

Exhibit to Agenda Item # 2

Brief the Board on SMUD's Community Impact Plan.

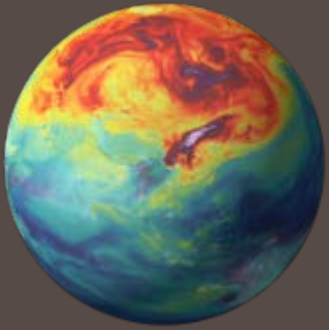
Board Strategic Development Committee and Special SMUD Board of Directors Meeting

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

Virtual Meeting (online)

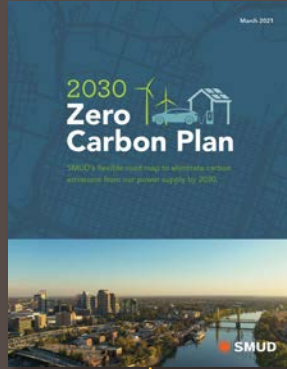
Community Impact Plan Impetus

Board Climate Emergency Declaration



2021

Zero Carbon Plan



2022

- No community left behind
- Inclusive economic development

Community Impact Plan



2023-2025

How we get there!

This strategy addresses SMUD's commitment to making meaningful investments in under-resourced communities to ensure their participation in a clean energy future.

Who Are Our Under-Resourced Customers?

Residential:

- Low/Median income
 - Low: 0-200% federal poverty level
 - Median: 200-400% federal poverty level
- Additional considerations
 - Renters
 - Underserved populations

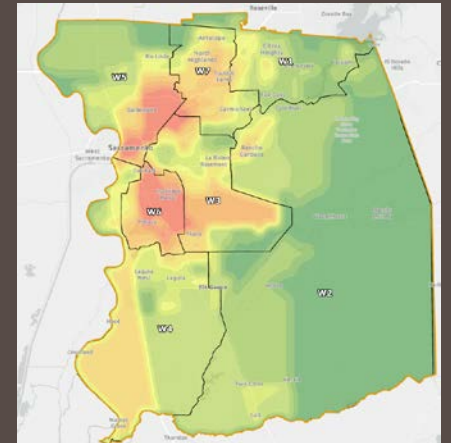
Commercial

- Small business
- Nonprofits & Community-based organizations

Barriers & Challenges

- Lack of income to afford necessities
- Higher energy burdens
- Poor housing conditions that is likely leading to health impacts
- Cultural/language barriers
- Don't own their building or a fleet
- Unable to afford upgrades
- Poor building conditions
- Impact of City of Sacramento's 2024 all-electric building ordinance

Focus on red zones



- **~69k residential**
 - **18,500 EAPR (Energy Assistance Program Rate)**
- **~11k small businesses**

