Exhibit to Agenda Item #1

Accept the monitoring report for **Strategic Direction SD-19, Diversified Business**.

Board Policy Committee and Special SMUD Board of Directors Meeting

March 10, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Powering forward.
Together.

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Background – Revenue Portfolios

Legacy Revenue Program Portfolio

- To improve customer satisfaction
- Intended to be self-sustaining after 5 years
- Shares costs across many programs

Innovation Generator Program Portfolio

- To promote innovative product and service development
- Revenue secondary
- Most not expected to generate revenue
- Program sunset in 2018 and New Business Development (NBD) Program formed

New Revenue Program Portfolio

- NBD Program focused on new revenue for SMUD
- "Middle Office" responsible for developing, assessing, negotiating and tracking all new revenue deals
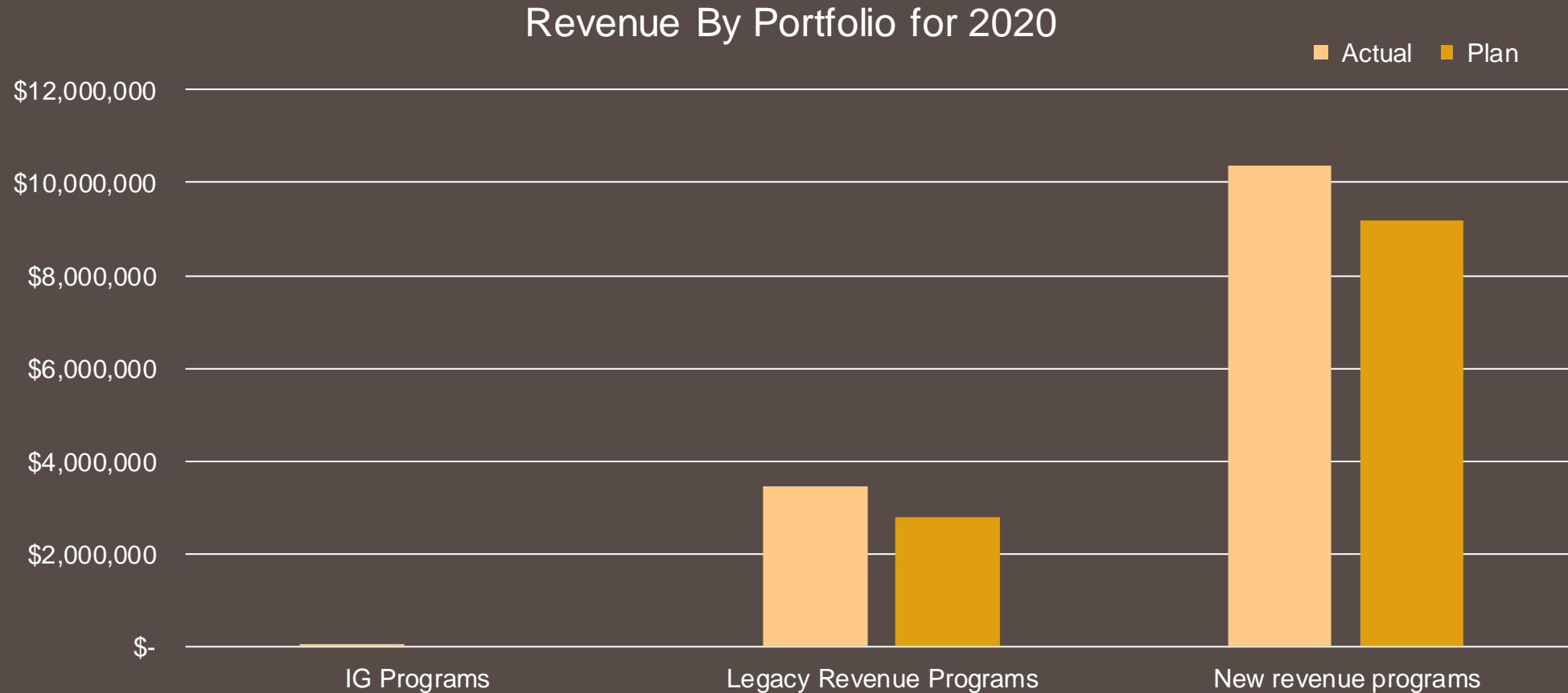- New revenue projects included in this portfolio

