Exhibit to Agenda Item #1

Provide the Board an update and status of customer programs under the **2030 Zero Carbon Plan**.

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting

Wednesday, September 16, 2026, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

2030 Zero Carbon Plan

Customer Programs & Initiatives

September 16, 2026

Powering forward.
Together.

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting

SMUD®

Zero Carbon Plan overview

Repurpose natural gas generation

Replace 2 power plants with renewable and storage resources and retool remaining 3 to minimize emissions.

Expand proven clean technology

Grow SMUD's renewable and battery storage by 3.5x. Support customer's resources via solar and battery storage.

Up to 90% reduction

Remaining 10%+

Pilot & scale new technology and business models

Increase education and demand flexibility, spread adoption of customer-owned virtual power plants & invest in grid-scale technology.

Pursue grants, partnerships and limit rate impacts

Maximize community benefits

Stay affordable and reliable, improve air quality and overall community health while supporting under-resourced communities.

Goal:

CO_2

Eliminate CO_2 from SMUD's power supply

100%

Zero carbon by 2030

Create thousands of new regional clean tech jobs

SMUD®

Zero carbon customer program portfolios

Building electrification & energy efficiency

Helping customers decarbonize their homes & workplaces by optimizing & managing their electricity use & converting from gas to efficient electric equipment.

Transportation electrification

Information & resources to help customers shop for an EV & special rates & incentives to help customers charge EVs at homes and businesses.

Distributed energy resources/ load flexibility

Programs and options to participate in building our Virtual Power Plant to help shift & manage loads during times when energy is needed or when excess energy is available.

Green pricing

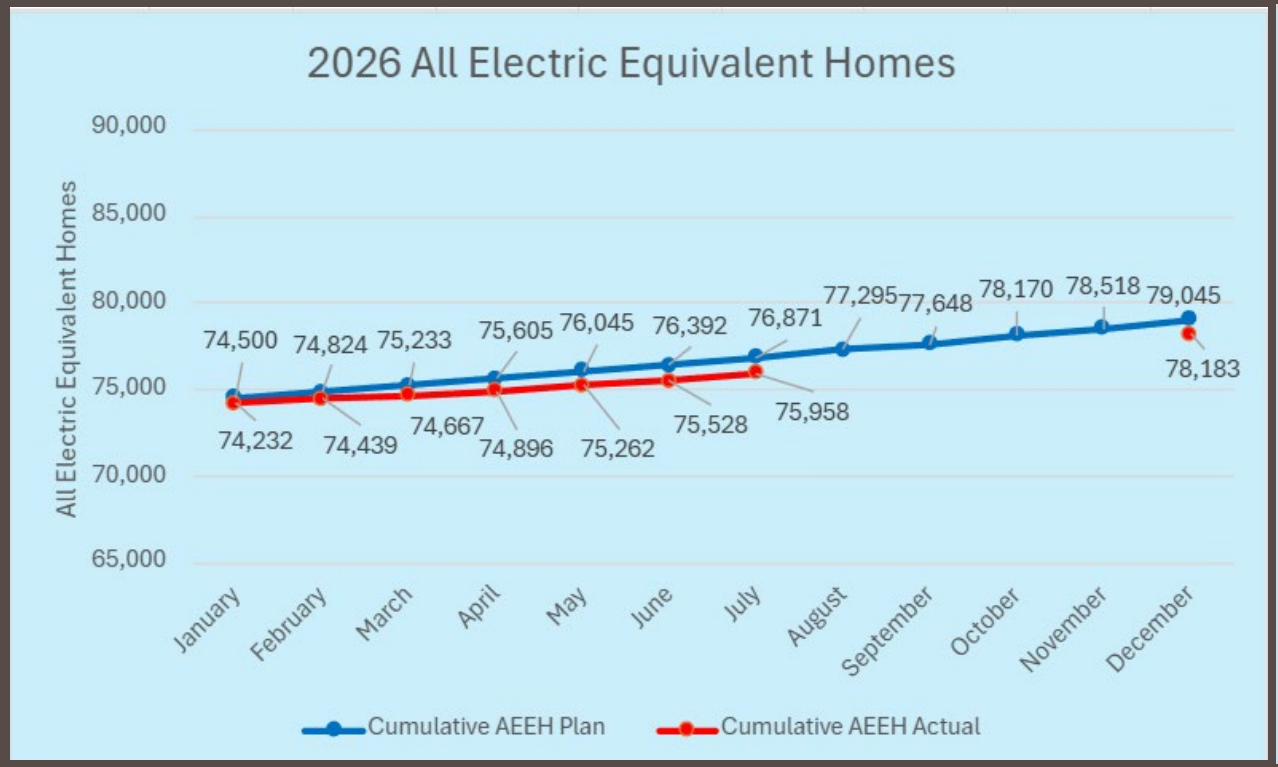
Gives customers the ability to opt in & select a level of renewable &/or carbon-free electricity that meets individual or corporate objectives above & beyond our standard retail rates.

