

New markets help relieve pressure on rates

SMUD's decades-long promotion of energy efficiency means the average customer's usage is declining. To relieve upward pressure on rates while continuing to invest in grid infrastructure, SMUD took significant steps in 2017 toward developing new sources of revenue.

SMUD entered the CCA (Community Choice Aggregation) market by signing an agreement with the Valley Clean Energy, a Joint Powers Authority in neighboring Yolo County. Later in the year, SMUD negotiated a second CCA contract with East Bay Community Energy, which serves about 575,000 customers in Alameda County and 11 of its cities.

California law allows CCAs to supply electricity to customers within their borders. Unlike municipal utilities such as SMUD, CCAs don't own the transmission and distribution systems. (CCAs cannot form in SMUD's service territory since we're a publicly owned utility.)

The trend toward CCAs is driven by a number of factors, including desire for community control over energy supply decisions and a cleaner power mix.

SMUD's mission aligns with the CCA model of local control, renewable energy, greenhouse gas reduction, customer choice and price stability. The CCA partnerships aren't annexation efforts. SMUD is not expanding its service territory, only assisting the community alliances in meeting their energy goals.

For the Valley Clean Energy Alliance in Yolo County, SMUD will be providing technical and financial analysis; data management and call center services; wholesale energy services; and operational staff services. For East Bay Community Energy, SMUD will be providing data management and call center services. SMUD does not supply power from its own portfolio to serve CCA customers.

In addition to the CCA agreements, SMUD signed a multi-year partnership with The NEC Group and SpaceTime

Insight to provide smart energy solutions to Japanese power companies and retail energy providers. The success of SMUD's SmartSacramento® project, coupled with our high level of customer satisfaction and innovative energy solutions, prompted NEC and SpaceTime to approach SMUD about forming a partnership.

Closer to home, SMUD created the SMUD Energy Store to give customers an opportunity to buy a variety of energy-efficient products, including smart thermostats, LED lighting, water-saving products and advanced power strips. The link is smudenergystore.com.

For years customers have been asking SMUD to recommend products that will help them save energy and money. Many items in SMUD Energy Store come with instant rebates, significantly lowering out-of-pocket costs for products such as NEST thermostats and Phillips LED bulbs.

In just three months, SMUD Energy Store exceeded \$1 million in sales (before rebates).

