

# Exhibit to Agenda Item #1c

Information Technology 2023 Proposed Budget.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Wednesday, November 9, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

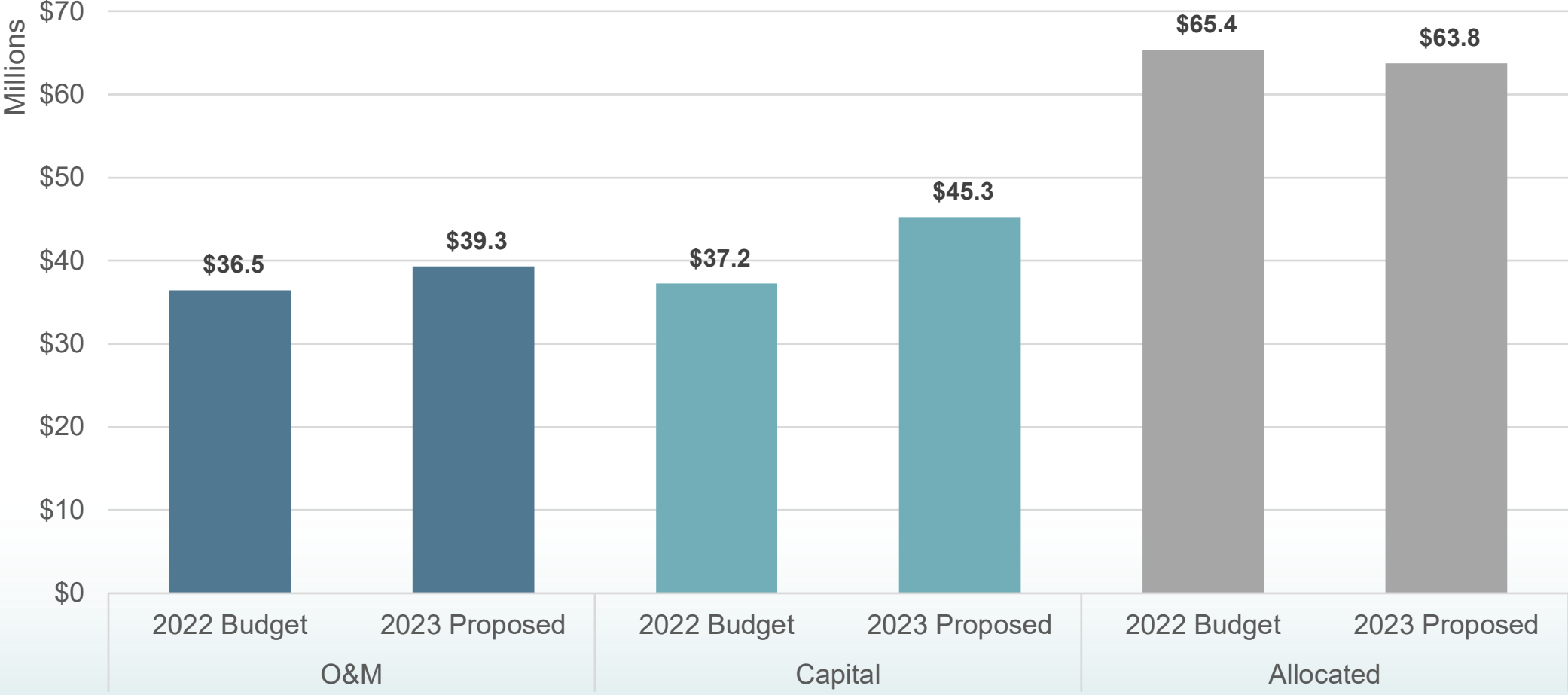
# Information Technology 2023 Proposed Budget & Initiatives

