

# Exhibit to Agenda Item #4

Accept the monitoring report for **Strategic Direction SD-19, Diversified Business.**

Board Energy Resources & Customer Services Committee and Special SMUD  
Board of Directors Meeting

Wednesday, October 18, 2023, Scheduled to begin at 6:00 p.m.

Auditorium, SMUD Headquarters Building

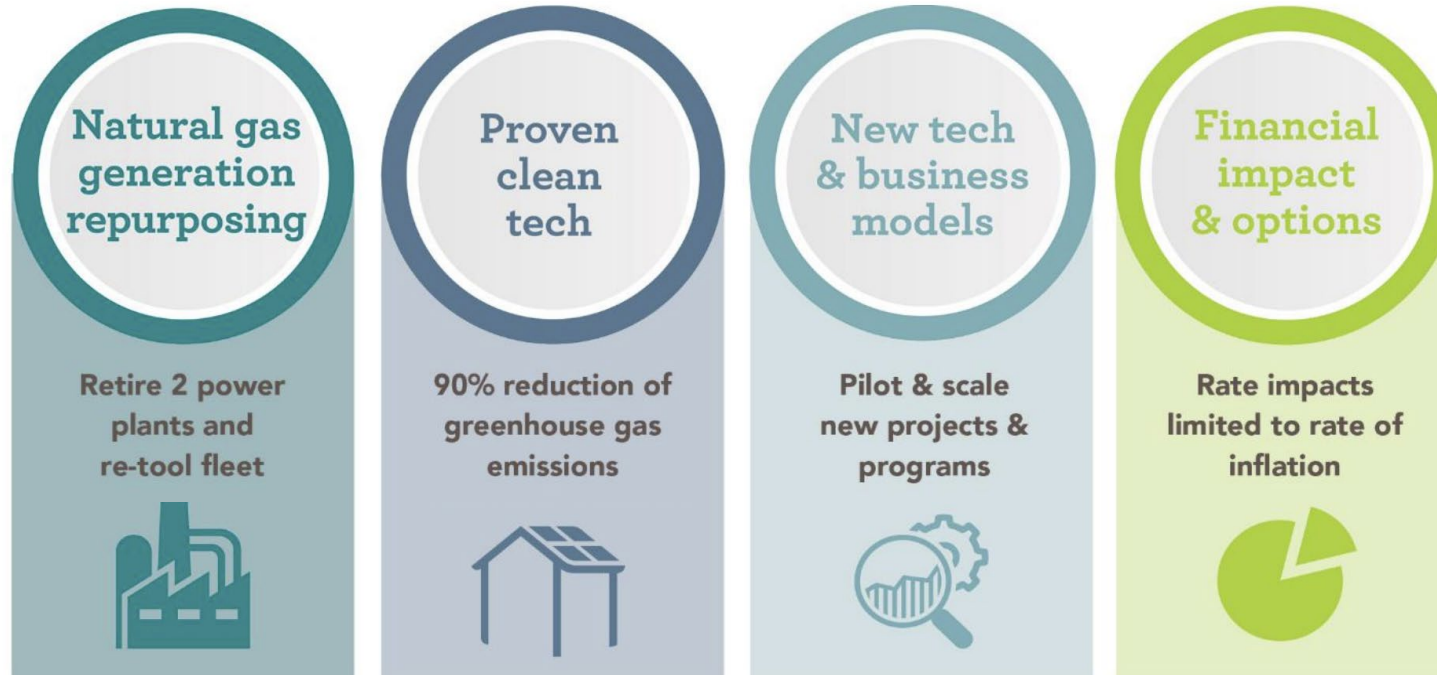
# SD-19 Diversified Business

Broadening and diversifying the products and services that SMUD offers is a key value. The desired results are to: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; d) better leverage and optimize SMUD's assets; and e) enable SMUD to continue to attract and retain a talented workforce.

