Exhibit to Agenda Item #1

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

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, September 8, 2021, scheduled to begin at 5:30 p.m.
Strategic Direction (SD)-7, Environmental Leadership

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

a. Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, conserving resources, and promoting equity within SMUD’s diverse communities.

b. Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.

c. Promote the efficient use of energy by our customers.

d. Advance the electrification of vehicles, buildings and equipment.

e. Attract and build partnerships with customers, communities, policy makers, the private sector and other stakeholders.
Conduct Business & Operations in a Sustainable Manner

Pollution Prevention
- SMUD Sustainability Efforts
- Waste Recycling
- Clean Energy Promotion
- Site Remediation Efforts

Minimizing Environmental Impacts
- Sulfur Hexafluoride (SF₆) Reduction Program
- Transportation Electrification, California Mobility Center, Hydrogenation-Derived Renewable Diesel (HDRD)
- Integrated pest and vegetation management
- Avian Protection

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

Building Partnerships with our Community
- 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
- 2020 CDP Disclosure (“A” Grade), TCR Climate Registered™ Platinum Status
Leadership & Innovation to Reduce GHG Emissions

Zero Carbon Plan
- Fleet Elect.
- Battery Storage
- PV & Wind
- Home Elect.

GHG Reporting
- CARB
- USEPA
- TCR
- CDP
- Scope 1, 2 & 3 emissions

Sustainability Plan
- Carbon Footprint
- Green Team
- Internal GHG reduction efforts

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Advanced Electrification of Vehicles, Buildings & Equipment

Fleet Electrification

Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA) – Greening Supply Chain

HQ LEED Effort

Electric Hand-Tools for Facilities staff
Building Partnerships with Our Community

- 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
- Environmental Justice Components
- Tribal Consultations
Highlight - Env. Justice and Supply Chain Efforts

Environmental Justice (EJ)
• Integration of EJ components in CEQA documents
• Working closely with Sustainable Communities
• Trial Projects – Station G and North City Landfill Cap
• Tribal Consultation

Supply Chain
• Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA)
• Benchmarking (environmental, social and governance)
• Vendor Education/Outreach
• Policy Development
Challenges and Opportunities

Challenges
• COVID-19 pandemic
• Federal vs. State Regulations
• Technology Changes
• Complicated Environmental Remediation Projects
• Alternative Commute Program Participation

Opportunities
• Community Partnering (e.g., SCI, California Mobility Center)
• Improved Internal Efficiency and Process Improvements
• Leveraging Lead Industry Groups and Partnerships
• Benefits from SMUD re-organization
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 16, 2021.