

Exhibit to Agenda Item # 1

Provide the Board an informational update on the public consultation and engagement process in developing the **2030 Zero Carbon Plan**.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, February 16, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Agenda

- Stakeholder meetings
 - Details
 - Key themes
- Community meetings
 - Details
 - Research findings

Stakeholder meetings

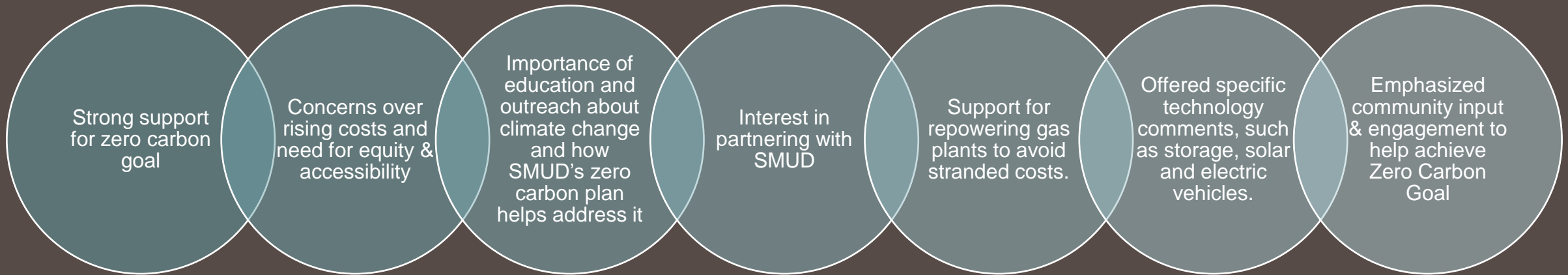
- Four stakeholder meetings: December 14 to 16
- Facilitated by SEPA
- Purpose: Share information and solicit input on SMUD's 2030 Zero Carbon plan so staff could integrate that into our work and planning

Stakeholder groups

- **Solar + Storage:** 5 organizations and people participated
- **Environmental organizations:** 20 organizations and 25 people participated
- **Community organizations:** 25 organizations and 27 people participated
- **Business leaders:** 44 organizations and 47 people participated



Stakeholder feedback themes



Customer and community meetings

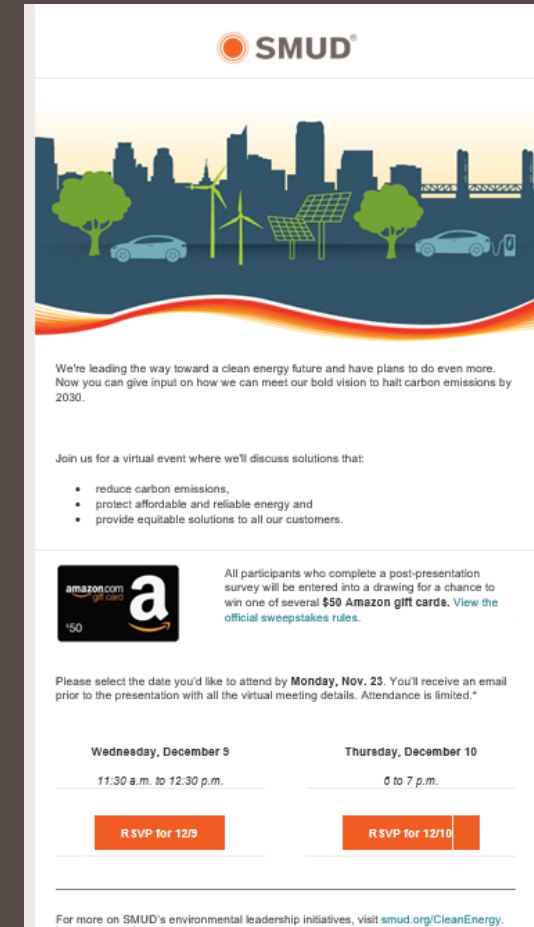
Sharing SMUD's 2030 Clean Energy Vision

Meetings were held December 8 to 10 to get input from customers and community groups into the Zero Carbon Plan