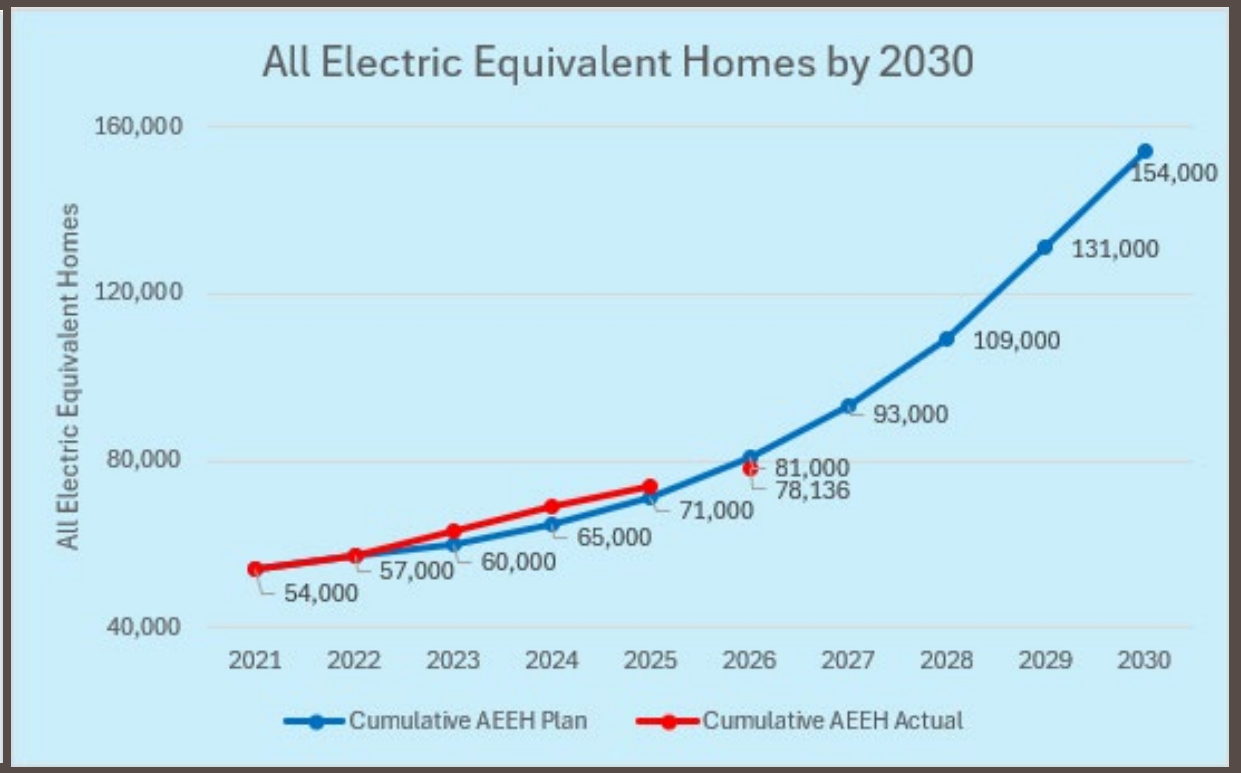
Building electrification & energy efficiency

Helping customers decarbonize their homes & workplaces by optimizing & managing their electricity use & converting from gas to efficient electric equipment.

