leadership directive (SD-7-d)

- Sustainable Communities (Local Vision Award from SVS-APA)
- Customer JD Power Sustainability and Escalent/Congent Environmental Champion awards
- Clean Cities, Cleaner Air Partnership, California Clean Air Day
- 2019 CDP Disclosure ("B" Grade), TCR Climate Registered™ Platinum Status

2019 SMUD Environmental Leadership by the Numbers



10,697
shade trees
planted



433 tons of
recycled
transformer
steel

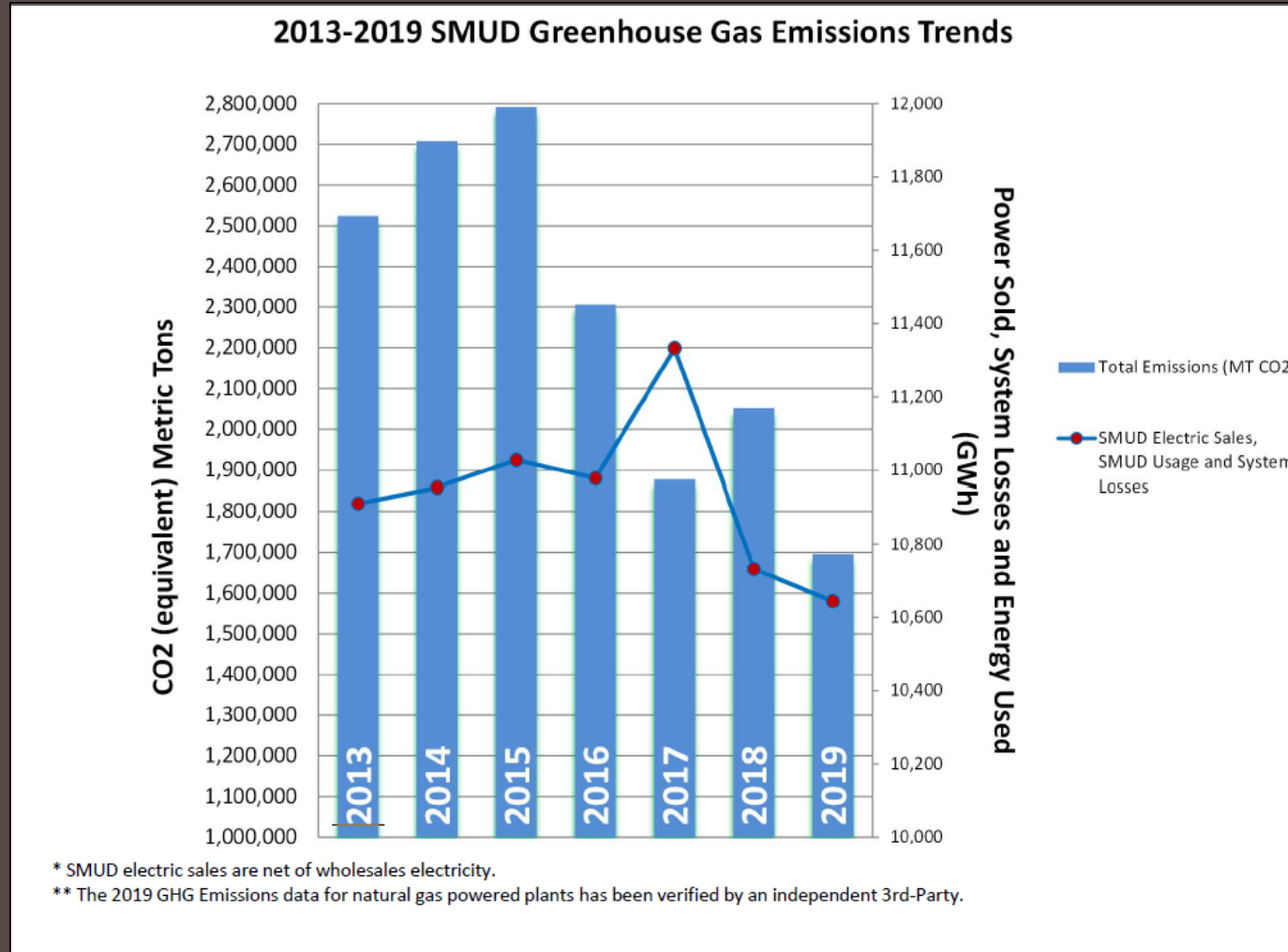


51,205
gallons of
recycled
transformer
oil



703 tons of
materials
salvaged

2019 GHG Emissions



What SMUD is doing to make Communities Sustainable

- Keeping Our Commitments to Community
- Sustainable Communities Resource Priorities Map Release and Training
- Community Workforce Partnerships
- Realigning Resources for Collective Impact
- Shine Optimization
- Partner Connections Alignment
- Online Learning Options/Digital Inclusion
- Microloan Program
- Community Resource Liaisons and SMUD Volunteer Program





Solano Wind Programmatic Eagle Permit

- USFWS – Programmatic Eagle Permit – 9/20.
- 5-year term but SMUD is moving to extend the permit to 30 years.
- Applies to Solano Phases 1, 2 and 3.
- Balances eagle conservation with wind turbine operation.
- Ongoing retrofitting of 185 power poles in combination with extensive monitoring.
- Investigation of each eagle incident with USFWS.

Challenges and Opportunities

Challenges

- Climate Change and Adaptation
- Federal vs. State Regulations
- Technology Changes
- Complicated Environmental Remediation Projects
- Alternative Commute Participation

Opportunities

- Community Partnering (e.g., SCI, California Mobility Center)
- Improved Internal Efficiency and Process Improvements
- Leveraging Lead Industry Groups and Partnerships
- Improved Training and Awareness

Requested Action

- SMUD is in Compliance with SD-7.
- It is recommended that the Board accept the Monitoring Report for SD-7, Environmental Leadership.
- Place item on the Board consent calendar for approval September 17, 2020.