

# Exhibit to Agenda Item #1a

SMUD 2023 Proposed Budget Overview, including Debt Service, Pay Schedule and Special Compensation, Corporate Services, Legal, Government Affairs & Reliability Compliance, Communications, Marketing & Community Relations, Enterprise Strategy, and Workforce, Diversity & Inclusion.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, November 8, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# SMUD Overview

## 2023 Proposed Budget

Jennifer Davidson  
Chief Financial Officer



# Thank You

## Planning & Performance

Brandi Yang	George Vaughn	Kamieka Hairston	Stephanie Shiu
Brian Matheson	Greg Spagnola	Katrina Major	Stephen Tarsoly
Brandon Clendenin	Henry Martinez	Laura Budd	Suki Dosanjh
Brian Howell	Hirra Khan	Marcum Jones	Ted Evans
Camelia Micuda	Janette Cruz	Melissa Rosenberg	Tom Carbajal
Christina Kemmler	Jared Moisey	Michael Davidian	Tracey McKinney
Danielle Silva	Jennifer Grady	Nicoleta Roman	Walter Laughlin
Debbie Hacker	Justin Foster	Nzube Okemiri	
Eera Amin	Kaiyee Ng	Patrick Browning	
Eric Hansen	Kaleigh Chi	Phillip Goldsby	

## Business Relationship Managers

Mandar Nimkar  
Nathan Hall  
Sandeep Singh  
Sandra Curry

## Operational Excellence

Emerita Valdez  
Kay Saechao  
Stacey Rae Arai  
Susan Borja

## Customer & Community Services

Erik Krause  
Ivan Rostami  
Shari Little  
Tracy Carlson

## SMUD Corporate

Casey Fallon  
Claire Rogers  
Erin Sabin  
Farres Everly  
James Leigh-Kendall  
Jennifer Restivo  
Joe Schofield  
Lisa Limcaco  
Rob Lechner  
Russell Mills  
Steve Lins

## Enterprise Prioritization

Fay Gibbs  
Jillian Rich  
Raquel Mata

## Zero Carbon Energy Solutions

Ed Hamzawi  
Heather Wilson  
Joel Ledesma  
Jon Olson  
Joyce Hribar

## Workforce, Diversity & Inclusion

Jon Wedding  
Jose Bodipo-Memba  
Laurie Rodriguez

## Information Technology

AJ Jacobs  
Amber Connors  
Carla Leek  
Larry Gunn  
Steve Kustin

## Business Partners

Angela Hutson  
Erin Page  
Gabe Lewall  
Helen Patton  
Jennifer Howard  
Matthew Powell  
Munira Ajmal  
Lisa Dean  
Sharon Huntsman

## Enterprise Strategy

Alcides Hernandez  
Bryan Swann  
Michelle Kirby  
Olof Bystrom  
Rachel Huang

## Energy Delivery & Operations

Attila Miszti  
Ellias Van Ekelenberg  
Eric Poff  
Jason McAlister  
Jon Murray  
Maria Veloso-Koenig  
Mark Willis

## Commodity Resource Mgmt.

Andrew Richardson  
James Osborne  
Jason Powers  
Jon Anderson  
Lily Yu  
Yayoi Whetstone

# Proposed 2023 Budget

## Annual proposed budget details

- Funding to maintain SMUD's high reliability, decarbonize power supply, keep rates affordable, and deliver community value
- Presentations include
  - Proposed spending, tactics and outcomes
  - Opportunities and challenges

**Board's priorities, California's ambitious regulations and 2030 Plan include investments that will take multiple years to accomplish**

**The following presentations will provide more details of the ambitious work ahead of us to achieve the Board's Strategic Direction, grouped by:**

- Infrastructure Investment
- Zero Carbon Plan
- Community Impact

# SMUD's annual budget process

## **The Board has an important fiduciary role to approve SMUD's annual budget**

- Board provides guidance to staff through Strategic Directions (SDs)
- Staff develops proposed budget aligned with SDs

## **The Board monitors progress through strategic monitoring reports and other communications during the year**

## **Public review and approval process**

- Transparent
- Opportunity to ask for additional details on proposed spending and intended outcomes

# Proposals for Board approval

## 2023 SMUD Budget

- 2023 spending authorization and staffing level
- Amendments to public good charge funding level and percentage allocation
- Authority for Rate Stabilization Fund transfers
- Provisions for adjusting budget authority

## Debt management

- Declaration of Intent to Issue Debt
- Reimbursement of capital expenditures from bond proceeds

## Employee pay schedules as required by state law

# 2023 Budget timeline

## Streamlined budget documentation book and presentations

**September 13**

### **Finance & Audit Committee Meeting**

2023 Budget Process Preview

**November 2**

### **Proposed 2023 Budget**

SMUD 2023 Proposed Budget Book distribution to Board members and posted to SMUD.org

**November 8**

### **Finance & Audit Committee Meeting**

SMUD 2023 Proposed Budget Overview  
Corporate, Enterprise Strategy, Workforce, Diversity & Inclusion, Energy Delivery & Operations, and Commodity and Joint Power Authority 2023 Proposed Budgets

**November 9**

### **Finance & Audit Committee Meeting**

SMUD 2023 Proposed Budget Overview  
Zero Carbon Energy Solutions, Customer & Community Services, Information Technology

**December 8**

### **SMUD Board of Directors Meeting**

Request Board Approval of 2023 Budget

# Basis of SMUD's financial plan

## Planning assumptions

- Resourced to fully achieve the Board's Strategic Directions and metrics
- Conservative forecast assumptions for electric sales and commodities
- Commodity assumptions reflect average/trended water year and temperatures, with additional funds for atypical risk events
- Economic data from multiple sources
- 2023 rate increase included
- Includes forecasted customer adoption of energy efficiency, electric vehicles, solar and storage, and building electrification (Distributed Energy Resources or DERs)



# Closing out 2022 & moving into 2023

## Dynamic business conditions

- Normal risk factors: Weather, amount of hydro generation, economy and customer growth

## Additional current risk factors

- High inflation and rising interest rates
- Potential recession
- 4th year of drought and higher wildfire risk
- Low Carbon Fuel Standard (LCFS) prices (funds electric vehicle infrastructure) are ½ or less
- Supply Chain constraints continue

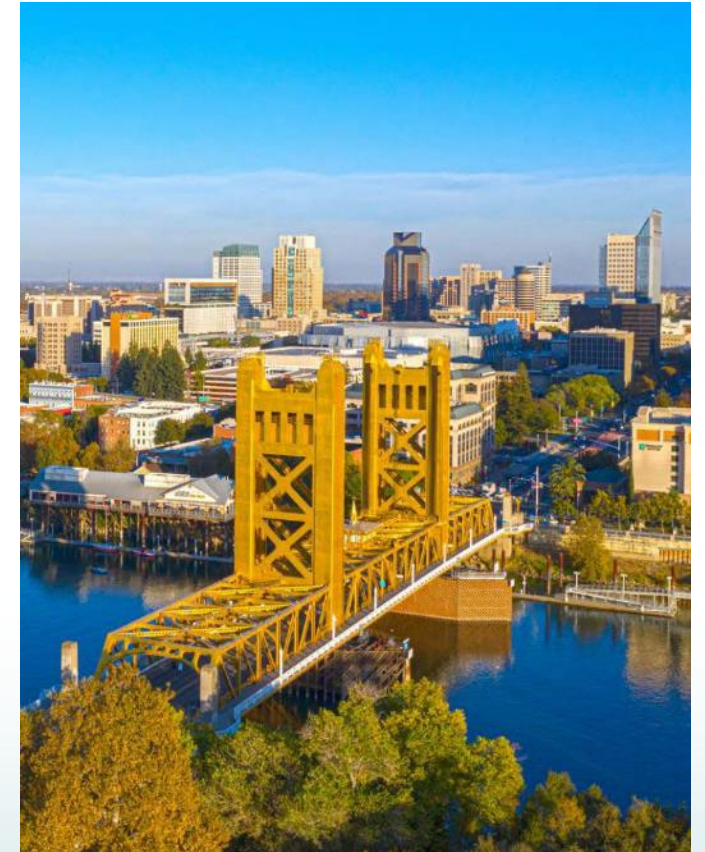
## Additional factors for 2022

- Commodity spending additional \$300M, or 70%, over plan
- Insurance claim funds to be received in future, some uncertainty on timing
- Rate Stabilization Fund used to purchase Western Area Power Authority (WAPA) replacement energy depleted
- Q4 2022 spending reduced to offset increased costs

# Financial considerations & implications

SMUD's strong financial metrics provide stability to our customers and community during uncertain times

- Maintaining a positive credit rating is necessary for strong 2023 financial metrics, after dip in 2022
- Replenishing Rate Stabilization Fund and address WAPA risks
- Setting rates for 2024-2025, balancing multiple factors
  - Investments in new clean energy resources and reliability in our community are costly, but necessary
  - Not making the investments would be even more costly
  - All business costs trending up at sharp rate
  - Operational excellence and grants to help offset some of the costs
- Keeping SMUD's rates affordable and stable now and in the future, with strong financial metrics



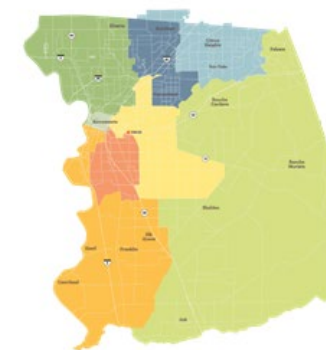
# Electric sales

## By December 2023, SMUD will have over 650K customers

- Residential customer count growing at approximately 0.6% or 3,500 customers
- Commercial customer count growing approximately 0.1% or 100 customers

