

Exhibit to Agenda Item #1

Brief the Board on customer experience strategy, measurement, and priorities that support SMUD's **2030 Zero Carbon Plan**.

Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, August 9, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Why Customer Experience Matters



COMPETITIVE MARKET

- Increased customer retention
- Higher cross-sell and upsell
- Decreased cost to serve
- More new customers



- Higher program participation
- Customers follow our advice and advocate
- Lower cost to serve (less calls)
- More likely to pay on time
- Higher commercial load factor and share of wallet
- Forgive mistakes

Customer Experience Strategy Evolution

Customer Experience Strategy (original)



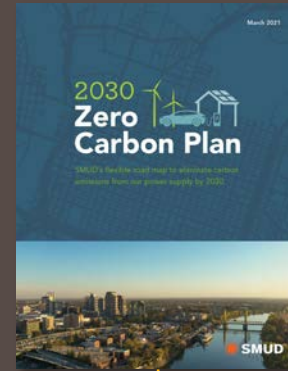
2016

Board Climate Emergency Declaration



2021

Zero Carbon Plan



2022

Customer Experience Strategy (updated)



2022+

Customer Experience Strategy

We enhance the quality of life for our customers and community as we transition to a clean energy future.



Our goal is:

Customers feel in control of their energy usage because SMUD reliably delivers...



Energy
Always-on



Information
Information to make the best energy decisions for their homes or businesses



Pricing
Fair and transparent rates and fees



Tools
Digital/mobile tools to manage energy usage and accounts

In a way that is...



Easy

"It's easy and convenient to do business with SMUD, whether via digital, phone or in person."



Responsive

"SMUD moves at the speed of my life and business. SMUD values my time, so issues are resolved efficiently with minimal hand-offs."



Trusting

"SMUD is a company that I can trust."



Community-Minded

"SMUD brings value to its diverse communities and works collaboratively throughout the region to meet the evolving power needs."

We measure it by...



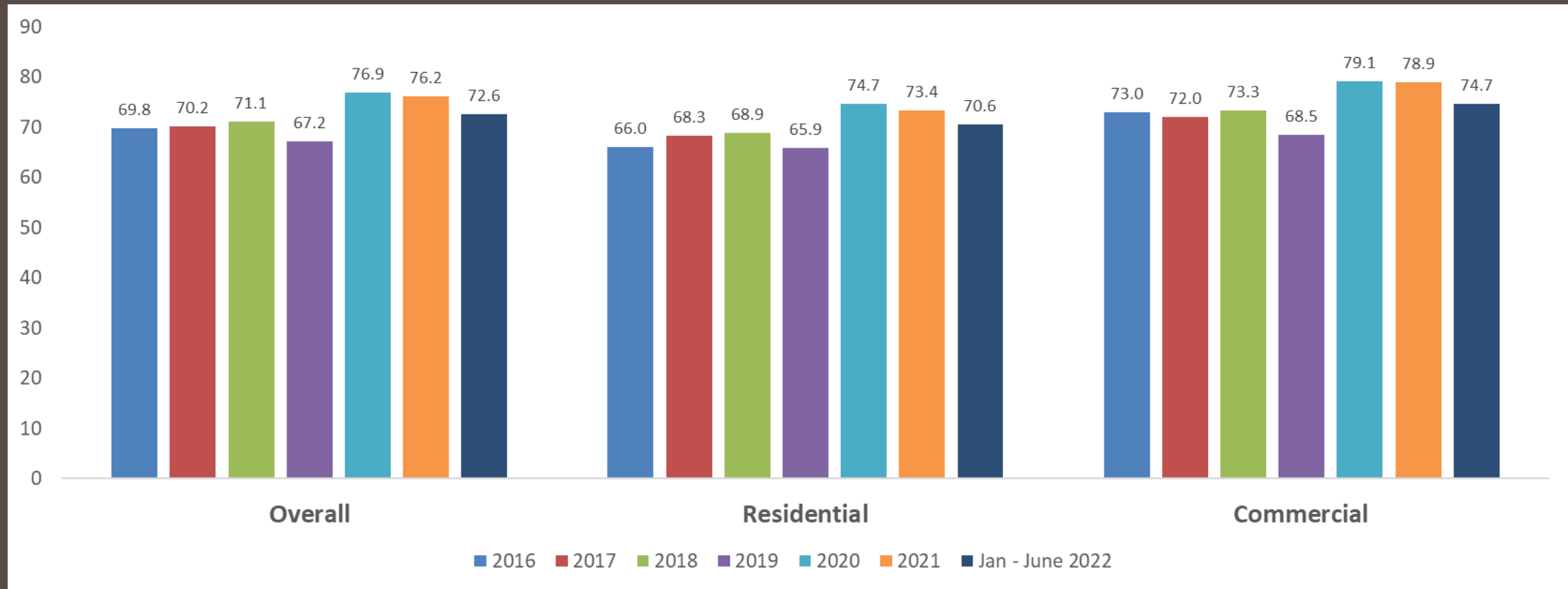
Our target is...

80%

of customers perceive value for what they pay SMUD by 2030









Value for Pay Performance



Customer Experience Key Areas of Focus



Customer Experience Road to Differentiate

	2022	2023	2024	2025	2030
	<p>The Recovering Customer</p> 	<p>The Well-Informed Customer</p> 	<p>The Real-Time Customer</p> 	<p>The Empowered Customer</p> 	<p>The All-Electric Customer</p> 
Customer Perspective	<p>Customers shaking off impacts of pandemic and reassessing financial position.</p> <p>Limited awareness of SMUD's ZCP efforts.</p>	<p>Customers feel that the flow of info from SMUD (ZCP and more) is relevant, timely, intuitive and channel appropriate.</p> <p>Community sees result of our ZCP efforts.</p>	<p>Customers know what we're doing (ZCP) and can seamlessly engage with SMUD based on real-time info/knowledge in their channel of choice.</p>	<p>Seamless pivoting among automation, self-service, and high touch interactions.</p> <p>Customers extracting value from SMUD's ZCP efforts.</p>	<p>SMUD's offering reflect customer needs and wants.</p> <p>Electrification blends naturally in homes and businesses.</p> <p>Customers do not seek alternatives.</p>
	Basic/Elevate	Elevate	Elevate	Elevate/Differentiate	Differentiate
	VFP 73				VFP 80



Thank you