Building electrification & energy efficiency

Customer program portfolio status





Building electrification and energy efficiency

Key metrics & milestones

	2025 Final	2026 Goal	YTD (July)	2026 Forecast
Heat pump HVAC conversions	3,797	4,870	1,811	4,495
Heat pump water heater conversions	789	914	494	931
Induction cooktop conversions	382	410	140	345
Smart homes • Single-family homes • Multifamily units	2,208	1,179	272	627
Multifamily units retrofitted	384	563	180	424
Income qualified home electrification retrofits	229	454	146	454
Commercial retrofit and new construction projects	416	394	203	299
All electric equivalent homes (cumulative)	74,017	79,045	75,958	78,183

Program milestones:

- Advanced Home Solutions forecasting to exceed 30K HP installations by Q3.
- Xerohome tool launched at the end of 2025.
- Raised residential & commercial incentives to address gap due to the loss of external funding.
- Gardenland Northgate Neighborhood Association (GNNA) project area successfully reimbursing for CIP-CES efforts.

Looking ahead:

- Incentives for Residential Smart Panel & meter collar devices.
- Emergency Water Heater Replacement offering.
- Complete Energy Solutions vendor selection by year end, implementation in 2027.
- SB 1221 opportunities in SMUD territory.

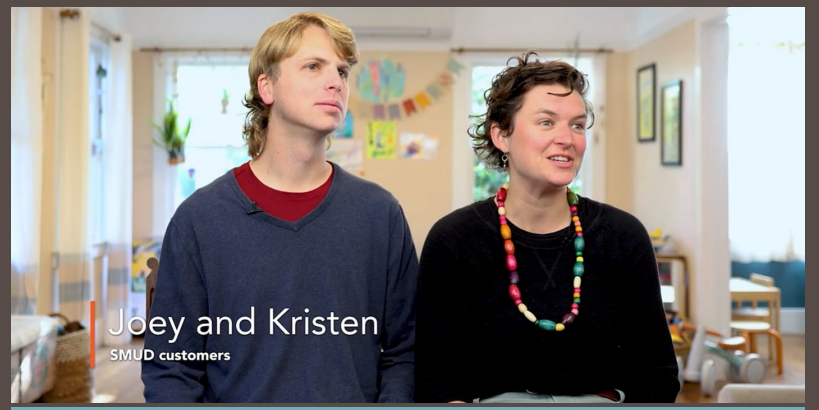
Building electrification and energy efficiency

Highlights

All electric kitchen – Sacramento Asian Sports Foundation (SASF)

Contractor lunch

KMAX – In Your Neighborhood



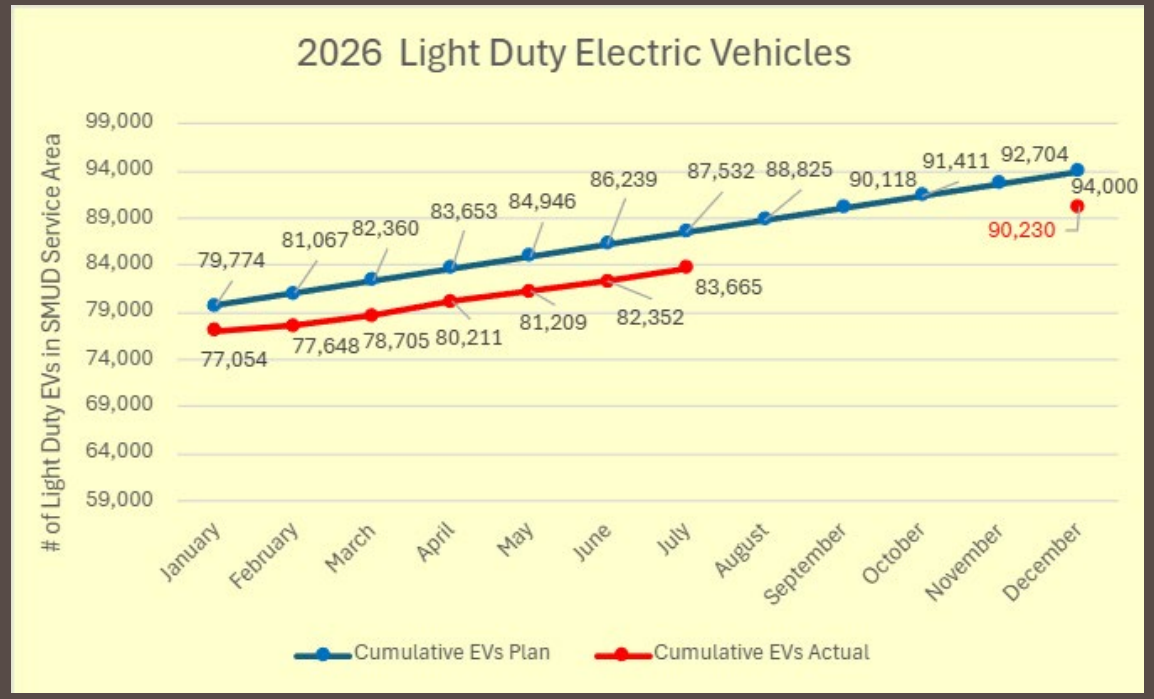
"SMUD is Powering the Places we call Home" commercial