## Load and retail sales

- Retail sales to customers up 3% in 2023
- Pricing Signals: Win-Win
  - Time of Day and EV charging
  - New Commercial Rate Restructure with super off-peak rates
- 2023 Forecasted Peak is lower than 2022 Peak



**655,000**  
Total Customers

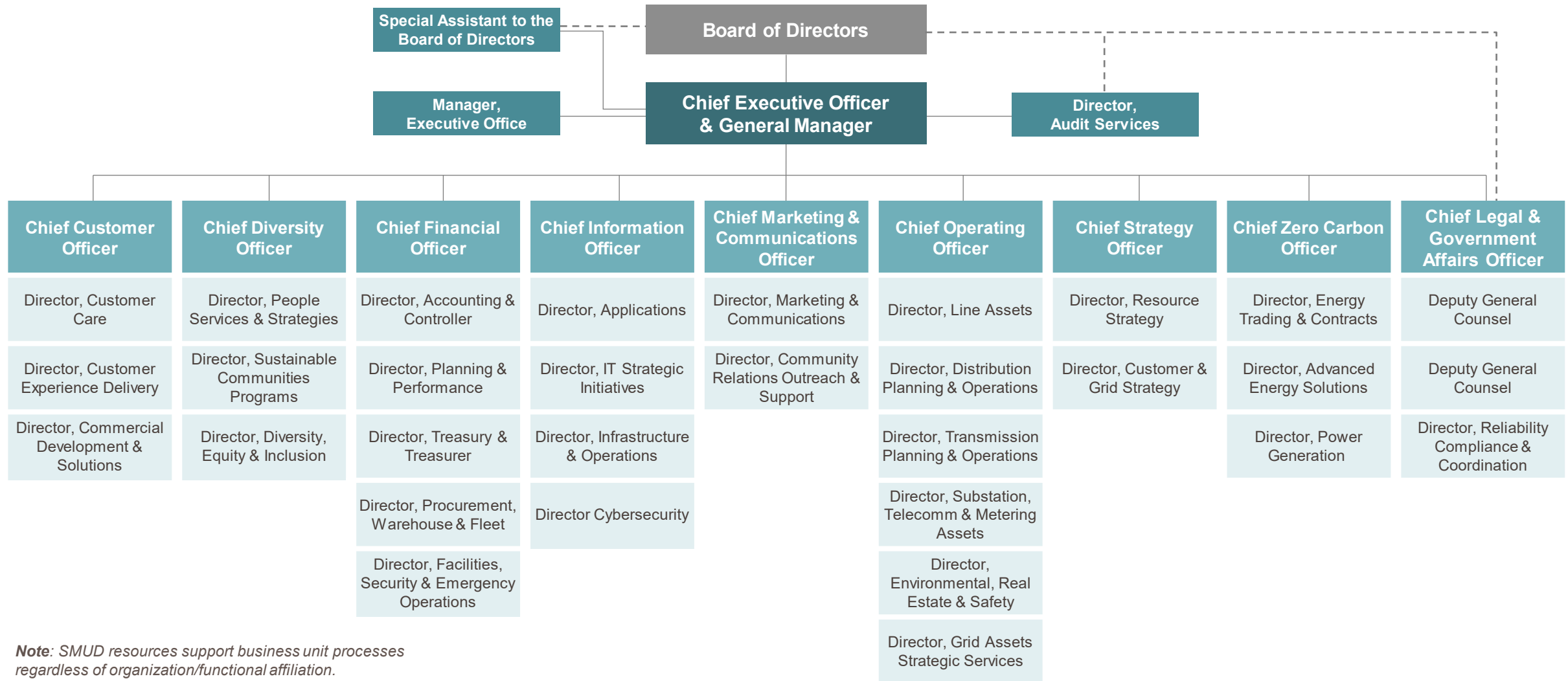
Residential  
**578,000**

Commercial  
**77,000**

### 2023 Budget Assumptions

	2022 Budget	2023 Proposed	Proposed vs. Budget
Retail Sales to Customers (GWh)	10,166	10,458	3%
Peak System Demand (MW)	2,874	2,806	-2%

# Organization chart by executive



**Note:** SMUD resources support business unit processes regardless of organization/functional affiliation.

# Business units & segments



The SMUD Budget is planned by business unit processes, which in some cases differs from the organizational/functional reporting structure.

Customer & Community Services	Energy Delivery & Operations	Zero Carbon Energy Solutions	Enterprise Strategy	Information Technology	Workforce, Diversity & Inclusion	Corporate / Enterprise
Customer Experience Delivery	Transmission Planning & Operations	Power Generation	Resource Strategy	Applications	People Services & Strategies	Governance
Customer Operations	Distribution Planning & Ops	Advanced Energy Solutions	Revenue Strategy	Infrastructure & Operations	Diversity, Equity & Inclusion	Finance
Community Energy Services	Line Assets	Commodity, Procurement & Sales	Customer & Grid Strategy	Strategy & Innovation	Sustainable Communities	Legal, Gov't Affairs & Reliability Compliance
Commercial Dev. & Solutions	Substation, Telecom & Network	New Business Development	Enterprise Prioritization	Strategic Initiatives & Operational Tech.		Facilities, Security & Emergency Operations
Business Performance & Optimization	Strategic Services & PMO			Cybersecurity		Procurement, Warehouse & Fleet
	Environmental, Real Estate & Safety					Comms. Marketing & Community Relations
	Operational Excellence					Enterprise Affairs

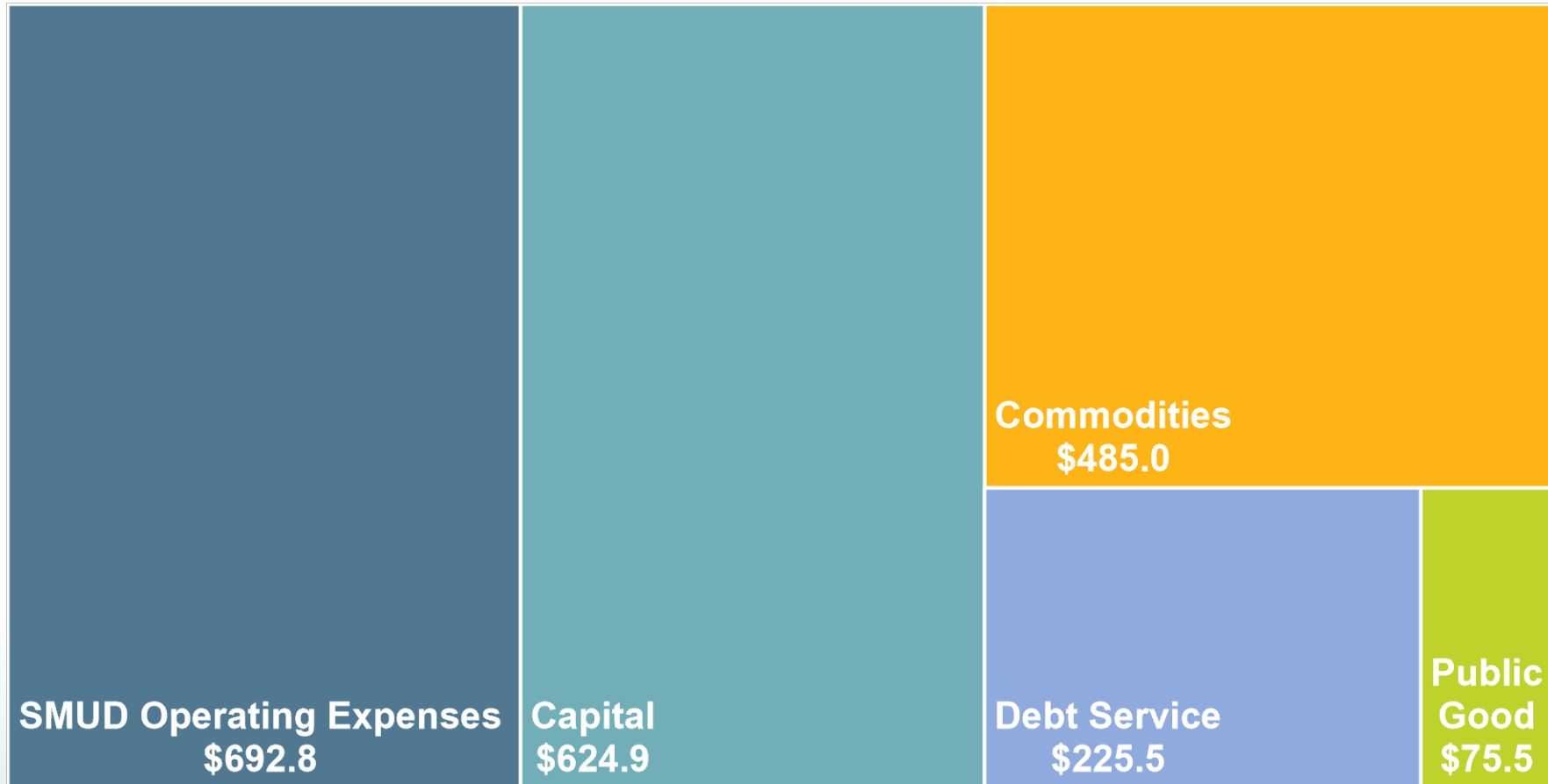
# Budget authorization – provides authority to staff