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Three Revenue Portfolios

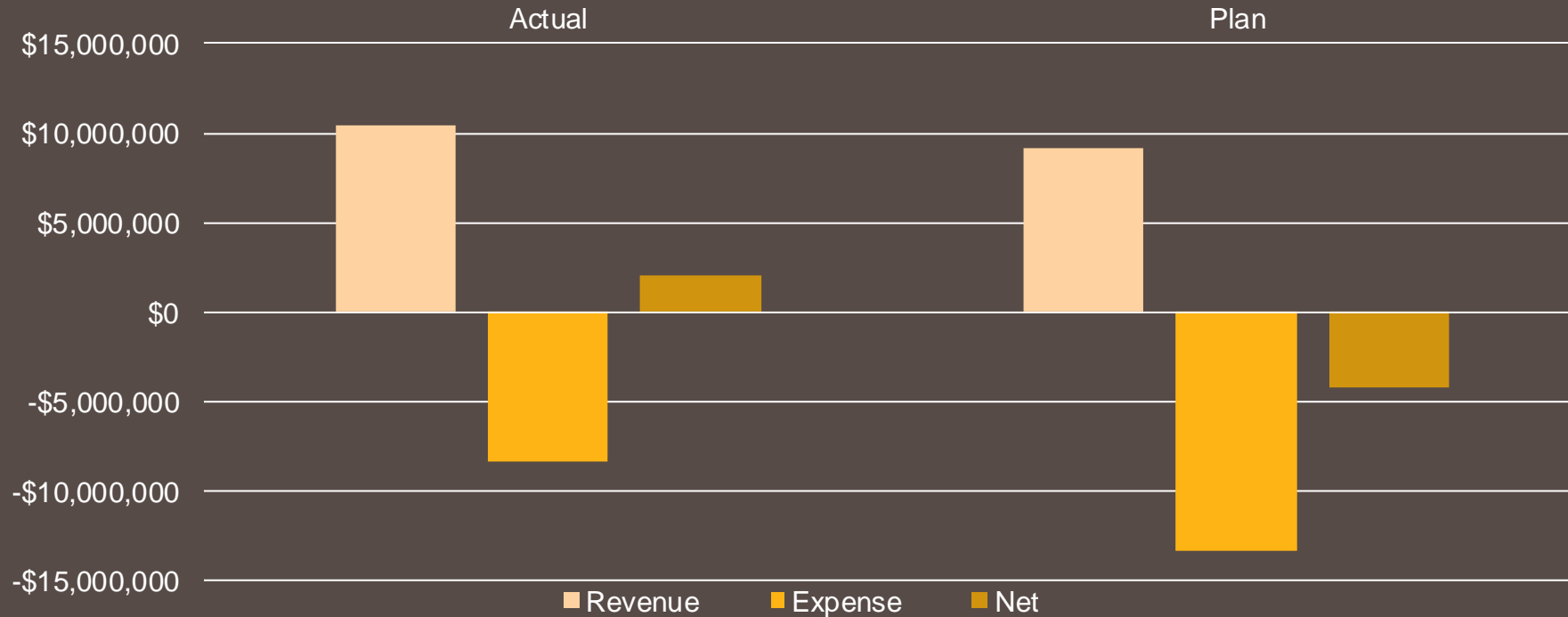| New Revenue Program	Innovation Generator Program	Legacy Revenue Programs
1. Community Energy Services 2. NEC/STI Partnership 3. Sacramento Power Academy (SPA) 4. Smart Grid Billing 5. OSI/DERMS Co-Development 6. GridX	1. Advanced Power Strips 2. DER Planning Software 3. GridPoint 4. Intelligent Energy Solutions 5. Kandela	1. Cell Site Construction 2. Energy Profiler 3. Home Power 4. Moving Connections 5. Power Protection

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New Revenue Program: Portfolio Risk

- New Revenue Portfolio risk is determined using Enterprise Risk methodology

- No new project were added to portfolio in 2020

- No changes were made to risk rating from 2018 or 2019

- Risk still deemed low

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Revenue By Portfolios – 2020

Revenue By Portfolio for 2020

New Revenue Program – 2020

2020 New Revenue Program Portfolio

- Portfolio generated $2M net positive revenue for first time since inception in 2018
- Community Energy Services program largest contributor to 2020 financial performance

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Recommendation

- SMUD is in compliance with SD-19

- Recommend Board accept 2020 SD-19 Monitoring Report

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