Invited a diverse group of customers

- Random sample of residential customers
- Residential insight community members
- Social media / list serv
- Community group members

Good representation from solar (22%) and EAPR customers (16%)



The image shows a registration page for an SMUD event. At the top is the SMUD logo. Below it is a graphic of a city skyline with green trees, wind turbines, solar panels, and electric cars. The text on the page reads: "We're leading the way toward a clean energy future and have plans to do even more. Now you can give input on how we can meet our bold vision to halt carbon emissions by 2030." It then says "Join us for a virtual event where we'll discuss solutions that:" followed by a bulleted list: "reduce carbon emissions," "protect affordable and reliable energy and," and "provide equitable solutions to all our customers." There is a section for an Amazon gift card sweepstakes: "All participants who complete a post-presentation survey will be entered into a drawing for a chance to win one of several \$50 Amazon gift cards. View the official sweepstakes rules." Below that, it says "Please select the date you'd like to attend by Monday, Nov. 23. You'll receive an email prior to the presentation with all the virtual meeting details. Attendance is limited." There are two columns for dates: "Wednesday, December 9" with the time "11:30 a.m. to 12:30 p.m." and "Thursday, December 10" with the time "8 to 7 p.m." Each column has an orange "RSVP" button with the date. At the bottom, it says "For more on SMUD's environmental leadership initiatives, visit smud.org/CleanEnergy."

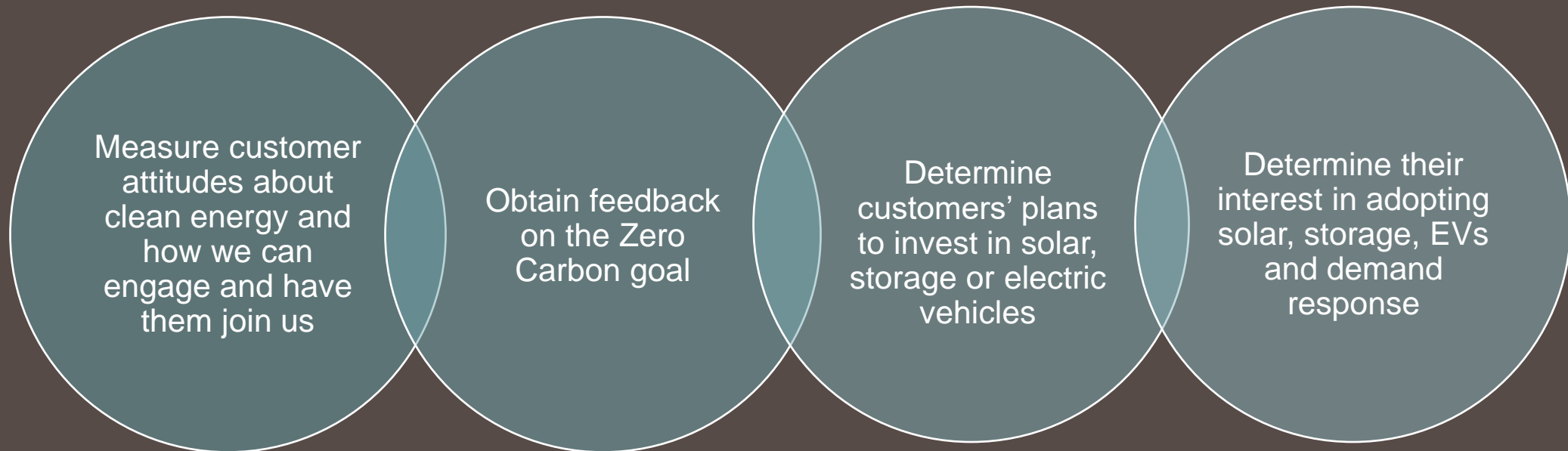
Methodology

- Participants received online surveys after attending 1+ hr. SMUD presentation and Q&A
- Multiple choice and open-ended questions plus demographics
- 284 responses for Residential (72% response rate)
- 43 responses for Community Groups (52% response rate)

Note: Because these customers “self-selected” to attend the 1-hour webinar and heard the information in the SMUD presentation, they may not be fully representative of customers who have not heard extensive messaging or are not as personally interested.