For the first time in SMUD's financial history, a large increase in capital is driving the 2023 Proposed Budget over \$2 billion

(\$ Millions)	2022 Forecast	2022 Budget	2023 Proposed	\$ Change vs Budget	% Change vs Budget
Commodities	\$750.0	\$440.7	\$485.0	\$44.3	10%
SMUD Operating Expenses	605.7	659.6	692.8	33.2	5%
Public Good Expenses	57.7	63.6	75.5	11.9	19%
Capital	353.3	359.9	624.9	265.0	74%
Debt Service	208.2	212.2	225.5	13.3	6%
<b>Total Budget Authorization</b>	<b>\$1,974.9</b>	<b>\$1,735.9</b>	<b>\$2,103.6</b>	<b>\$367.7</b>	<b>21%</b>

SMUD's forecast is higher than plan due to increased commodity costs and the 2022 Budget was augmented midyear by \$309M to \$750M

# 2023 budget authorization request



**Total budget  
authorization  
request amount:**  
**\$2,103.6 million**

**Public good is  
\$110M in total,  
when combined  
with EAPR and  
MedRate subsidies**

# 2023 Proposed O&M and Capital compared to 2022 Plan

O&M, including Public Good Dollars in Millions	2022	2023 Proposed	Variance
Zero Carbon Energy Solutions	\$215.7	\$226.1	\$10.4
Energy Delivery & Operations	\$204.7	\$212.6	\$7.9
Corporate	\$106.0	\$116.8	\$10.8
Customer & Community Services	\$102.5	\$102.0	(\$0.5)
Information Technology	\$36.5	\$39.3	\$2.8
Workforce, Diversity & Inclusion	\$9.2	\$17.6	\$8.4
Enterprise Strategy	\$17.5	\$16.8	(\$0.7)
Enterprise Business Unit	\$31.1	\$37.1	\$6.0
<b>Total O&amp;M, including Public Good</b>	<b>\$723.2</b>	<b>\$768.3</b>	<b>\$45.1</b>

Capital Dollars in Millions	2022	2023 Proposed	Variance
Zero Carbon Energy Solutions	\$108.4	\$340.2	\$231.8
Energy Delivery & Operations	\$192.9	\$184.9	(\$8.0)
Corporate	\$29.8	\$23.8	(\$6.0)
Customer & Community Services	\$6.6	\$7.6	\$1.0
Information Technology	\$37.2	\$45.3	\$8.1
Enterprise Business Unit	(\$15.0)	\$23.1	\$38.1
<b>Total Capital</b>	<b>\$359.9</b>	<b>\$624.9</b>	<b>\$265.0</b>



# Budget components & drivers of increases

## Capital

- Capital spending is for investments in SMUD's business
- Increasing by \$265M to \$625M, or an increase of 74%
- Compliance with California mandates and SMUD's Zero Carbon goals, reliability, and technology support
- Multi-Year resource projects, 2023 spending: Solano Wind Farm (\$174M), Country Acres Solar Project (\$85M)
- Completing Station G Substation (\$3M)
- ESS Flow Battery partnership project (\$10M)
- New and continuing technology projects

## Public Good

- Public benefit toward clean energy costs
- Increasing by \$12M to \$76M, or an increase of 19%
- Building Electrification (\$34M)
- Carbon reducing programs such as Energy Efficiency (\$16M)
- \$34M for low income and med rate subsidies are in addition to the budget authorization

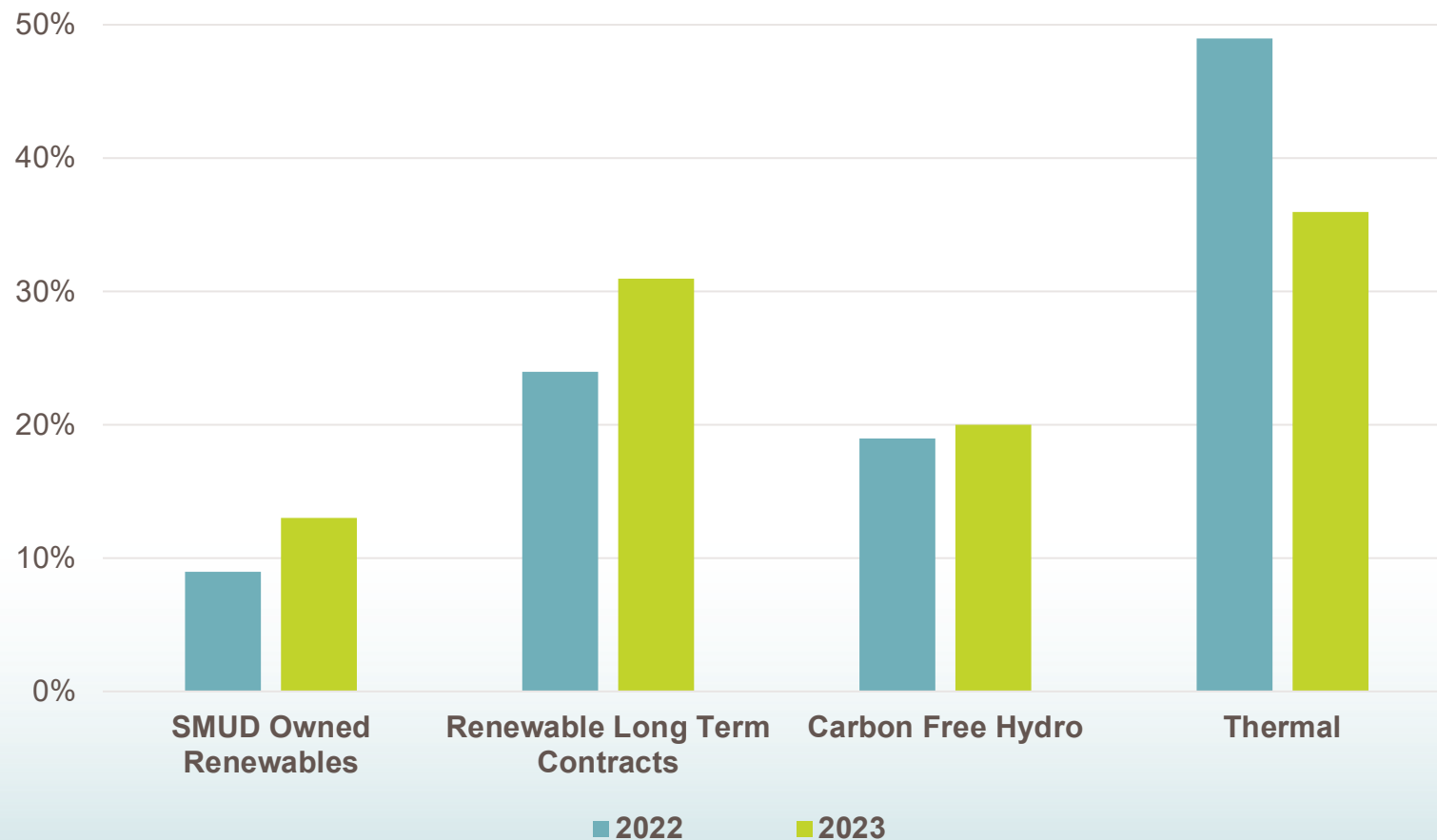
# Budget components & drivers of increases

## Operations and Maintenance (O&M)

- Ongoing costs to run the business, including business operations, and support for business operations
- Increasing by \$33M to \$693M, or an increase of 5%
- Spending on Vegetation Management and Wildfire Mitigation (\$77M)
- Community initiatives, including new Community Impact Plan
- Cybersecurity, Property and Casualty Insurance

