

# Exhibit to Agenda Item #3

Discuss monitoring report for **Strategic Direction SD-19, Diversified Business.**

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting  
Wednesday, October 9, 2024, scheduled to begin at 6:00 p.m.  
SMUD Headquarters Building, Auditorium

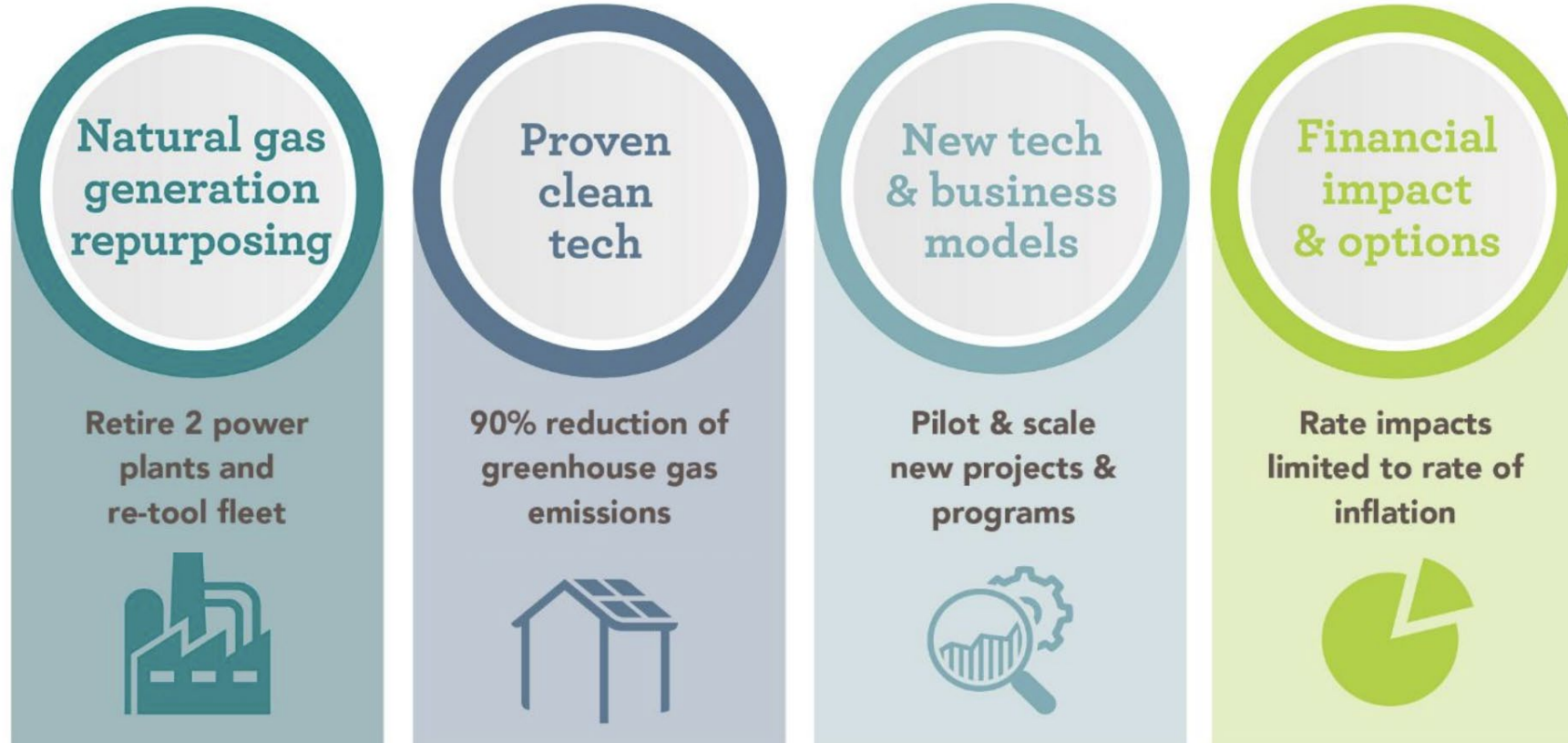
# SD-19 Diversified Business

Broadening and diversifying the products and services that SMUD offers is a key value. The desired results are to: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; d) better leverage and optimize SMUD's assets; and e) enable SMUD to continue to attract and retain a talented workforce.