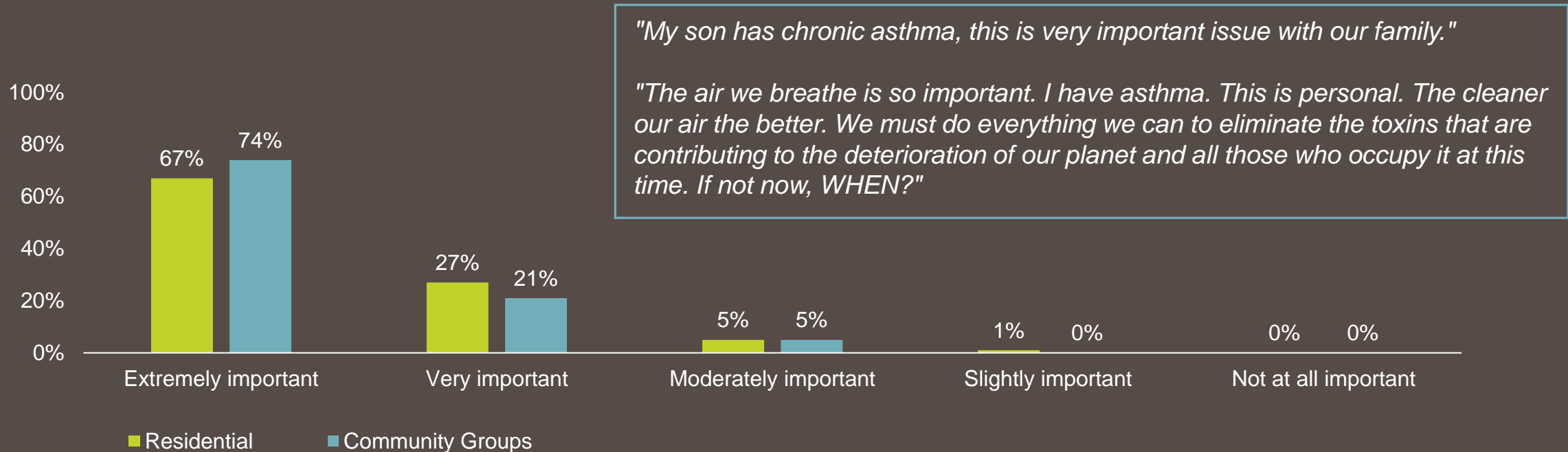
Objectives



Detailed findings

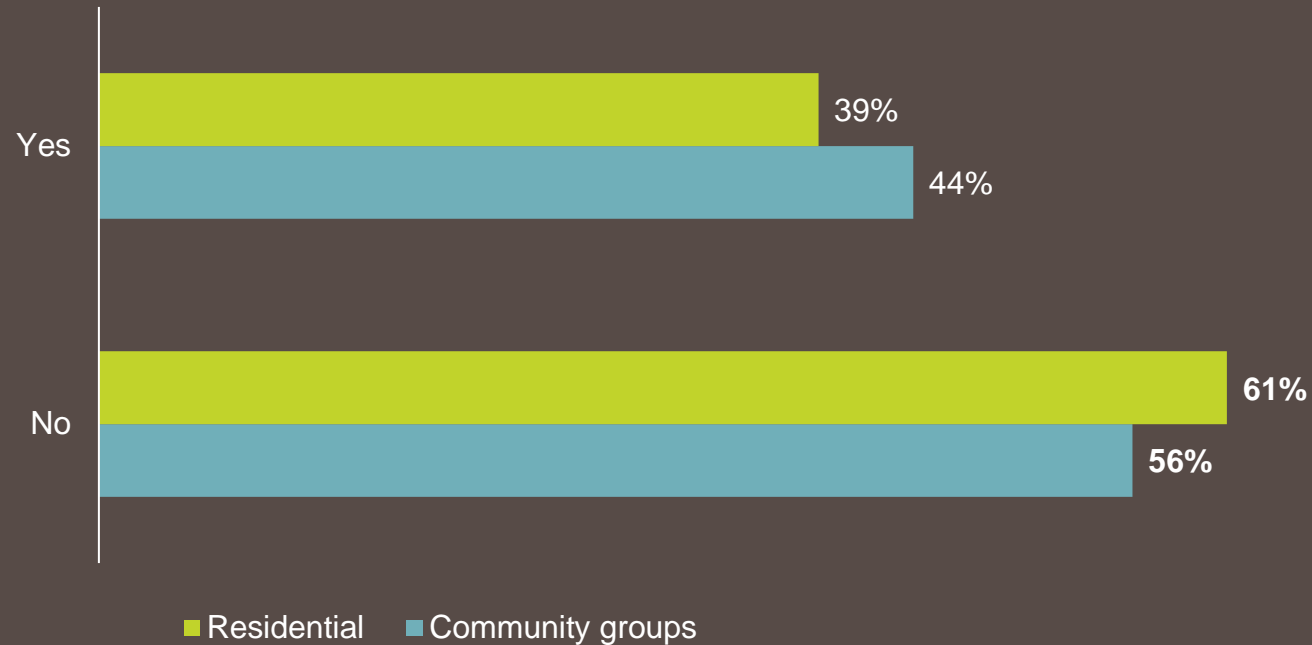
Importance of air quality

The vast majority of residential and community group attendees felt that it was extremely or very important to improve air quality in the Sacramento area. Significantly more low-income customers (<\$40K) rated this as extremely important than those with higher incomes (\$40-\$200K) (84% vs. 66% respectively).



Awareness of childhood asthma in Sacramento