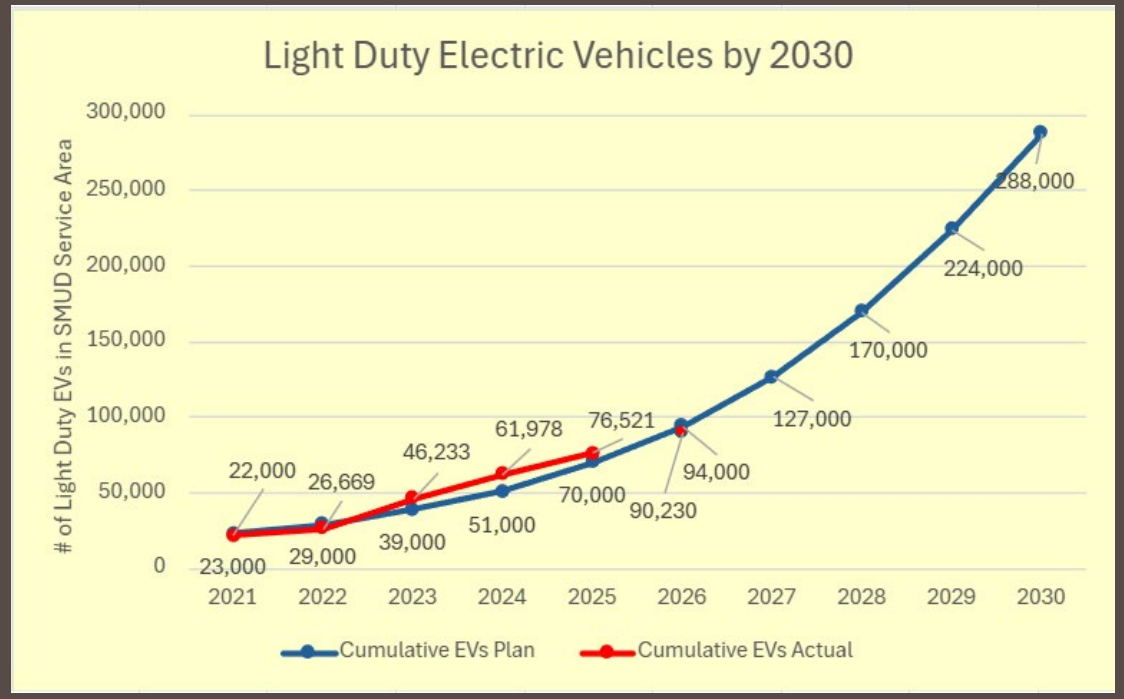
Transportation electrification

Incentives, information & special rates to help customers purchase & charge Electric Vehicles (EVs) for homes & businesses.