# Commodities

SMUD's Resources 2022 vs. 2023



**Carbon-free Resources increase to 64% from 52%**

**Increases are:**

- 9% Geothermal
- 1% Solar

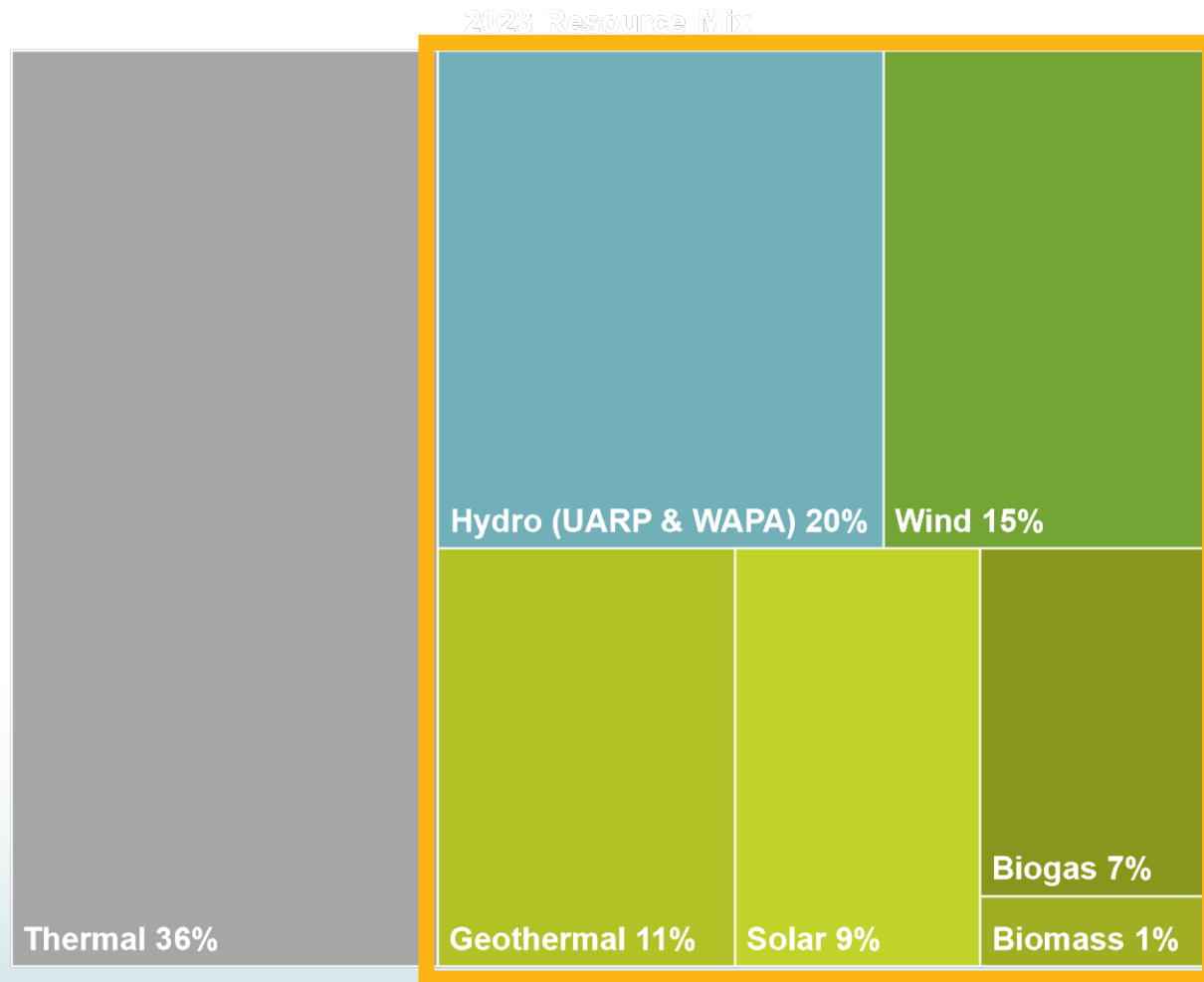
**Thermal Generation decreasing from 49% to 36%**

# Commodity Budget

- **Increase in Load of 3%**
- **New Geothermal and Solar contracts** increase power cost line item
- \$13M to buy **replacement higher-cost carbon free energy** from Northwest market
- Additional funds for **Risk Mitigation** including \$19M for low WAPA deliveries and in the event Cosumnes Power Plant online date delay
- **Lower Gas cost** due to lower thermal generation despite higher gas market prices

Cost (\$ Million)	2022 Budget	2023 Proposed	\$ Change
Power Cost	\$ 215.0	\$ 264.9	\$ 49.9
Transmission Cost	28.8	35.1	6.3
Gas Cost	196.9	185.0	(11.9)
<b>Total Commodity Cost</b>	<b>\$ 440.7</b>	<b>\$ 485.0</b>	<b>\$ 44.3</b>

# Commodity resource mix



## \$275M purchases of renewable energy

- \$218M Purchase Power Agreements (PPA)
- \$47M Renewable Natural Gas
- \$10M additional Renewable Energy Credits

## Hydro Update

- WAPA to provide 511 MWhs, vs. 661 MWhs average due to low reservoir levels
- UARP to provide 1,634 MWhs, slightly above average due to reduced outages
- Purchasing replacement power if low hydrogeneration:
  - Hydro Rate Stabilization Fund (HRSF) balance of \$31M
  - Rate Stabilization Fund (RSF) balance of \$4M

# Budget resolution provisions

## Provisions to adjust budget spending authority

### Adjustments due to lower hydro generation

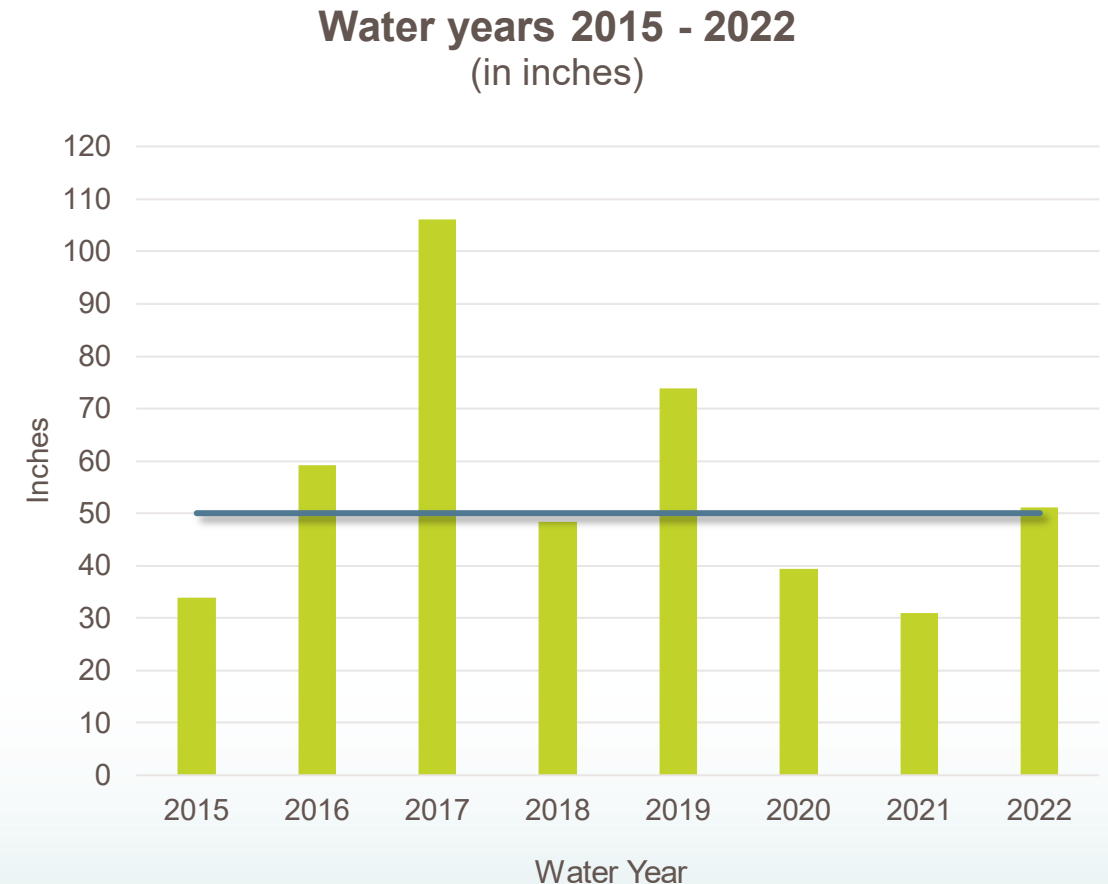
- UARP Generation and WAPA deliveries
- Commodity budget increases to purchase replacement power

### Adjustments due to higher sales

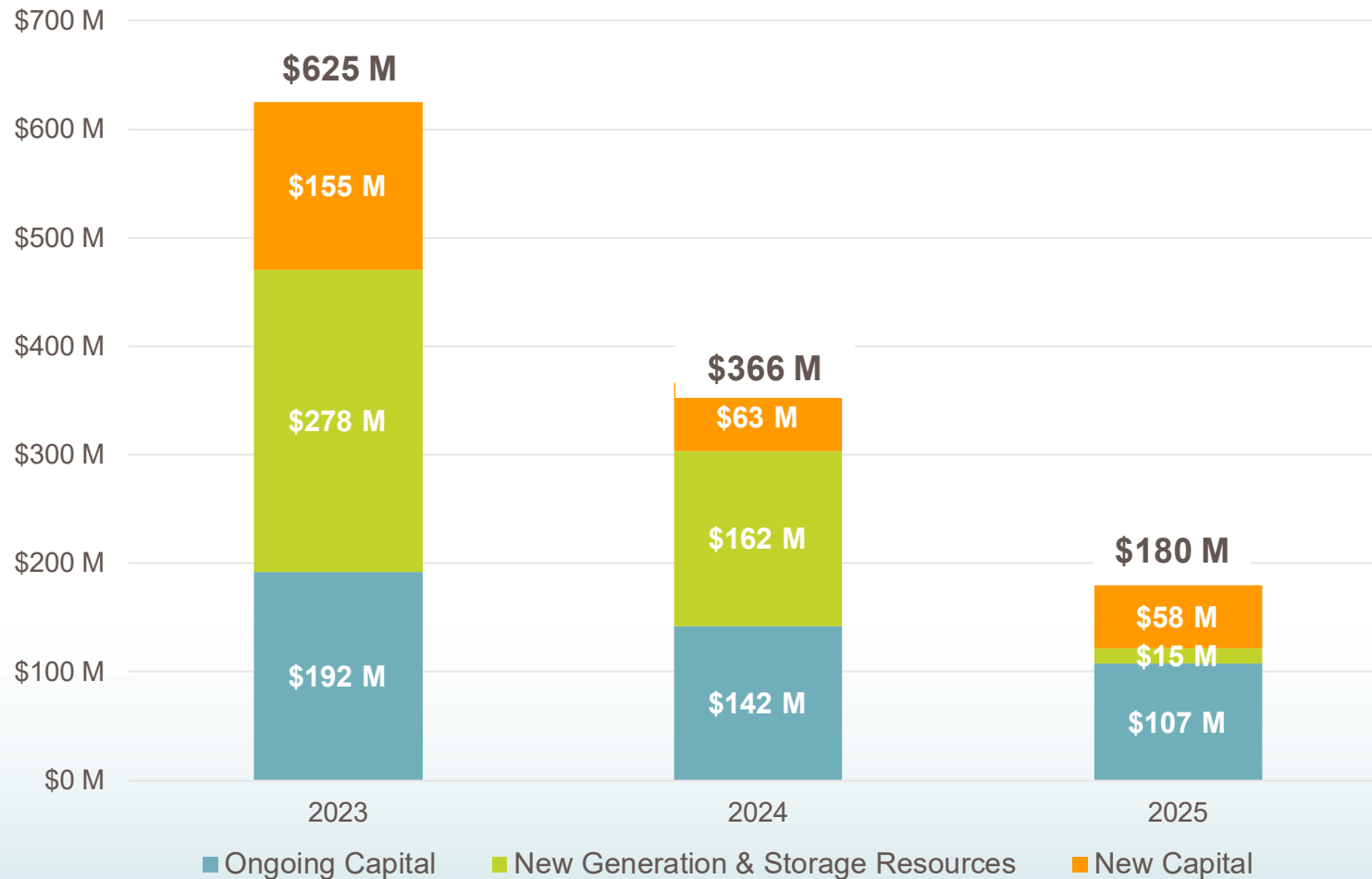
- Budget based on retail sales of GWh
- If electric sales more than plan, commodity budget amount increases to serve additional load