Suresh Kotha  
Chief Information Officer

# Information Technology

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

# 2023 Proposed Budget



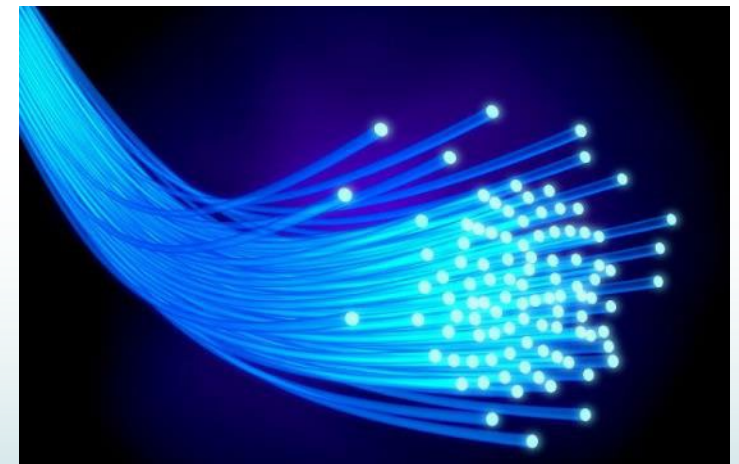


# Infrastructure Investment

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

## Technology platforms

- Deliver world class reliability to our customers and employees through infrastructure and applications upgrades
- Improve employee experience and drive operational excellence by deploying advanced technologies and making it easier for employees to use them
- Fiber-Optic infrastructure: Eliminate bottlenecks, create distribution-level standards and deploy lifecycle replacements
- Incorporate “cloud-right” methodology to optimize utilization of cloud-based technologies





# Infrastructure Investment

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

## Cybersecurity

- Continue to integrate cybersecurity technical and programmatic efforts within critical business processes
- Embrace a Zero-Trust cybersecurity model and deploy principles to better position SMUD to secure sensitive data, systems and services
- Build on successful Critical Infrastructure Protection (CIP) audit and continue to implement internal controls in collaboration with Reliability and Compliance (RC&C)
- Partner with security operations to maximize value of the Physical Access Control System (PACS)







# Infrastructure Investment

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

## Enterprise initiatives

- Partner with facilities to develop and maintain an updated disaster recover strategy to ensure business continuity
- Continue development of an integrated customer technology platform
- Unify legacy HR systems into an integrated platform that streamlines employee processes and supports commitments to ongoing diversity, equity, inclusion and belonging (DEIB) efforts
- Build compliance with Records Information Management (RIM) policies by evaluating records and moving to approved repositories
- Provide a multi-year planning tool for energy delivery & operations
- Complete roadmap to upgrade SMUD's enterprise SAP system





# Zero Carbon Plan

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

## Grid modernization technologies

- Complete pilot deployment of next-generation meters with distributed intelligence capabilities
- Deliver advanced technology platforms to integrate distributed energy resources and future resource management programs
- Evolve Outage Management System (OMS)
- Deploy load allocation software to improve distribution planning's ability to efficiently track, analyze and develop forecasts
- Support integrating utility-scale solar and battery resources into SMUD's resource optimization system







# Community Impact

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

- Support the Community Impact Plan with applications that increase insight into underserved communities and customers
- Continue to provide scalable, reliable and cost-effective support for the community energy services line of business



# 2023 Proposed Budget

<b>Capital</b> <b>\$45.3M</b>	<b>O&amp;M</b> <b>\$39.3M</b>
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## Major Budget Items

### Capital – Project Execution

- New Technologies: \$31.6M. Key initiatives:
  - Distributed Energy Resource Management
  - Outage Management System
  - Talent Technology Transformation
  - Fiber Optic Capacity Improvements
  - Workforce Optimization
  - Contact Center Technology Replacement
  - Customer Technology Platform
  - Next Generation Meter Pilot
- Hardware and software lifecycles: \$11.7M

### O&M – Major Spending Categories

- Project Planning & Execution: \$18.5M
  - Records evaluation and transition
  - O&M software lifecycle upgrades
  - SAP Upgrade planning
- Core IT Services: \$10.0M
- Customer and Enterprise Analytics: \$8.1M
- Technology Enhancements and Innovation: \$2.7M

# Questions?