What We Heard From the Community



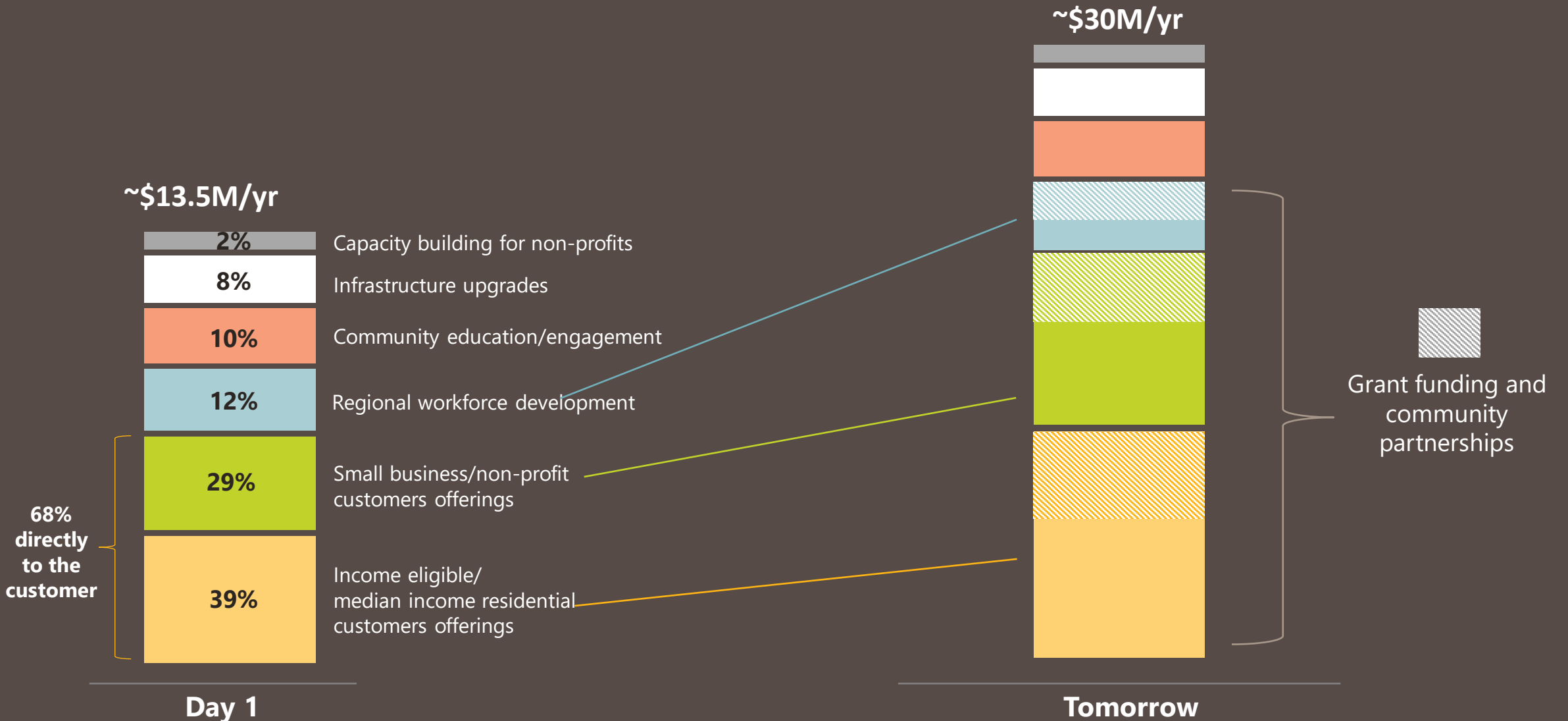
Community Impact Plan Key Initiatives

Core areas:
Affordability
Equitable Access
Community engagement

Double current investment towards under-resourced communities

- **Diversify portfolio offerings** to include options beyond direct install and that are accessible to a broader customer base
 - Increased incentives for affordable housing providers, median income residents, small business and non-profits
 - Financing options
 - Increased Shine Award funding
- **Inclusive economic development and workforce training**
 - New job training and apprenticeship programs specific to clean energy jobs
 - Investment in business community through Property and Business Improvement Districts and regional Chamber partners
- **Capacity building for non-profits** to help further our reach (Zero Carbon Plan engagement) and enhance ability to support communities
- **Community education/outreach plan** that micro-targets under resourced areas
 - Create a Cultural Ambassador team
 - Expand depth/breadth of translations (languages and materials)

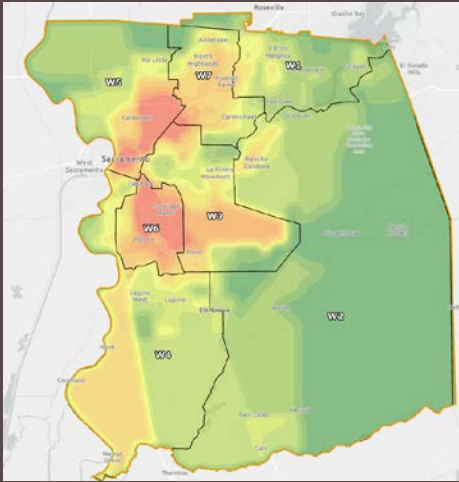
Community Impact Plan Investment



Complementary Planned Projects

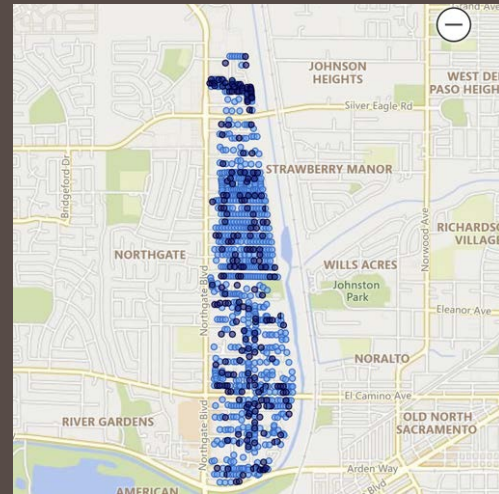
	Segment	Strategy	Program Elements	Impacts
EV Equity programs	<ul style="list-style-type: none"> • Residential • Commercial 	Affordability Equitable Access	<ul style="list-style-type: none"> • Clean Cars 4 All program continuation • Elec Vehicle Supply Equipment (EVSE) installs for low income • E-mobility hubs • Community partnerships • Workforce development 	<p>Increased electric vehicle ownership in under-resourced areas</p> <p>Increased electric vehicle charging infrastructure in under- resourced areas</p>
Solar and Storage	<ul style="list-style-type: none"> • Residential • Commercial 	Affordability Equitable Access	<ul style="list-style-type: none"> • Earmarks for storage • Solar installs 	Increased participation in solar/storage in under-resourced areas
Load flexibility programs	<ul style="list-style-type: none"> • Residential 	Affordability Equitable Access	<ul style="list-style-type: none"> • Next Gen Air Conditioning Load Management (ACLM) program • Smart thermostat deployment for income-eligible customers • My Energy Optimizer recruitment 	Increased opportunities for bill savings

Neighborhood Approach



Select a group of homes in a red zone:

- Age of home
- % Energy Assistance Program Rate
- % inefficient cooling



Gardenland Natomas: <100 homes

Potential neighborhoods

- Avondale
- Parkway
- Meadowview
- Fruitridge Manor
- Lawrence Park
- North Highlands
- Gardenland

- Engage community to create support and recruit homeowners and property owners
- Conduct energy assessment of each home/business
- Assign contractors to perform direct installation of equipment; Measures may include 1 or more:
 - Heat Pump Space Heating
 - Heat Pump Water Heater
 - Induction Stove/ commercial cooking equipment
 - EV ready
 - Solar (<10% of customers)
- Address urban heat through tree planting
- Educate community on climate change impacts, monitoring energy usage, the benefits of electrification;
- In-language and translation support provided as applicable

Community Impact Plan Multiplier Effect

Core areas:
Affordability
Equitable Access
Community education

Double current annual investment towards under-resourced communities

3x	Customers receiving an electrification measure
3x	Carbon tonnes savings
100	New apprenticeships
3,000	Individuals trained for clean energy careers
300	New small businesses
6,400	New direct and indirect jobs*
\$65M	Sacramento Region income generated*

*Source: Greater Sacramento Economic Council