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 7, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
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 – 77.14% diversion
- Site Remediation Efforts – North City landfill closure and former Community Linen

Minimizing Environmental Impacts
- Transportation and Equipment Electrification
- Wildfire Mitigation Plan
- Environmental Justice
- Avian Protection Plan

Conserving Resources
- Sacramento Shade Program
- Environmentally Sustainable Purchasing Program (ESPP)
- Greenergy®, SolarShares®

Building Partnerships with our Community
- Zero Carbon Plan
- Sustainable Communities
- J.D. Power’s Certified Sustainability Leader designation, Sacramento Housing Alliance Build It Green award
- Land Acknowledgement Statement
Leadership & Innovation to Reduce Greenhouse Gas Emissions

Zero Carbon Plan
- Fleet and Building Electrification
- Battery Storage
- Solar and Wind

Greenhouse Gas Reporting
- California Air Resources Control Board (CARB)
- U.S. Environmental Protection Agency (USEPA)
- The Climate Registry (TCR)
- CDP (formerly Climate Disclosure Project)
- Scope 1, 2, 3 Emissions

Sustainability Efforts
- Carbon Footprint Dashboard
- Green Team
- Internal Greenhouse Gas Reduction Efforts
Electrification of Vehicles, Buildings, and Equipment

- Electric Lawn Mower Pilot Program with Sacramento Metropolitan Air Quality Management District
- Electrifying SMUD equipment
Building Partnerships with Our Community

• 226 Sustainable Communities Partnerships
• Land Acknowledgement Statement
• Sacramento Tree Foundation
• Electric Power Research Institute (EPRI)
• Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA)
Challenges and Opportunities

Challenges
• COVID-19 pandemic
• Evolving federal, state, and local regulations
• Supply chain constraints
• Complicated environmental remediation projects
• Eagle monitoring permit

Opportunities
• Improved internal efficiency and process improvements
• Leveraging lead industry groups and partnerships
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 15, 2022.