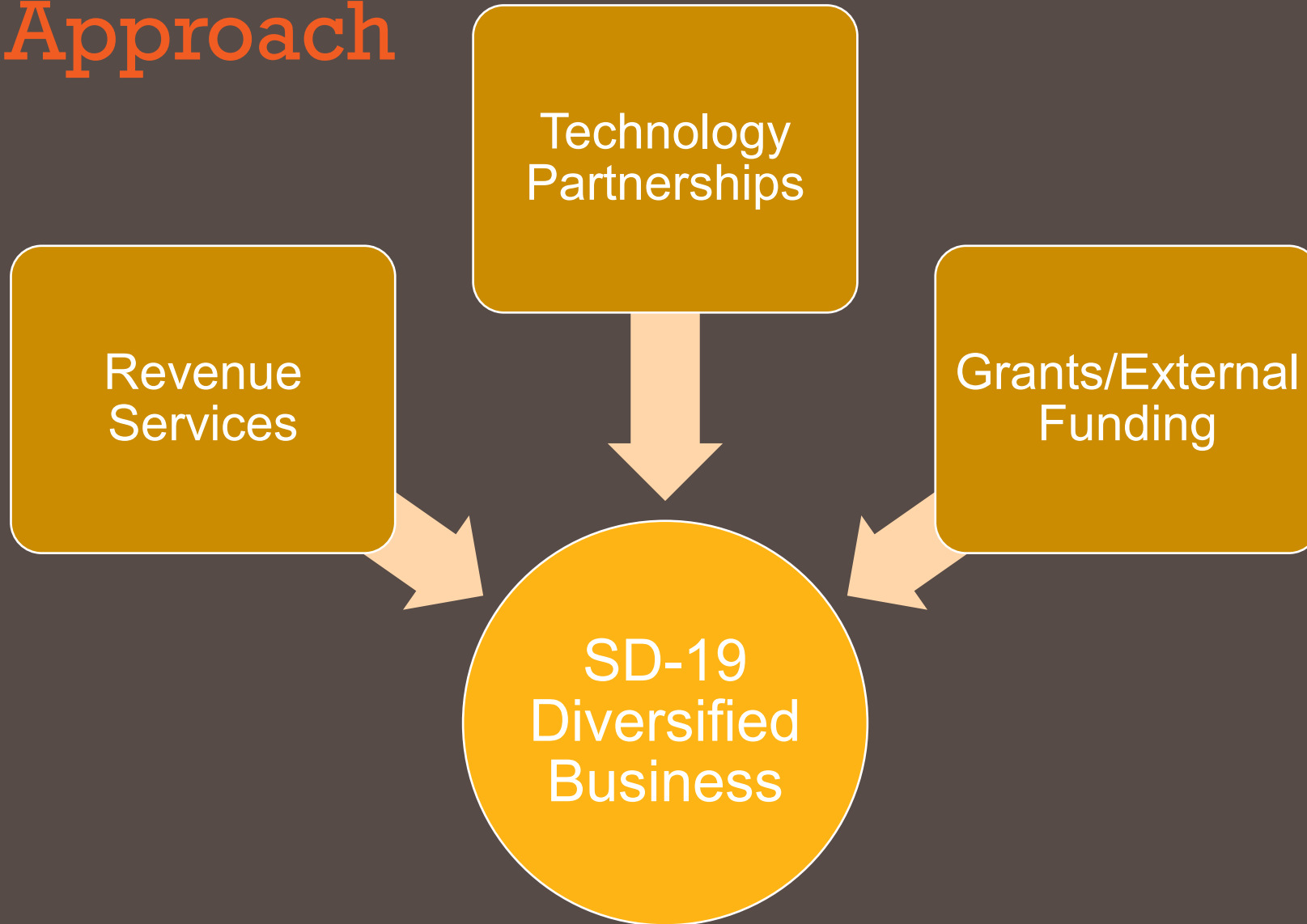
Therefore:

- a) SMUD shall broaden and diversify its lines of business, which may include:
  - i) Being an external service provider;
  - ii) Expanding wholesale energy market opportunities;
  - iii) Capitalizing on intellectual property and assets to develop products and services either solely or through strategic partnerships;
  - iv) Selling products and services aligned with SMUD's purpose and Strategic Directions.
  
- b) SMUD shall ensure any new lines of business:
  - i) Benefit SMUD's customers and our community;
  - ii) Achieve a balanced, diversified portfolio of rewards and risks;
  - iii) Create economic value without compromising SMUD's financial health;
  - iv) Do not pose unreasonable risk to SMUD's reputation;
  - v) Align with, leverage, and optimize SMUD's strengths, assets and expertise;
  - vi) Position SMUD for the future.

