Exhibit to Agenda Item #1
Accept the monitoring report for Strategic Direction SD-13, Economic Development Policy.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, August 15, 2023, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium
Economic Development Policy

SD-13:
“Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

b) SMUD shall align its economic development activities with regional economic development initiatives.

c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

d) SMUD shall offer economic development rates and program incentives.

e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.”
In 2022, SMUD's impact on the economy was over $3.5 billion.

This represents the overall effect that SMUD policies and actions had on the local economy, including:

- SMUD's operations (i.e., jobs and income)
- SMUD's external contracting activities
- The resulting increase in household income and spending that boosts further economic activity

<table>
<thead>
<tr>
<th>2022</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impact (output)</td>
<td>2,260</td>
<td>$381,152,849</td>
<td>$2,188,238,103</td>
</tr>
<tr>
<td>Indirect Impact</td>
<td>4,289</td>
<td>$269,079,127</td>
<td>$904,403,469</td>
</tr>
<tr>
<td>Induced Impact</td>
<td>3,064</td>
<td>$165,174,974</td>
<td>$495,551,202</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,613</td>
<td>$815,406,950</td>
<td>$3,588,192,773</td>
</tr>
</tbody>
</table>
Progress in Inclusive Economic Development

Brookings Institution Annual Assessment

- Sacramento Region rankings among 192 US metro areas with populations over 250k:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>67</td>
<td>64</td>
<td>34</td>
<td>34</td>
<td>22</td>
</tr>
<tr>
<td>Prosperity</td>
<td>71</td>
<td>59</td>
<td>34</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Inclusion</td>
<td>84</td>
<td>51</td>
<td>20</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Racial Inclusion</td>
<td>-</td>
<td>70</td>
<td>46</td>
<td>31</td>
<td>17</td>
</tr>
<tr>
<td>Geographic Inclusion</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>30</td>
<td>14</td>
</tr>
</tbody>
</table>
2030 Clean Energy Vision & the Community Impact Plan

Community Impact Plan

Our audience
- Residential
  - Low- & median-income populations who can’t afford necessities
  - Renters with higher energy burdens
  - Underserved populations with cultural or language barriers
- Commercial
  - Small businesses
  - Nonprofits

Our focus
- Affordability
- Equitable access
- Community engagement

We’re doubling the current investment towards under-resourced communities!

Our approach
- Diversifying clean energy programs to make them accessible to more residential customers.
- Leading inclusive economic development with new job trainings and job placement programs for clean energy jobs.
- Focusing on investing in the business community through meaningful and impactful partnerships.
- Creating capacity building opportunities for nonprofits to support our 2030 zero carbon plan engagement.
- Showing up in culturally relevant ways with community education and outreach through our community ambassador teams.
Inclusive Economic Development Approach

- 2030 Zero Carbon Vision
- Community Impact Plan
- Innovation and Entrepreneurship
- Sustainable Communities Focus
- Competitive Rates & Incentives
- Small Business Contracting
- Attraction, Retention & Expansion
- Developer Community Support
a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions. (continued)

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Grants</th>
<th>Community Impact</th>
<th>DEIB</th>
<th>Entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CMC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PROPERTY & BUSINESS IMPROVEMENT DISTRICTS (PBIDs)**

- Community
- Economic
- Resilience
- Fund

**Animals**

<table>
<thead>
<tr>
<th>Entrepreneurship Events</th>
<th>Attendees</th>
<th>Cohort or Accelerator Participants</th>
<th>Mentor Matches for Startup Founders</th>
</tr>
</thead>
<tbody>
<tr>
<td>432</td>
<td>7,640</td>
<td>140</td>
<td>108</td>
</tr>
</tbody>
</table>
b) SMUD shall align its economic development activities with regional economic development initiatives.
b) SMUD shall align its economic development activities with regional economic development initiatives. (continued)
c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

- Jobs attracted: 3,313
- Consulting hours to minority small businesses (MBARK, Minority Business Attraction and Retention Kickstart): 1,402
- Local business members reached: 17,000
- Developers engaged: 202
- Businesses received EE incentives: 258
- GWh of energy savings: 24.57
- Lifetime carbon emissions saved: 41,404
- Increase in revenue from cannabis customers: 32%
d) SMUD shall offer economic development rates and program incentives.

**Economic Development Rate (EDR):**

<table>
<thead>
<tr>
<th>Size</th>
<th>Term</th>
<th>Industry Requirements</th>
<th>Job Requirements</th>
<th>Full Service Requirement</th>
<th>Discount (2 options)</th>
</tr>
</thead>
<tbody>
<tr>
<td>300kW+</td>
<td>10 years</td>
<td>No limitations</td>
<td>No minimum requirement</td>
<td>No</td>
<td><strong>Standard EDR</strong>&lt;br&gt;Opt A: 6% for years 1-5, declining 1% per year for years 6-10&lt;br&gt;Opt B: 4.5% for 10 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Rate for Disadvantaged Communities</strong>&lt;br&gt;Opt A: 8% for years 1-5, declining 1.5% per year for years 6-10&lt;br&gt;Opt B: 6% for 10 years</td>
</tr>
</tbody>
</table>

**Programs & Services:**

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, Express Energy Solutions programs, and Supplier Education and Economic Development (SEED)
- Go Electric rebates
e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.
SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. (continued)

**SMUD SEED GOAL: 20%**

- SEED Award % of Eligible Awards: **30.9%**
- Number of SEED Awards: **210**
- SEED Total $ Award: **$102 million**
- SEED Compliance: **101.5%**
- SEED Vendors: **519**
Conclusion

• 2022 SMUD efforts were in compliance with SD-13

• Requested Action: Accept the monitoring report for Strategic Direction SD-13, Economic Development

• Place item on Board consent calendar for approval