Exhibit to Agenda Item #1
Accept the monitoring report for Strategic Direction SD-13, Economic Development Policy.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, July 14, 2021, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Economic Development Policy

SD-13:

“Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.
b) SMUD shall align its economic development activities with regional economic development initiatives.
c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.
d) SMUD shall offer economic development rates and program incentives.
e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.”
2020 COVID-19 Pandemic Response

- Local Business Community
  - Micro-Loans
  - Virtual Energy Audits
  - Targeted COVID Marketing & Outreach
  - Chamber & Non-Profit Support
  - Payment Arrangements
  - Non-Disconnect Policy
  - Regional COVID Response Initiatives
  - Information Dissemination

Payment Arrangements
Micro-Loans
Virtual Energy Audits
Targeted COVID Marketing & Outreach
Chamber & Non-Profit Support
Regional COVID Response Initiatives
Information Dissemination

Local Business Community
General Strategy & Approach

- Innovation and Entrepreneurship
- Attraction, Retention & Expansion
- Competitive Rates & Incentives
- Small Business Contracting
- Sustainable Communities Focus
- Inclusive and Equitable Partnerships
- Developer Community Support
- 2030 Zero Carbon Vision
a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

2020 CMC Accomplishments:

- Established 501(c)(3)
- Rebranded & launched website
- Secured lease at Depot Park
- Procured initial equipment
- Hired contractors & consultants
- Established venture capital fund
- Secured $1.5m CARES funding for workforce equity
- Launched workforce development training program
a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions. (continued)

Innovation Ecosystem Engagement

- CleanStart
- Hacker Lab
- InnoGrove
- StartupSac
- Urban Hive
- Aggie Square
b) SMUD shall align its economic development activities with regional economic development initiatives.

Leadership in Regional COVID Response and Economic Development Initiatives
- Business & Economic Task Force, State Sprint, Anchor Institution Coalition & Prosperity Strategy
b) SMUD shall align its economic development activities with regional economic development initiatives. (continued)

Workforce & Equitable Economic & Community Development
c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

<table>
<thead>
<tr>
<th>Jobs Attracted</th>
<th>New Business Startups</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>420</td>
<td>21</td>
<td>9,080</td>
<td>470</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Million in Loans</th>
<th>Developers Engaged</th>
<th>SMB Customers Reached</th>
<th>Increase in Revenue from Cannabis Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$85.9</td>
<td>220</td>
<td>5,000</td>
<td>83%</td>
</tr>
</tbody>
</table>
d) SMUD shall offer economic development rates and program incentives.

### Economic Development Rate:

<table>
<thead>
<tr>
<th>Size</th>
<th>Term</th>
<th>Industry Requirements</th>
<th>Job Requirements</th>
<th>Full Service Requirement</th>
<th>Discount (2 options)</th>
</tr>
</thead>
</table>
| 300kW+ | 10 years | No limitations | No minimum requirement | No | Standard EDR  
Opt A: 6% for years 1-5, declining 1% per year for years 6-10  
Opt B: 4.5% for 10 years  
Rate for Disadvantaged Communities  
Opt A: 8% for years 1-5, declining 1.5% per year for years 6-10  
Opt B: 6% for 10 years |

### Programs & Services:

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, and Express Energy Solutions programs
- Go Electric rebates
e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.
Meet the Buyers Business Resource Expo

- 9th year – First time in Virtual Format (Whova Virtual Conference App pilot)
- 494 registrants (more than 200% over 2019)
- > 200 virtual meetup participants
- 68 discussion topics & >1200 messages between attendees
- 93% reported met/exceeded expectations: survey feedback
- Key business resource during Covid; enhanced programming
- 22% increase in SMUD Supply Chain solicitation views
- 41% increase in vendor activity the week of the event
a) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. (continued)

SMUD SEED GOAL: 20%

✓ Number of SEED Awards: 122
✓ SEED Total $ Award: $74,658,580
✓ SEED Award % of Total Awards: 24.01%
✓ SEED Compliance: 92.1%
✓ DGS Reciprocity Partner of the Year
Conclusion

• 2020 SMUD efforts were in compliance with SD-13

• Requested Action: Accept the monitoring report for Strategic Direction SD-13, Economic Development

• Place item on Board consent calendar for approval