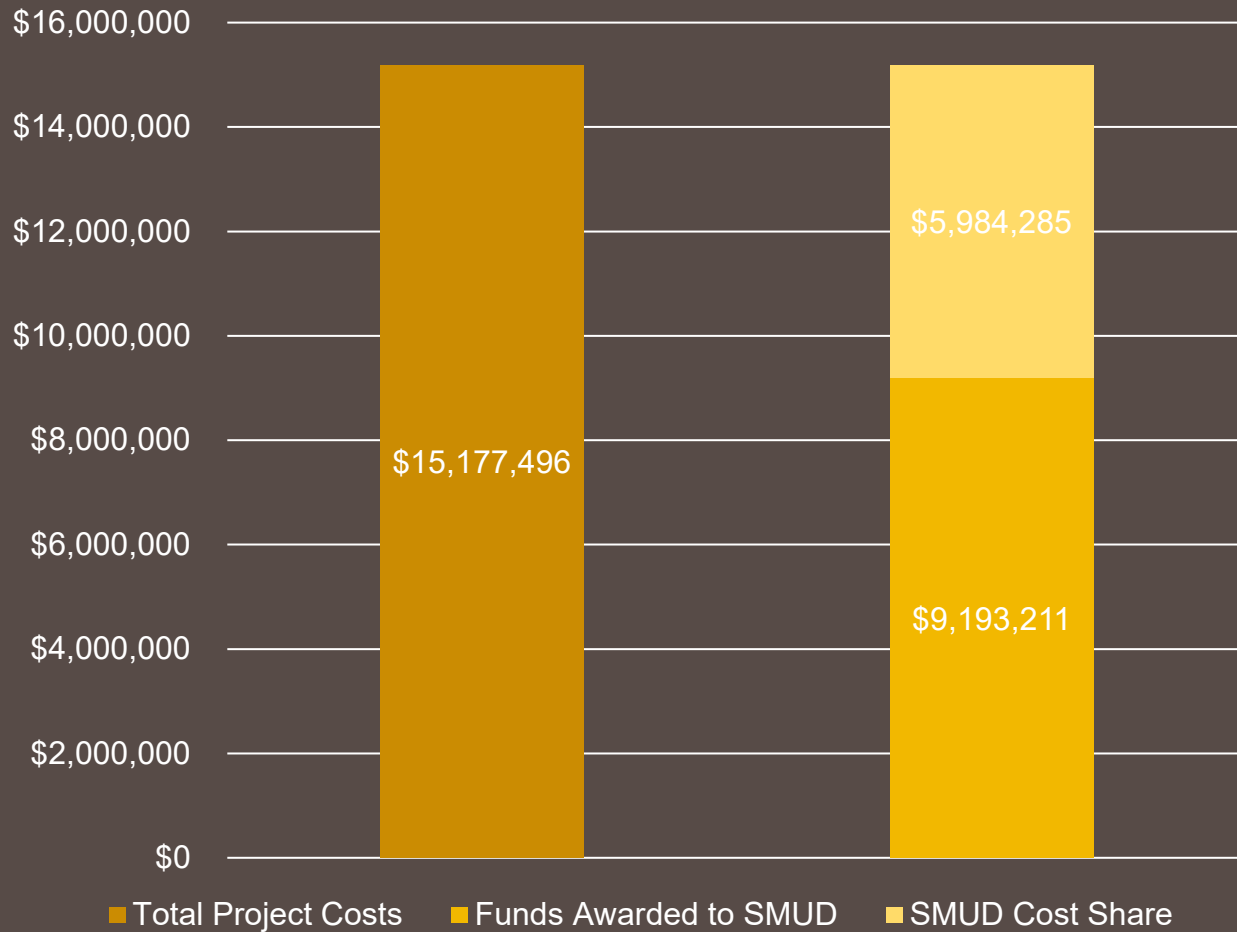
Therefore:

- a) SMUD shall broaden and diversify its lines of business, which may include:
  - i) Being an external service provider;
  - ii) Expanding wholesale energy market opportunities;
  - iii) Capitalizing on intellectual property and assets to develop products and services either solely or through strategic partnerships;
  - iv) Selling products and services aligned with SMUD's purpose and Strategic Directions.
  
- b) SMUD shall ensure any new lines of business:
  - i) Benefit SMUD's customers and our community;
  - ii) Achieve a balanced, diversified portfolio of rewards and risks;
  - iii) Create economic value without compromising SMUD's financial health;
  - iv) Do not pose unreasonable risk to SMUD's reputation;
  - v) Align with, leverage, and optimize SMUD's strengths, assets and expertise;
  - vi) Position SMUD for the future.

