

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
Thursday, August 14, 2025, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium

Economic Development Policy

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.”

Progress in Inclusive Economic Development

2025 Brookings Institution Annual Assessment

Sacramento Region rankings among 54 *very large* US metro areas with populations over 1 million:

Report Date	2018	2019	2020	2021	2023	2024	2025
Growth	67	64	34	34	22	15	10
Prosperity	71	59	34	33	28	17	20
Inclusion	84	51	20	15	5	4	7
Racial Inclusion	-	70	46	31	17	9	34
Geographic Inclusion	-	-	23	30	14	3	3

Key Insights

- 10-year aggregate 2013-2023
- Sacramento continues to improve
- Impacts include
 - Pay gaps
 - Housing availability

Zero Carbon - Inclusive Economic Development Approach



Grants & Regional Partnerships



Community Impact Plan



Innovation and Entrepreneurship



Sustainable Communities Focus



Competitive Rates & Incentives



Procurement & Small Business Contracting



Attraction, Retention & Expansion



Developer Community Support

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

Enterprise

Grants

Community Impact

DEIB

Entrepreneurship



PROPERTY & BUSINESS IMPROVEMENT DISTRICTS (PBIDs)



215

Entrepreneurship
Events

6,398

Attendees

611

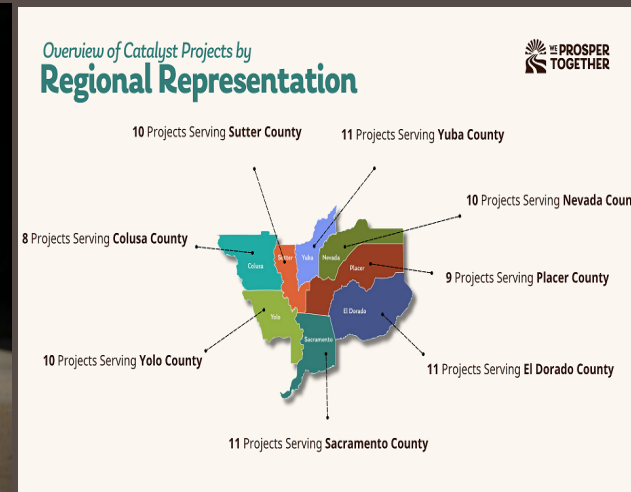
Startups Served

160

Mentorships

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

Leadership in Regional Economic Development Initiatives



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

755

Jobs Attracted-GSEC

8,700

Jobs Attracted-
Employment Dev. Dept.

1,895

Small Business Consulting
Hours

31,959

Local Business Members
Reached

143

Developers Engaged

258

Businesses Received EE
Incentives

21.8

GWh of Energy Saved

96

Sustainable Business
Certifications

d) SMUD shall offer economic development rates and program incentives.

Size	Term	Industry Requirements	Job Requirements	Full-Service Requirement	Discount (2 options)
300kW +	10 years	No limitations	No minimum requirement	No	Standard Economic Development Rate <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 Under-resourced 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

Programs & Services:

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, Express Energy
- Solutions programs, and Supplier Education and Economic Development (SEED)
- Go Electric rebates

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



- e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. *(continued)*

SMUD SEED GOAL: 20%

- ✓ SEED Award % of Eligible Awards: **30.1%**
- ✓ Number of SEED Awards: 165
- ✓ SEED Total \$ Award: **\$204 million**
- ✓ SEED Compliance: **94%**
- ✓ SEED Vendors: 866



Conclusion

- 2024 SMUD efforts were in compliance with SD-13
- Requested Action:
 - Accept the monitoring report for Strategic Direction SD-13, Economic Development
- Place item on Board consent calendar for approval