Most attendees were **not aware** that nearly 11% of Sacramento children (5-17) have asthma and may struggle with bad air days.

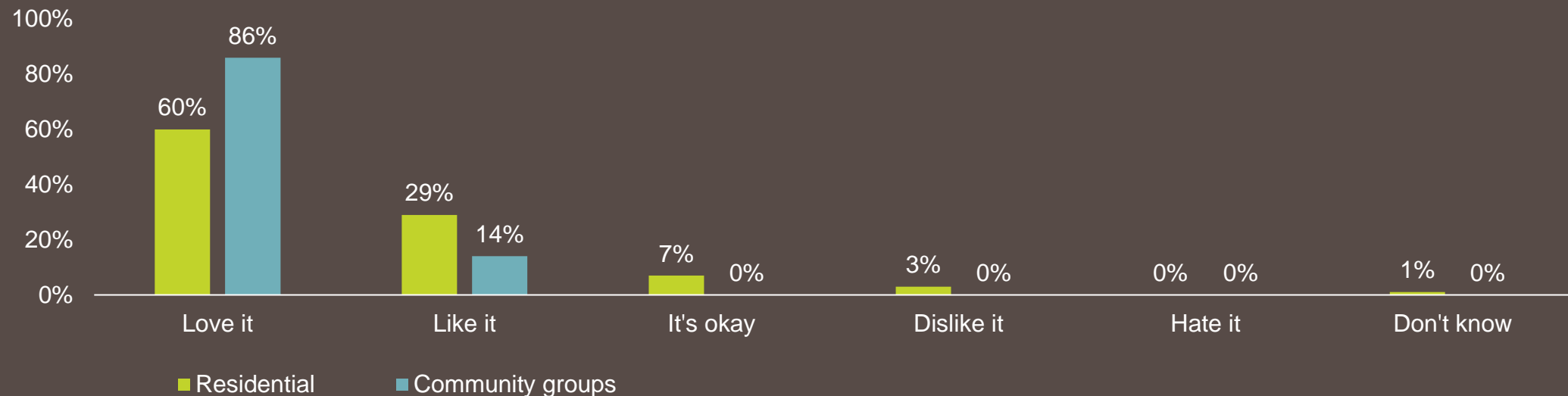


Childhood Asthma Stats/Source
Sacramento 11%
National average 8.3%
Source: CDPH/California Health Interview, Healthdata.gov

Q - Did you know that according to the California Department of Health, nearly 11% of children (ages 5 to 17) in Sacramento county have asthma and may struggle with the effects of bad air days?

