

Exhibit to Agenda Item #1

Discuss the monitoring report for **Strategic Direction SD-13, Economic Development.**

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, August 12, 2026, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium

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.

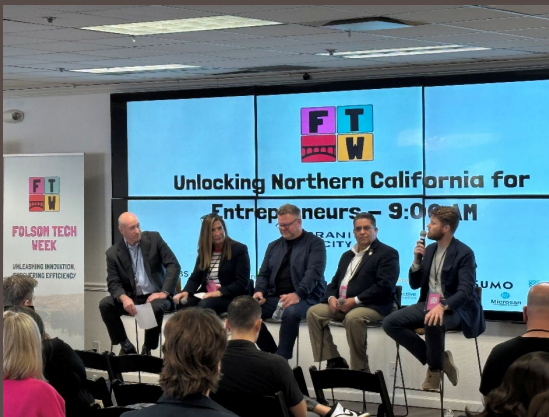
Specifically:

- 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.

Promoting the economic vitality of our region



In 2025, SMUD exceeded our regional economic development goals, creating over \$3.4B in economic growth



August 12, 2026

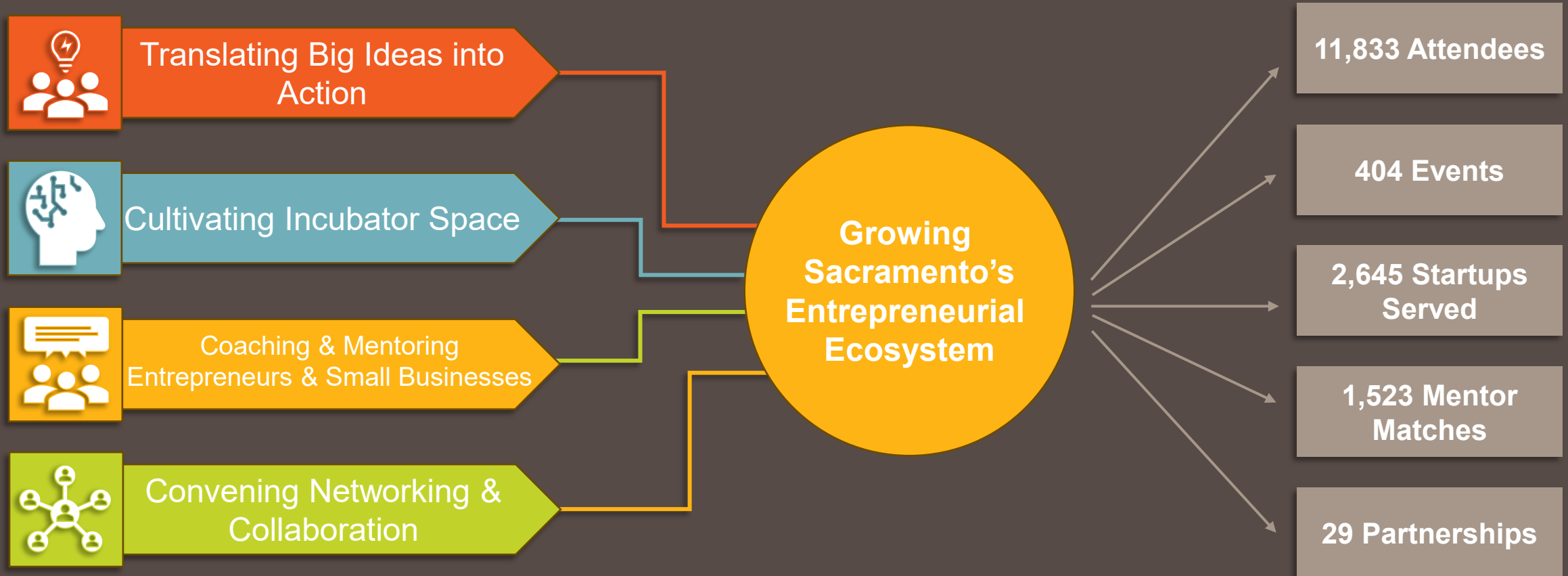
3

Board Policy Committee and SMUD Board of Directors Meeting

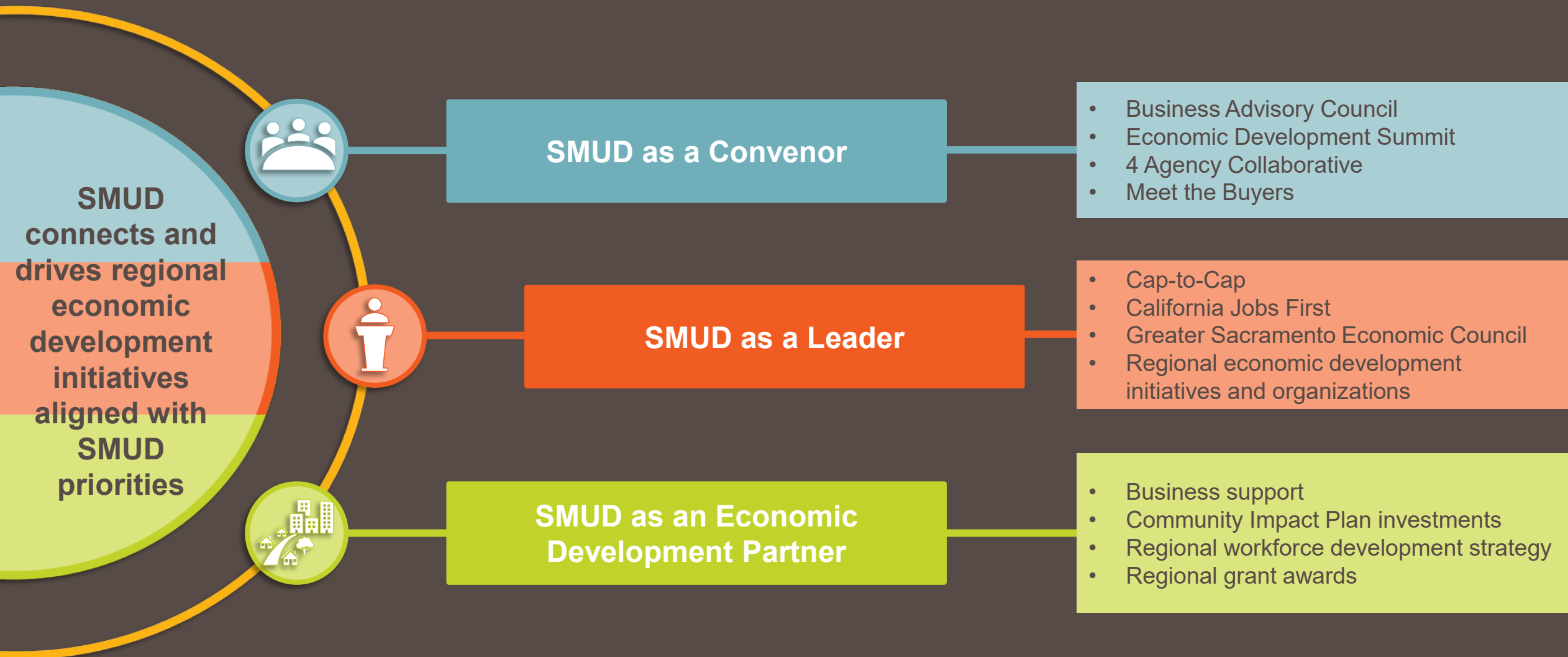


a) Promoting Innovation While Remaining Affordable

SMUD promotes innovation through entrepreneurship



b) Regional Alignment



c) Retaining, Recruiting and Growing

4,041

People
trained

987

Jobs
attracted

16

Companies
attracted or
expanded

152

Developers
engaged

79

Businesses
electrified

d) Economic Development Rates & Incentives

Economic Development Rates:

Size	Term	Industry Requirements	Job Requirements	Full-Service Requirement	Discount
300 kW+	10 Years	No limitations	No minimum requirements	No	Two options for customers to choose: Standard EDR • <u>Opt A</u>: 6% for years 1-5, declining; 1% per year for years 6-10 • <u>Opt B</u>: 4.5% for 10 years Rate for Disadvantaged Communities • <u>Opt A</u>: 8% for years 1-5, declining; 1.5% per year for years 6-10 • <u>Opt B</u>: 6% for 10 years

Incentives:

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, Express Energy Solutions programs, Business District Electrification
- Go Electric rebates

e) Certified Small Business Contracting Program



PlanetBids Vendor Portal

- New contracting portal significantly improved interface and enhanced user experience
- Increased average number of vendors participating in SMUD solicitations and workshops
- **Cost savings for vendors and SMUD**
 - Vendors- \$480k+ in anticipated annual fee savings
 - SMUD- \$45-\$60m in anticipated annual savings from increased bid competitiveness

e) SEED by the Numbers



In 2025, SMUD awarded 31.6 percent of its contracts to SEED-certified small businesses, exceeding the SEED goal of 20 percent.

900+

Vendors in
SEED
database

25

Business
walks

800

Local
vendors
attended
SMUD works
hops

42K

Total
business
touches

Conclusion

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

Achieved

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

Achieved

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

Achieved

(D) SMUD shall offer economic development rates and program incentives.

Achieved

(E) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers

Achieved

Request the Board accept the 2026 SD-13 monitoring report