### Adjustments due to Low Carbon Fuel Standard (LCFS) sales and Cap-and-Trade carbon allowances

- Match revenue with expenses in the same year

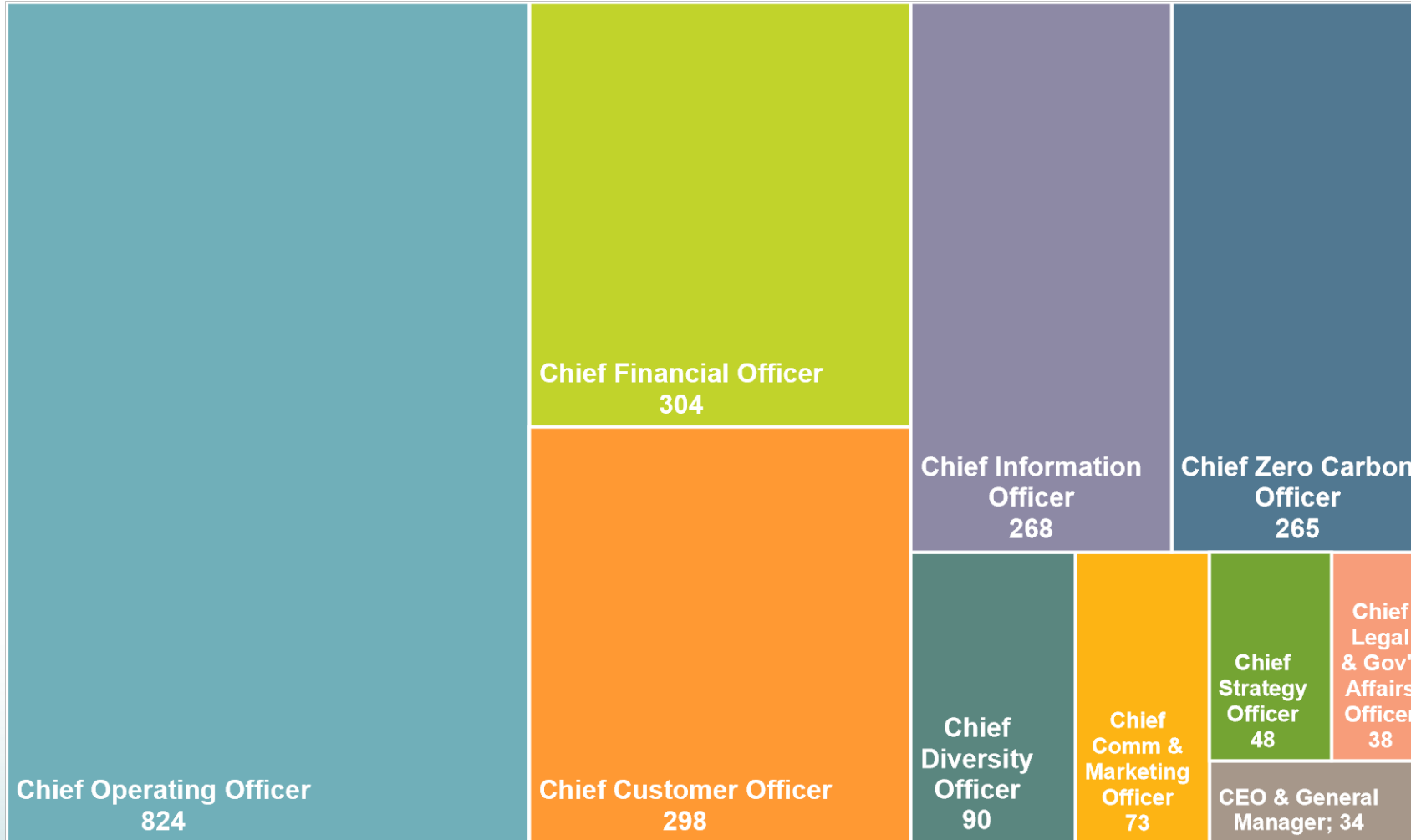


# Capital – Requesting approval for 2023



Major Items of Interest	
New Capital	
Pole & Cable Replacement	\$40.2M
Distribution Line Equipment	\$9.5M
Vehicle Replacement	\$9.3M
Meters	\$7.6M
New Generation & Storage Resources	
Solano 4 Wind	\$174.2M
Country Acres Solar/Storage	\$84.5M
ESS Flow Battery	\$10.0M
Coyote Creek Solar/Storage	\$9.6M
Ongoing Capital	
Substations: H & Elverta	\$16.9M
Tech Projects: OMS, DERMS, Talent Tech Transformation	\$12.3M
CPP Outage & Repair	\$5.4M

# Position summary



## Position details

- Board approves full time positions
- 2023 Full Time positions are 2,242, an increase of 32
- Areas of growth:
  - Workforce, Diversity, & Inclusion Staff
  - Community Impact Outreach Staff
  - Zero Carbon Technical Staff
  - Field Staff
- Limited Term positions increasing by 9

	2022 Budget	2023 Proposed	Proposed vs. Budget
Full Time	2210	2242	32
Limited Term	39	48	9
Part Time	127	126	-1
Students	76	80	4



# Salaries & Wages

Executive Group (\$ Millions)	2022 Forecast	2022 Budget	2023 Proposed	\$ Change vs Budget	% Change vs Budget
CEO & General Manager	\$ 7.4	\$ 8.4	\$ 7.5	\$ (0.9)	-11%
Chief Marketing & Communications Officer	7.9	8.7	8.9	0.2	2%
Chief Legal & Gov't Affairs Officer	5.8	5.9	6.2	0.3	5%
Chief Financial Officer	35.3	35.1	37.1	2.0	6%
Chief Operating Officer	127.4	127.8	138.9	11.1	9%
Chief Zero Carbon Officer	35.5	37.0	40.3	3.3	9%
Chief Strategy Officer	6.3	7.1	7.4	0.4	5%
Chief Customer Officer	32.0	34.2	35.8	1.6	5%
Chief Diversity Officer	11.2	11.4	14.6	3.2	28%
Chief Information Officer	37.3	39.8	41.7	1.9	5%
<b>Total Salaries &amp; Wages</b>	<b>\$ 278.3</b>	<b>\$ 295.7</b>	<b>\$ 315.6</b>	<b>\$ 19.9</b>	<b>7%</b>
<b>Total Overtime</b>	<b>\$ 27.9</b>	<b>\$ 19.7</b>	<b>\$ 22.9</b>	<b>\$ 3.2</b>	<b>16%</b>
<b>Total Salary Costs</b>	<b>\$ 306.2</b>	<b>\$ 315.4</b>	<b>\$ 338.5</b>	<b>\$ 23.1</b>	<b>7%</b>

# Benefits

Lower Retirement Contribution in 2023 due to additional contribution strategy and prior year market returns

