Exhibit to Agenda Item #2

Brief the Board on current grant strategy and recent grant activity.

Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, February 6, 2024, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium
Focus Area Refresh

Grant Strategy – Focus Areas

8 Main Focus Areas
- Clean Fuels
- Carbon Capture
- Long Duration Energy Storage
- Building Electrification
- Transportation Electrification
- Load Flexibility
- Under Resourced Communities
- Climate Emergency Prevention
2023 Recap and Highlights

Clean Fuels
- $1.2B in hydrogen funding for CA.
- ARCHES is currently evaluating tier 1 projects.
- Two SMUD projects identified as tier 2 projects.

Carbon Capture
- $270M for carbon capture at Sutter Energy Center.
- Enables ~1.75 MMT of carbon capture per year.
- SMUD will be an off-taker of energy.

Load Flexibility
- $50M for SMUD’s Connected Clean PowerCity.
- Grid edge intelligence technologies.
- Includes Tribal Collaboration Case Study.

Transportation Electrification
- ~$5M EV charging at multi-family dwellings.
- ~$3M to upgrade SMUD DCFC network.
- Grants include Level 2, Level 1 and Smart Plug charging as well as an EV charging App.

Grant Applications Developed
- 25

Winning Applications (7 Applications still pending)
- 9

Grant Funding for the region
- ~$330M
Looking Ahead for 2024

- **Natural gas generation repurposing**: Retire 2 power plants and re-tool fleet
- **Proven clean tech**: 90% reduction of greenhouse gas emissions
- **New tech & business models**: Pilot & scale new projects & programs
- **Financial impact & options**: Rate impacts limited to rate of inflation
Opportunities and Trends for 2024

- GRIP 2024
  - Topic Area 1- Grid Resilience $100M Grant Funding.
  - Topic Area 3- Grid Innovation $250M Grant Funding.
  - Applications due Q2’ 2024 (Projects to be determined).

- Ecosystem of EV grants
  - Continued smaller opportunities to meet overall need.

- Increased focus on energy storage, climate change readiness, and transmission system infrastructure.

- ARCHES led hydrogen pathway development.

- Community impact underpins all grant initiatives.