SMUD Zero Carbon goal

60% of residential and 86% of community group attendees indicated that they “loved” SMUD’s Zero Carbon goal. Another 29% of residential and 14% of community group attendees liked it. Only 3% of residential disliked it and 0% of community attendees said that they dislike or hate it. Only 1% of residential and 0% of community attendees said that they don’t know.



Q - SMUD has a goal to completely eliminate greenhouse gas emissions from the production of our electricity by 2030. How do you personally feel about SMUD's Zero Carbon goal?

SMUD Zero Carbon goal

<p>Love it <i>(60% love the goal)</i></p>	<p>"Big rewards come from big goals. I LOVE that SMUD is ready to be a leader with this goal."</p> <p>"I'm proud SMUD is leading in California and appreciate that they're taking real steps transparently."</p>
<p>Like it <i>(29% like the goal)</i></p>	<p>"We need to do as much as we can as a society to reverse climate change."</p> <p>"It directs a portion SMUD's corporate attention to a critical issue for local and "world" health."</p>
<p>It's okay <i>(7% say the goal is okay)</i></p>	<p>"The presentation did not answer the "hard" (i.e., confrontational, not politically correct) questions."</p> <p>"I am not sure if it's realistic, but worth a try. I am worried about the rising rates associated with it as we come out of the pandemic."</p>
<p>Dislike it <i>(3% dislike the goal)</i></p>	<p>"Too ambitious! I fear it will drive price increases trying to meet that goal."</p> <p>"This means higher electricity cost. For a regular worker like me, this hurts my wallet."</p>

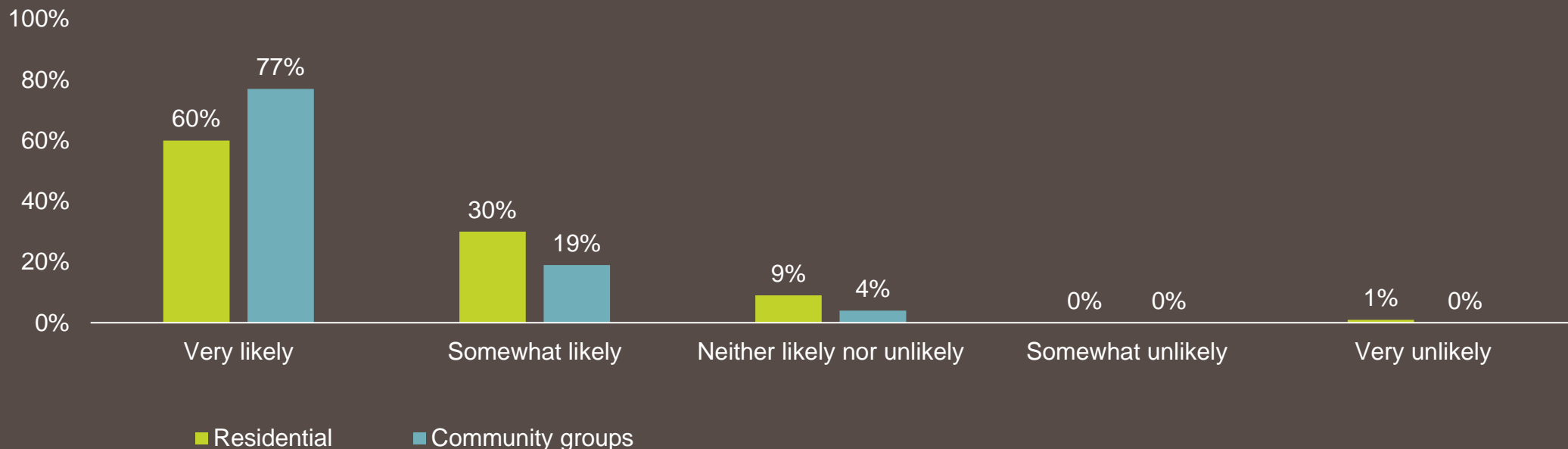
How SMUD supports the community

Attendees ranked their top 3 areas for how they thought SMUD should support the community