# Diversified Business and the Zero Carbon Plan



# Partnership through Grants (2022 Awards)



## SMUD Neighborhood Electrification Project

- clean energy technology for up to 300 single family homes

## Reach 1.0 – Charge Ready Community

- Install ~108 Level 2 EV chargers at 11 sites serving roughly 573 units in multi-family dwellings

## Forest Biomass to Carbon-Negative Biofuels Pilot Program (MOTE)

- Opportunity evaluation to utilize bio-mass to generate bio-fuels in support of achieving zero carbon

## Microgrid Scoping Project

- Microgrid planning blue print for community resiliency centers

# Technology and Industry Partners

## Highlights

- Advanced Distribution Management System (ADMS) and Distributed Energy Resource Management System (DERMS) Phase 1 development complete (OSI)
- ESS Flow Battery Construction Underway at Hedge
- Record SMUD Energy Store sales in 2022 (Uplight)

## Looking Ahead

- My Energy Optimizer Partner+ Battery Program enrollment growth and operation (SWELL)
- Construction of 4MW ESS battery project
- Mobility workforce trained by the California Mobility Center entering the labor force
- Expanded partnership pursuit driven by the Zero Carbon Plan



# Community Choice Aggregator Services

## Highlights

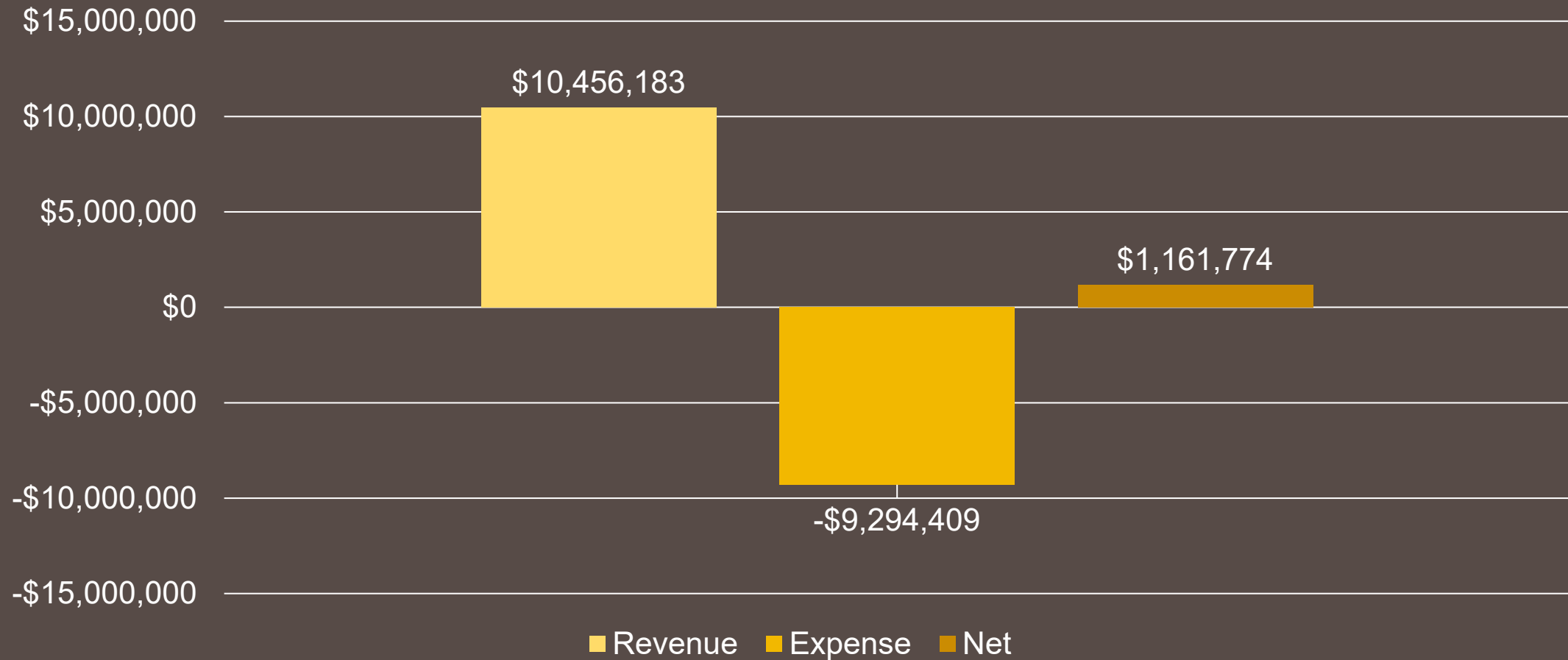
- Six years providing community choice aggregator services
- Six major service offerings including billing and data management
- Five established clients

## Looking Ahead

- Expansion of clients and services
- Engagement on zero carbon initiatives



# Portfolio Revenue Summary



# Recommendation

- SMUD is in compliance with SD-19
- Recommend Board accept 2022 SD-19 Monitoring Report