

Exhibit to Agenda Item #13

Approve proposed revisions to **Strategic Direction SD-9,
Resource Planning.**

Board of Directors Meeting

Thursday, April 15, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Proposed Revisions

SD-9, Resource Planning

It is a core value of SMUD to provide its customers and community with a sustainable power supply ~~through the use of~~fusing 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 ~~2030~~2040. ~~Net-Zero~~ GHG emissions is achieved through investments in ~~vehicle and building electrification~~, energy efficiency, clean distributed resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and biogas emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

Proposed Revisions

SD-9, Resource Planning

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, and maintain ~~a~~ competitive ~~position~~ rates relative to other California electricity providers.

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

Year	Net Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030 <u>- beyond</u>	<u>1,350,0000</u>
2040	Net Zero
2050	Net Zero

Proposed Revisions SD-9, Resource Planning

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

- a) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified)~~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

Proposed Revisions

SD-9, Resource Planning

- b) ~~Provide dependable~~ Procure renewable resources to meet or exceed the state's mandate of 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.~~
1. Emphasize local and regional benefits.
 2. Improve equity for under-served communities.

Proposed Revisions

SD-9, Resource Planning

- ~~d) SMUD will continue exploring additional opportunities to accelerate and reduce carbon in our region beyond the GHG goals in this policy.~~
- d) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- e) Promote cost effective, clean distributed generation through SMUD programs.