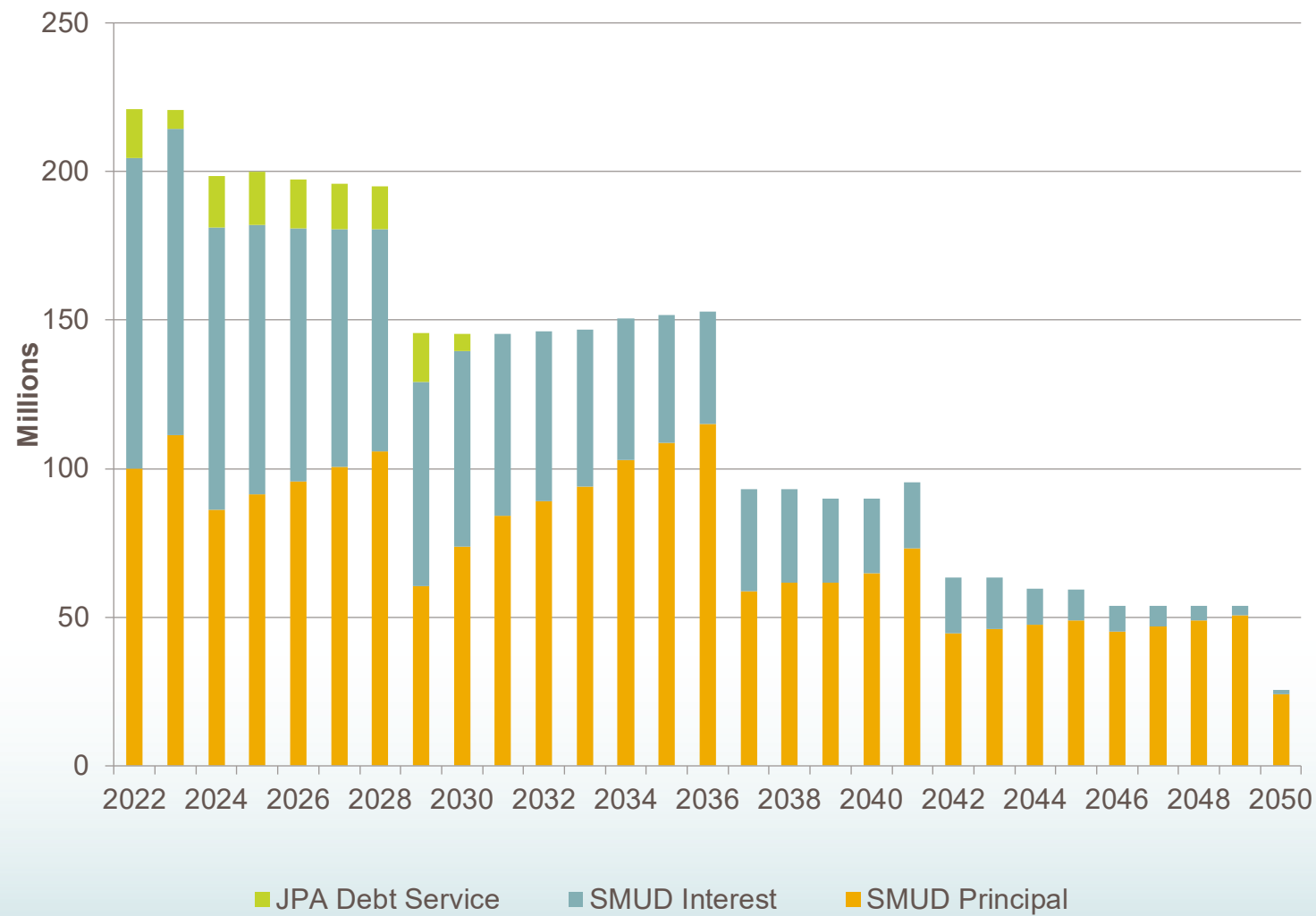
(\$ Millions)	2022 Forecast	2022 Budget	2023 Proposed	\$ Change vs Budget	% Change vs Budget
Retirement Contribution	\$93.8	\$68.2	\$63.6	(\$4.5)	-7%
Social Security Contribution	22.2	23.7	24.8	1.1	5%
<b>Total Retirement &amp; Social Security</b>	\$116.0	\$91.8	\$88.4	(\$3.4)	-4%
Health & Welfare	45.7	56.9	51.7	(5.2)	-9%
Administer Benefits	1.8	2.4	2.1	(0.3)	-12%
<b>Total Health &amp; Welfare</b>	\$47.5	\$59.2	\$53.7	(\$5.5)	-9%
<b>TOTAL Benefits Budget</b>	\$163.5	\$151.0	\$142.2	(\$8.9)	-6%

# Debt Service

(\$ Millions)	2022 Forecast	2022 Budget	2023 Proposed	\$ Change vs Budget	% Change vs Budget
Interest Expense	\$110.8	\$113.3	\$106.7	(\$6.6)	-6%
Interest on New Debt Issuance	0.0	0.0	8.5	8.5	100%
Principal Repayments	100.2	100.2	111.2	11.0	11%
Fees/Bond Issuance Cost	0.8	2.3	2.8	0.5	20%
<b>Total Debt Service</b>	<b>\$211.8</b>	<b>\$215.8</b>	<b>\$229.1</b>	<b>\$13.4</b>	<b>6%</b>
Allocated to JPAs	(3.6)	(3.6)	(3.6)	(0.0)	1%
<b>Net Debt Service</b>	<b>\$208.2</b>	<b>\$212.2</b>	<b>\$225.5</b>	<b>\$13.3</b>	<b>6%</b>

# Existing Debt Service

- Significant increases in capital spending will require new borrowing
- In 2024, the \$22M reduction in existing debt service provides additional borrowing capacity of \$338M
- Plan to cash-fund approximately 50% of capital investments



# Debt Management requested action

## Assumptions and debt management activity

- Potential opportunity to refund bonds issued in 2013 with lower interest rates
- Unrestricted cash balance expected in December 2023: \$449 million, or 151 days cash on hand
- Staff generally plans to issue new debt to preserve a 150-day minimum threshold for number of days cash on hand
- Establish additional bonding authority: declare intent to issue debt, \$400 million
- During 2023, staff will request Board's authorization for a new transactions

# Income Statement

- Responsive to changing business conditions
- Holistic, initiatives achieve multiple goals
- Balanced between short-term needs and long-term goals

## Operating Revenues

Electric Sales  
EAPR/MED Discounts  
Uncollectible Electric Sales

## **Net Sales**

Other Revenue

## **Total Revenue**

## **Commodity**

## **Business Unit O&M**

## **Other Costs/Income**

## **Change in net position - Net Income (Loss)**

## **Fixed Charge Coverage Ratio**

	2022 Forecast	2022 Budget	2023 Proposed
\$	1,617.9	\$ 1,549.4	\$ 1,669.2
	(33.7)	(35.0)	(34.4)
	2.3	(10.9)	(10.9)
	<b>1,586.5</b>	<b>1,503.5</b>	<b>1,624.0</b>
	135.2	51.9	60.1
	<b>1,721.7</b>	<b>1,555.4</b>	<b>1,684.1</b>
	<b>750.0</b>	<b>440.7</b>	<b>485.0</b>
	<b>688.6</b>	<b>723.1</b>	<b>768.2</b>
	<b>271.7</b>	<b>275.2</b>	<b>300.0</b>
<b>\$</b>	<b>11.4</b>	<b>\$ 116.4</b>	<b>\$ 131.0</b>
	<b>1.50</b>	<b>1.93</b>	<b>2.08</b>

millions

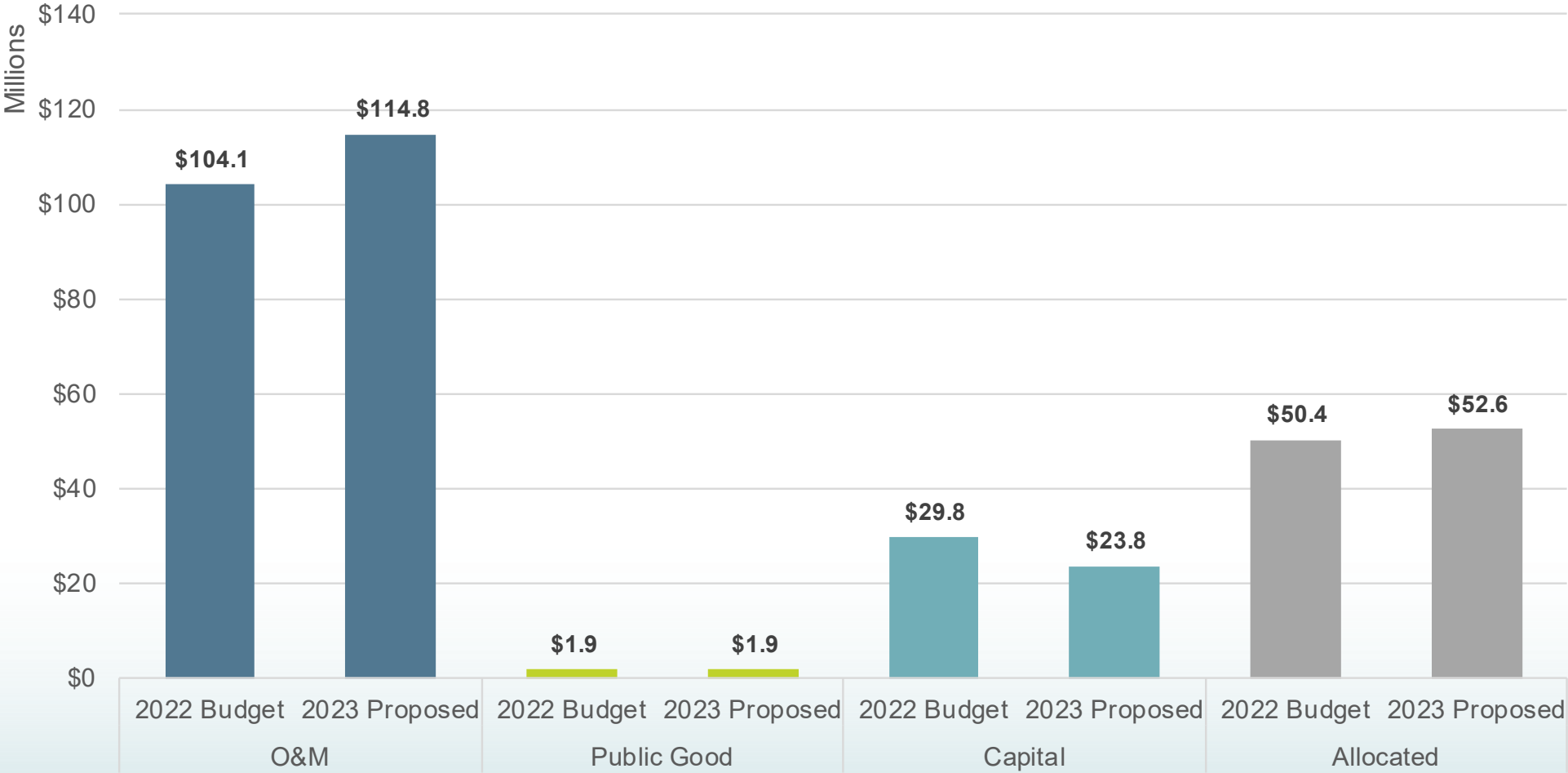
# Corporate Enterprise Strategy Workforce, Diversity & Inclusion 2023 Proposed Budgets