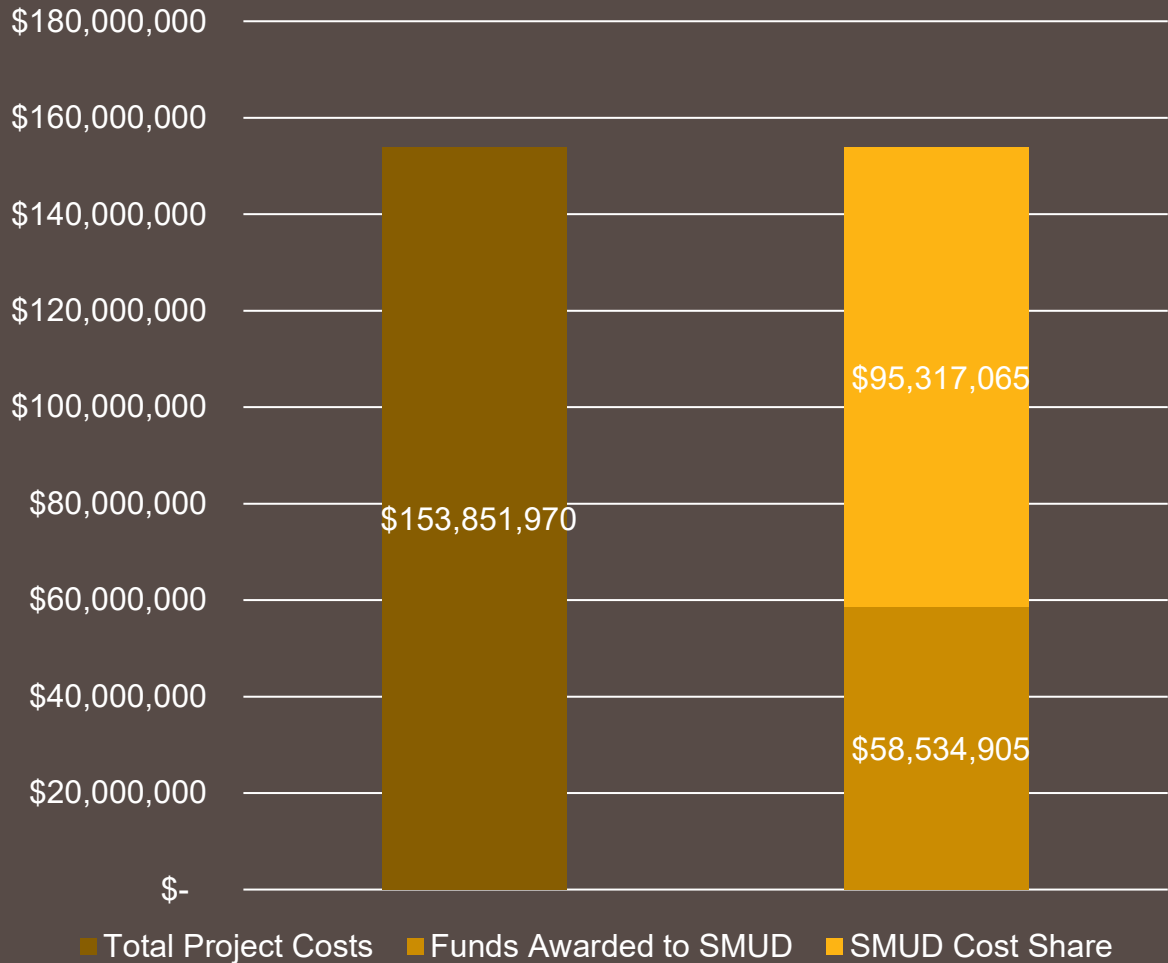
# Diversified Business and the Zero Carbon Plan



# SD-19 Approach



# Partnership through Grants (2023 Awards)



## Highlights

### GRIP 2 Grant

- Connected CleanPower City will deploy intelligent infrastructure to interact with technology and customers at the grid's edge, establishing visibility, management, and control

### FAST Grant – EV Hubs

- Deploy three fast charging hubs, with 15 stations and 30 ports with quick and easy access to main transportation corridors

### REACH 2.0

- Deploy over 400 AC chargers at 26 multifamily (MF) residential and MF-adjacent locations

### Apprenticeship Incentive Program

- The Apprentice Incentive Program provides funding to support workforce training at SMUDs Power Academy

# Technology and Industry Partners

## Highlights

- DERMS Phase 3 design completed, continuing development of the core DERMS system functionality (Aspentech)
- SMUD installed and commissioned 6 Iron-flow LDES batteries as part of its partnership with ESS
- SMUD Energy Store added segmented rebate functionality (EAPR vs non-EAPR), an EV charger bundled installation and Spanish customer support and translation to key information, FAQ and order support pages (Uplight)
- Completed development and testing on the SEW Commercial portal
- Workforce trained by the California Mobility Center entering the manufacturing and transportation mobility industry (CMC)



# Technology and Industry Partners

## Looking Ahead

- DERMS Phase 2 and 3 are planned to go-live together October 2024 (Aspentech)
- SWELL Energy going out of business
- Workforce trained by the California Mobility Center entering into registered apprenticeships
- SMUD Energy Store working on Offer Center expansion pilots to provide tailored solutions and products to low-income communities (Uplight)
- SMUD continues to build its new commercial portal via SEW's Enterprise persona, including digital bill, custom due date, and the ability to pay via digital wallets including Google Pay and Apple Pay; transition of customers from the current My Account to the new SEW Platform.