1	SMUD provides affordable electricity options
2	SMUD provides reliable electricity
3	Achieve zero carbon emissions in a way that benefits all communities, including the under-served
4	SMUD eliminates greenhouse gases from its electric power supply by 2030
5	SMUD provides customer options for local clean energy
6	SMUD being a global leader in the fight against climate change
7	SMUD actively supports the growth of business/economy in the Sacramento region
8	Economic prosperity in the Sacramento region

Willingness to partner with SMUD

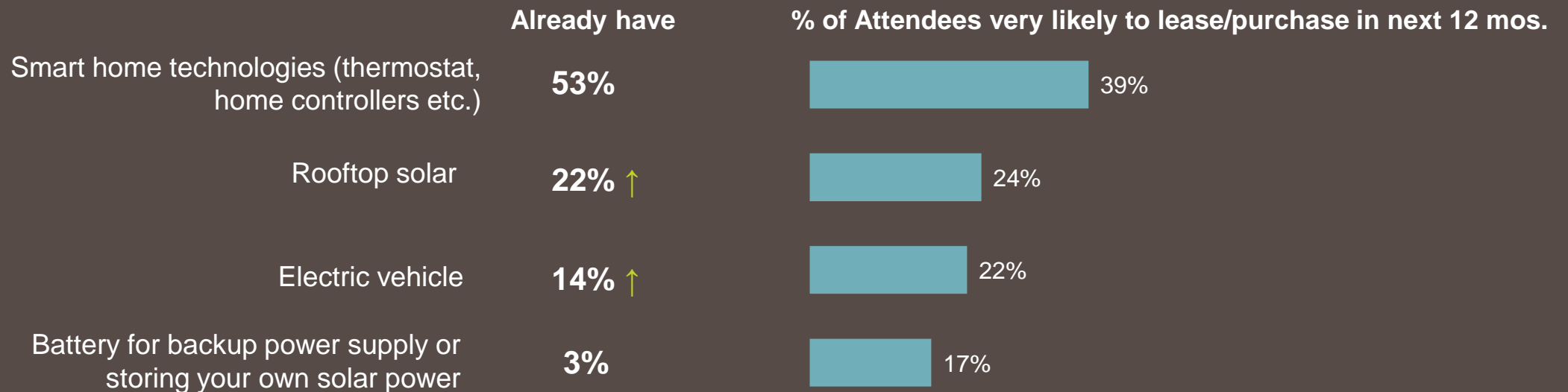
60% of residential and 77% of community group attendees indicated that they are **very willing to partner with SMUD** by personally taking action to reduce Sacramento GHG.



Q - How willing are you to partner with SMUD to personally take action to reduce Sacramento region greenhouse gas emissions?

Residential attendees' likelihood to lease/purchase tech

39% of residential attendees say they are very likely to purchase smart home technologies in the next 12 months. Almost one-fourth are very likely to purchase/lease rooftop solar or EVs, while slightly fewer (17%) are very likely to purchase/lease a battery.



↑ % higher than SMUD customers overall

Q - How likely or unlikely are you to lease/purchase the following technologies in the next 12 months?

Key findings: Willingness to pay more and partner

Attendees' willingness to pay more

- 24% are not willing to pay any more per month
- About 75% are willing to pay more
 - 23% are willing to pay between \$1 to \$5 more per month
 - 26% are willing to pay between \$6 to \$10 more per month
 - 27% are willing to pay more than \$10 per month

Residential attendees' likelihood to partner

- Almost 6 of 10 said they are very likely to respond to tips from SMUD to reduce greenhouse gas emissions
- 43% said they are very likely to participate in a demand response program
- 30% willing to work with SMUD to replace their gas appliances with electric
- Younger customers (<55 yrs.) were significantly more likely than older customers to say they are very likely to participate in programs (51% vs. 36%) and replace gas appliances with electric (36% vs. 24%)

Questions and comments?