# Business units & segments

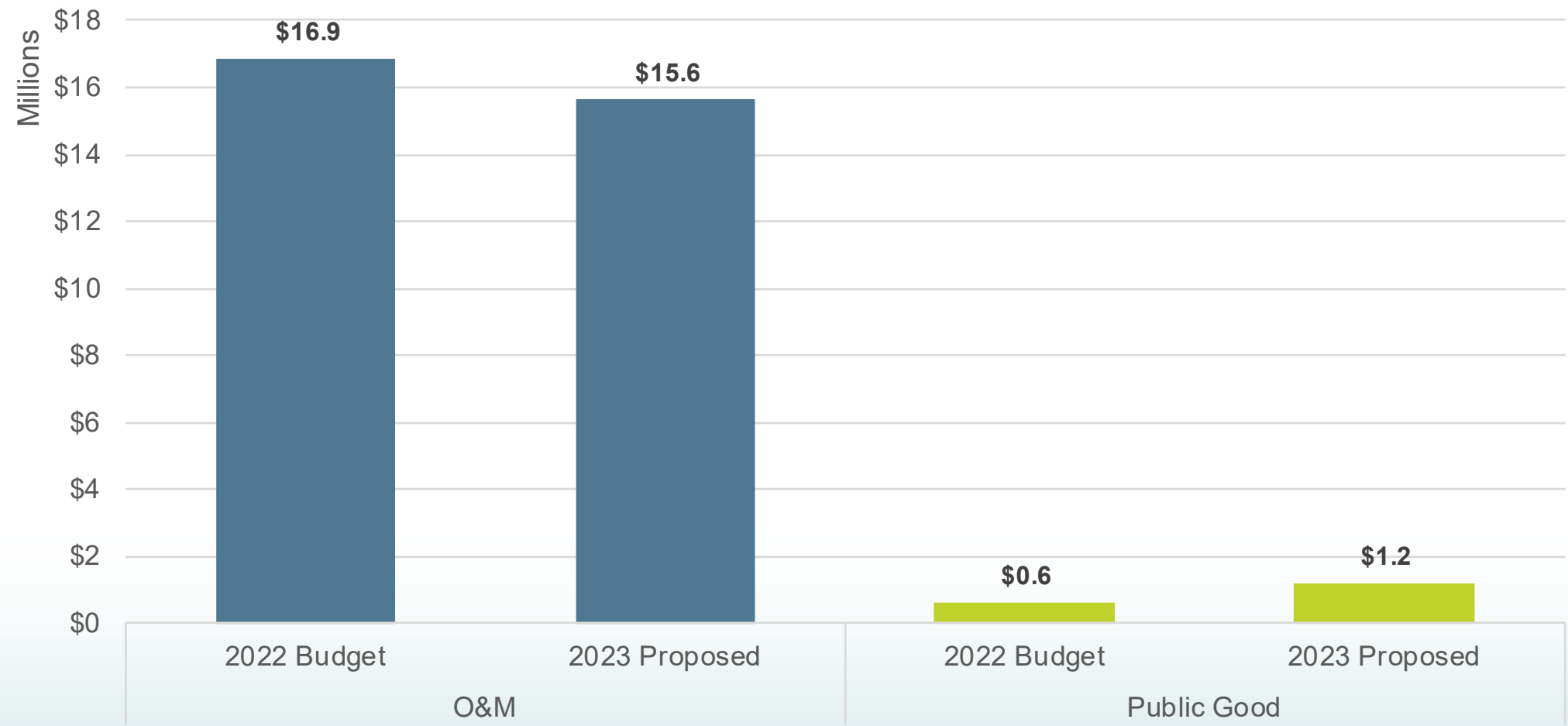
Customer & Community Services	Energy Delivery & Operations	Zero Carbon Energy Solutions	Enterprise Strategy	Information Technology	Workforce, Diversity & Inclusion	Corporate / Enterprise
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	Environmental, Real Estate & Safety					Comms. Marketing & Community Relations
	Operational Excellence					Enterprise Affairs