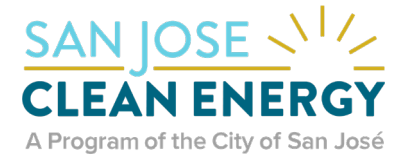
# Community Choice Aggregator Services

## Highlights

- Seven years in operation
- Currently serving 7 of the states 24 CCA's representing 2.6M meters
- Eleven (11) major service offerings (up from 7 in 2022) including Electrification Concierge, Marketing, Billing and Data Management

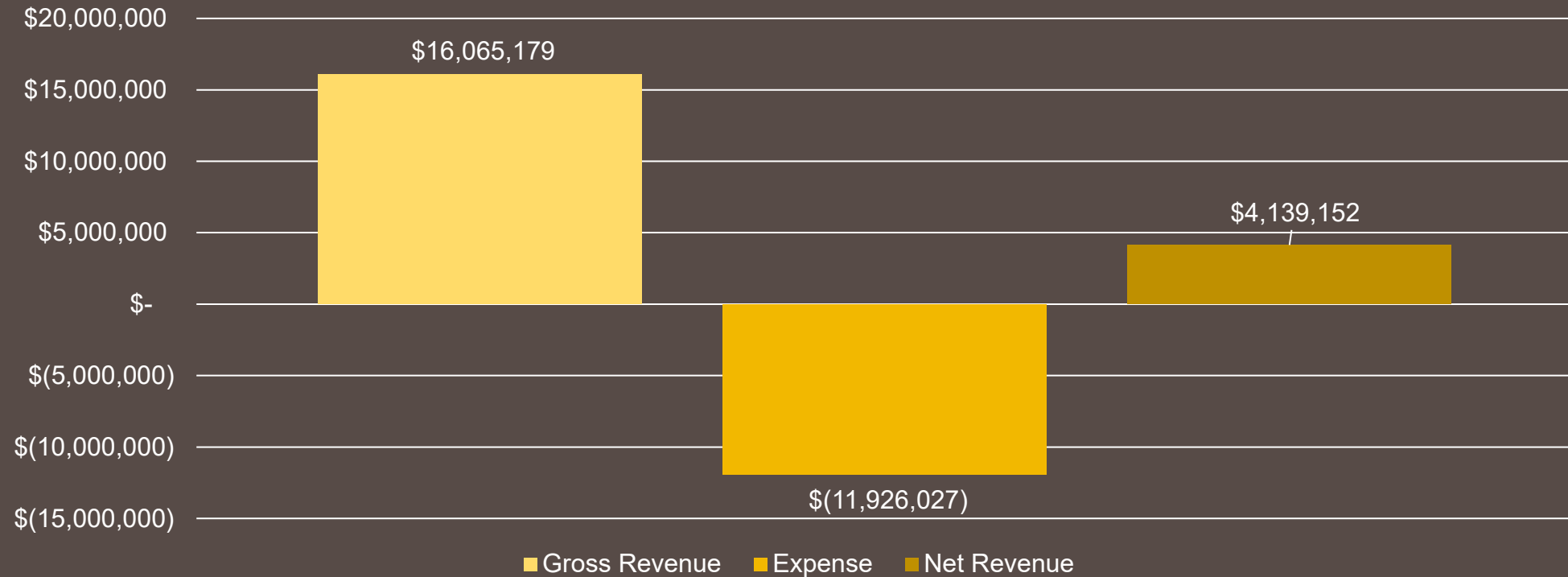
## Looking Ahead

- New utility clients, new services, expanding services to existing clients





# Portfolio Revenue Summary



- Community Energy Services program largest contributor to 2023 financial performance
- Nearly \$3M Net revenue increase from 2022

# Recommendation

- SMUD is in compliance with SD-19
- Recommend Board accept 2023 SD-19 Monitoring Report

**External  
Funding  
Over \$58M**

**Technology  
and Service  
Revenue  
Over \$4M**

**Over \$62M of Diversified Business revenue and external  
funding brought in during 2023!**