

## SMUD BOARD POLICY

Category: <b>Strategic Direction</b>	Title: <b>Resource Planning</b>
	Policy Number: <b>SD-9</b>
Adoption Date: <b>May 6, 2004</b>	Resolution No. <b>04-05-11</b>
Revision: <b>May 6, 2004</b>	Resolution No. <b>04-05-12</b>
Revision: <b>September 15, 2004</b>	Resolution No. <b>04-09-11</b>
Revision: <b>May 17, 2007</b>	Resolution No. <b>07-05-10</b>
Revision: <b>December 18, 2008</b>	Resolution No. <b>08-12-15</b>
Revision: <b>November 19, 2009</b>	Resolution No. <b>09-11-08</b>
Revision: <b>May 6, 2010</b>	Resolution No. <b>10-05-03</b>
Revision: <b>May 19, 2011</b>	Resolution No. <b>11-05-05</b>
Revision: <b>December 20, 2012</b>	Resolution No. <b>12-12-12</b>
Revision: <b>October 3, 2013</b>	Resolution No. <b>13-10-09</b>
Revision: <b>September 17, 2015</b>	Resolution No. <b>15-09-11</b>
Revision: <b>October 20, 2016</b>	Resolution No. <b>16-10-14</b>
Revision: <b>October 18, 2018</b>	Resolution No. <b>18-10-11</b>

It is a core value of SMUD to provide its customer-owners with a sustainable power supply through the use of an integrated resource planning process. A sustainable power supply is defined as one that reduces SMUD's net long-term greenhouse gas (GHG) emissions to serve retail customer load to Net Zero by 2040. Net Zero is achieved through investments in vehicle and building electrification, energy efficiency, clean distributed resources, RPS eligible renewables, large hydro, and biogas. SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water quality, and air quality, and maintain a competitive position relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following interim goal:

Year	Net Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030	1,350,000
2040	Net Zero
2050	Net Zero

In keeping with this policy, SMUD shall also achieve the following:

- a) SMUD's goal is to achieve Energy Efficiency equal to 15% of retail load over the next 10-year period. On an annual basis, SMUD will achieve energy efficiency savings of 1.5% of the average annual retail energy sales over the three-year period ending with the current year.

To do this, SMUD will acquire as much cost effective and reliable energy efficiency as feasible through programs that optimize value across all customers. SMUD shall support additional energy efficiency acquisition by targeting one percent (1%) of retail revenues for above market costs associated with education, market transformation, and programs for hard to reach or higher cost customer segments. The market value of energy efficiency will include environmental attributes, local capacity value and other customer costs reduced by an efficiency measure.

- b) Provide dependable renewable resources to meet 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- c) In meeting GHG reduction goals, SMUD shall emphasize local and regional environmental benefits.
- d) SMUD will continue exploring additional opportunities to accelerate and reduce carbon in our region beyond the GHG goals in this policy.
- e) Promote cost effective, clean distributed generation through SMUD programs.

**Monitoring Method: GM Report**  
**Frequency: Annual**