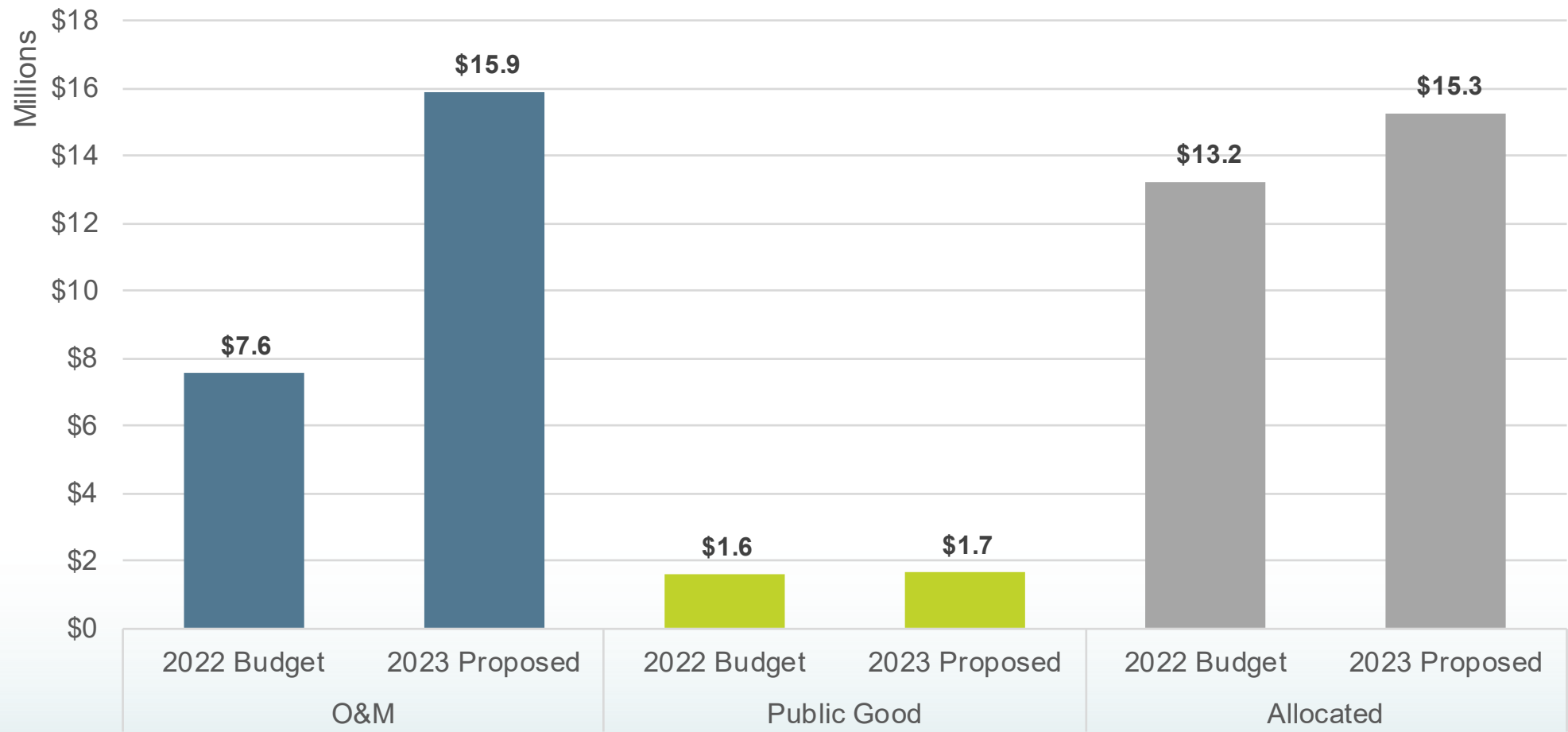
# Corporate 2023 Proposed Budget



# Enterprise Strategy 2023 Proposed Budget



# Workforce, Diversity & Inclusion 2023 Proposed Budget

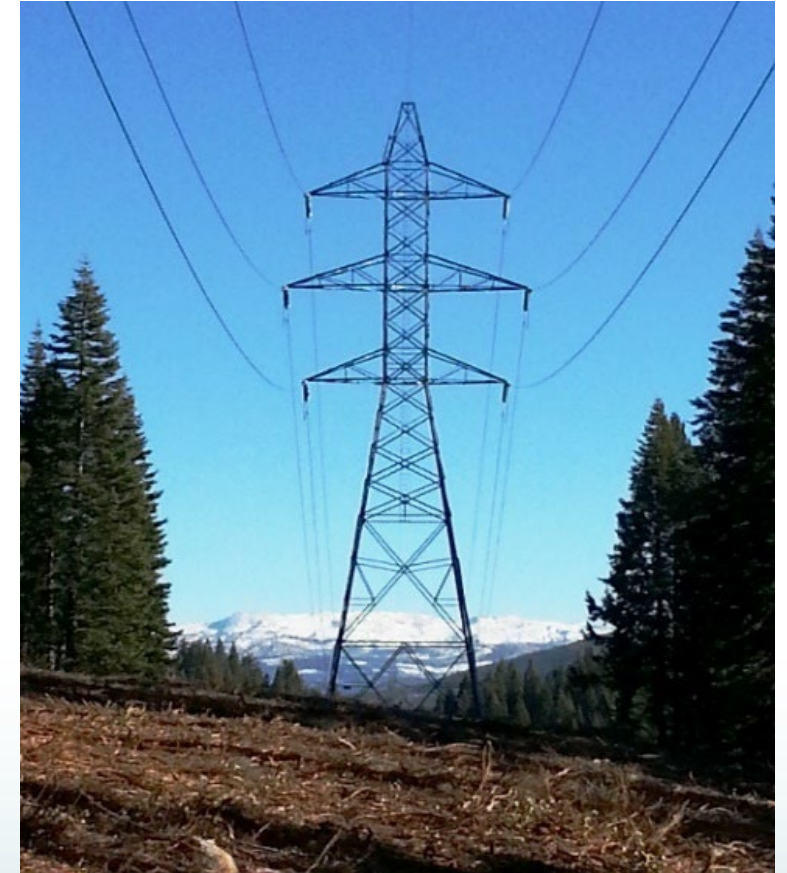




# Infrastructure Investment

Alignment to Strategic Direction: SD-4 SD-6 SD-8 SD-11 SD-14 SD-16 SD-17

- Seek opportunities to save through refunding SMUD debt and provide low-cost capital financing
  - Inflation Reduction Act: maximize the benefits under the direct pay provisions
- Maximize insurance recovery for the major outages in 2022
- Advocate at the California Energy Commission for funds from the Demand Side Grid Support (DSGS) and Distributed Energy Backup Assets Program (DEBA) Programs to support grid investment.
- Lead grant pre-capture efforts to support 2030 Zero Carbon Plan investments.





# Zero Carbon Plan

Alignment to Strategic Direction: SD-2 SD-3 SD-7 SD-9 SD-10 SD-19

## Continue to seek ways to increase sustainability:

- Campus operations: reduce energy and water consumption, retire gas-fueled landscaping equipment
- Procurement Practices: Focus on Environmental, Social & Governance (ESG) criteria in evaluation process, participate in Sustainable Supply Chain Alliance (SSCA)
- Increase recycling, increase the circular economy activities
- Advance fleet electrification from 13% to 15%, demonstrating the technology
- Increase SMUD's fleet fuel economy

## Engage with insurance markets to provide cost effective solutions to insure SMUD-owned renewable assets and emerging technologies





# Zero Carbon Plan

Alignment to Strategic Direction: SD-2 SD-3 SD-7 SD-9 SD-10 SD-19

- Manage North American Electric Reliability Corporation (NERC) regulatory compliance monitoring and enforcement program requirements
- Provide legal support for innovative service partnerships with potential for nonstock equity acquisition
- Draft and negotiate power purchase agreements and provide legal/regulatory support for utility scale solar and storage development (e.g. property rights and permitting)
- Proactive advocacy at the local, state, and federal level that advances our strategic directives
  - Transportation and building electrification (ex. Advanced Clean Fleet, State and Local building codes)
  - Federal clean energy legislation/rule making
  - Expansion of regional markets, including the Extended Day Ahead Market (EDAM)







# Zero Carbon Plan

Alignment to Strategic Direction: SD-2 SD-3 SD-7 SD-9 SD-10 SD-19

- Strategic Workforce Planning to ensure we have the talent to power our clean energy future
- Implementing Diversity, Equity, Inclusion & Belonging (DEIB) strategy to foster an inclusive innovative culture
- Developing partner equity outreach, recruitment strategy for key regional projects including the Sacramento State Power Engineering Partnership, UC Davis Aggie Square, the ESS energy storage and resilience partnership, and the California Mobility Center





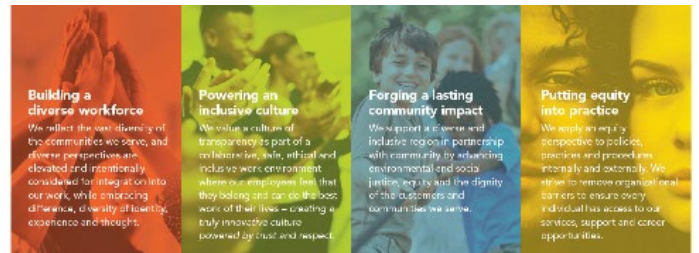
# Community Impact

Alignment to Strategic Direction: SD-5 SD-13 SD-15

- Develop and implement supplier diversity program that aligns with Supplier Education & Economic Development (SEED) programs, focus on supplier registration data and outreach
- Plan, develop recommendations on rates and services and conduct the 2023 rate action, including addressing drought-related WAPA hydro reductions
- Executing on DEIB Strategy through Enhanced Community and Workforce Outreach



## DEIB Strategy overview



### Mission:

Create an innovative culture powered by trust, respect and inclusion through the recognition and removal of systemic barriers leading to access and opportunity.

### Vision:

SMUD celebrates diversity and inspires an inclusive culture based on trust and respect to create belonging and connection among our employees, customers and communities. By working together, we are powering positive, equitable opportunities for all.



- Increase the diversity of our applicant pools and have them reflect the community.
- Develop awareness of DEIB impacts on recruitment and promotions.
- Increase the diversity of internal applicant pools considered for internal promotions.



- Create and sustain data transparency.
- Create an environment where all employees feel psychologically safe and a sense of belonging where they can thrive and perform their best work.
- Develop and emphasize accountability for a strong DEIB culture.



- Pursue community based partnerships to equitably engage in underserved communities.
- Encourage awareness of DEIB in SMUD business activities, programs and incentives to foster and support sustainable participation throughout our community.
- Foster inclusive economic development by activating and distributing resources equitably among our communities for an equitable, inclusive and clear energy future.

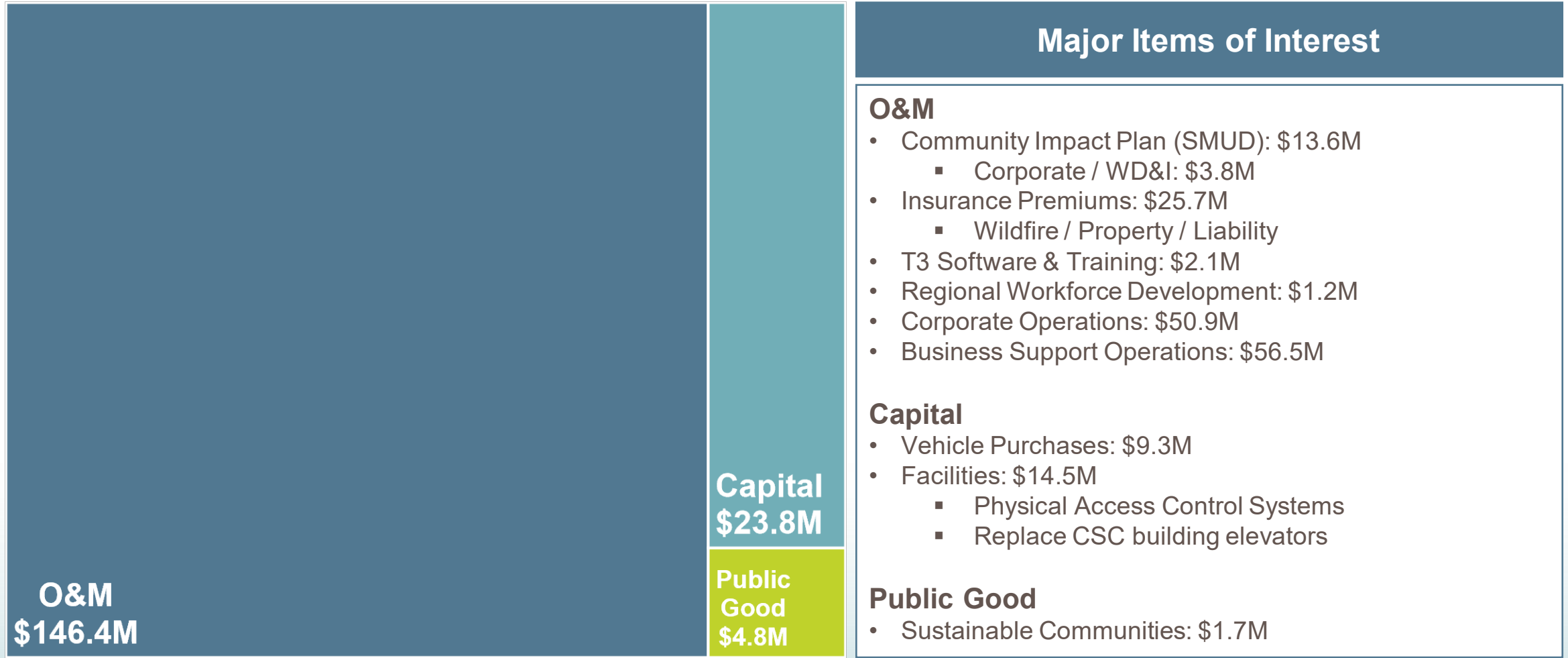


- Apply the concept of equity in SMUD's business areas.
- Provide professional learning opportunities that increase awareness of key equity concepts.
- Encourage equity in SMUD's business activities, programs and incentives to foster sustainable participation and partnership throughout our community.





# Corporate, Enterprise Strategy and Workforce, Diversity & Inclusion



# Questions?