Transportation electrification

Customer program portfolio status





Transportation electrification

Key metrics & milestones

	2025 Final	2026 Goal	YTD (July)	2026 Forecast
Charge@Home • Charger rebates/circuit installations • Income qualified installations (chargers/circuits)	2,623	1,465 473/527	835 96/98	1,385
Commercial EV chargers • Level 2 (L2) handles/smart outlets • Direct Current Fast Charger (DCFC) • Equity EV	499 59 122	355 20 286	162 8 19	456 9 150
Residential EV rate participants (cum.)	36,028	44,609	38,526	40,858
SMUD eFuel Services projects completed	4	3	0	3
Light-duty EVs in service territory (cum.)	76,521	94,000	83,665	90,230

Program milestones:

- Increased Ride & Drive EV events in disadvantaged communities & relaunch of public EV educational workshops.
- Launch of Clean Fuel Rewards program to medium- & heavy-duty incentives.
- Success in achieving Reach 2.0 installation goals supporting multifamily communities.
- Integrated Resource Distribution Planning (IDRP) completed.
- Launch of new CA MyFirstEV incentive.

Looking ahead:

- Launch of SMUD Public Charging EV APP
- Complete install of public EVSE FAST grant & multi-family charging REACH 2.0 grant
- Exploring enhanced dealership engagement o
- Planning for future vehicle to grid opportunities

Transportation electrification

Highlights

REACH 2.0 installation of 18 Level 2 chargers at Salishan multifamily community

Contractor training/certification hosted at Cal EPIC, for installation of Kempower equipment for FAST projects

FAST construction of 6x public DC Fast chargers at CSUS

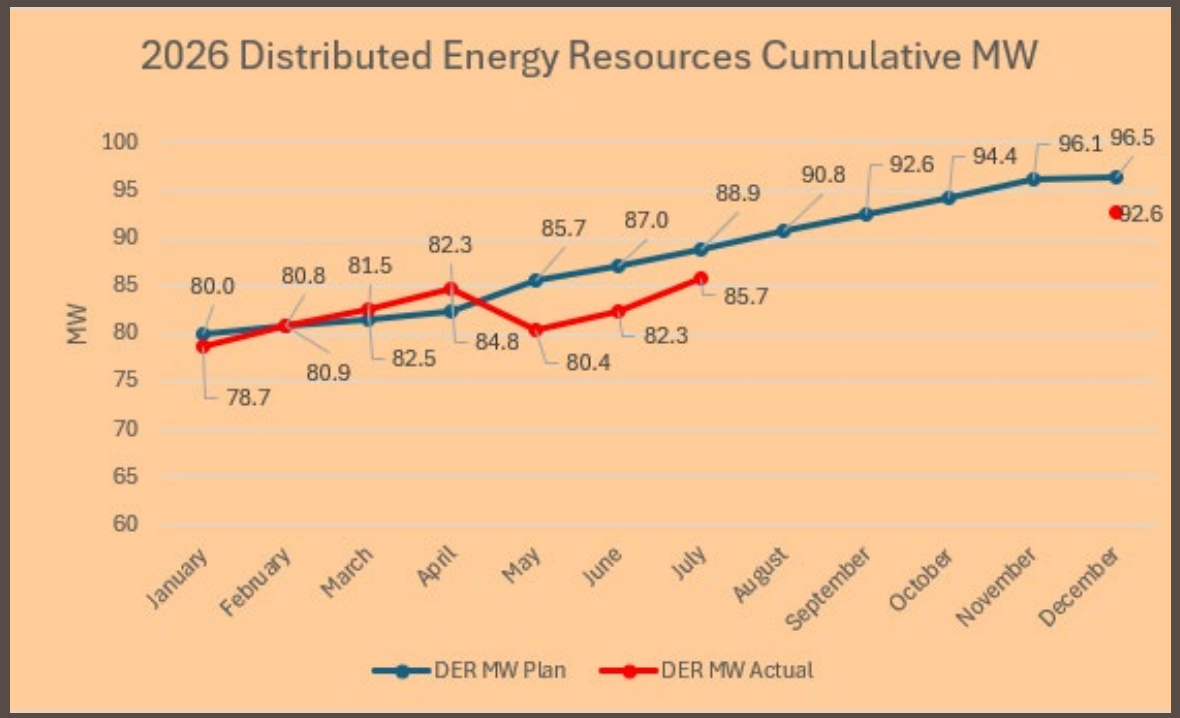
ECOS Earth Day Ride & Drive at Southside Park

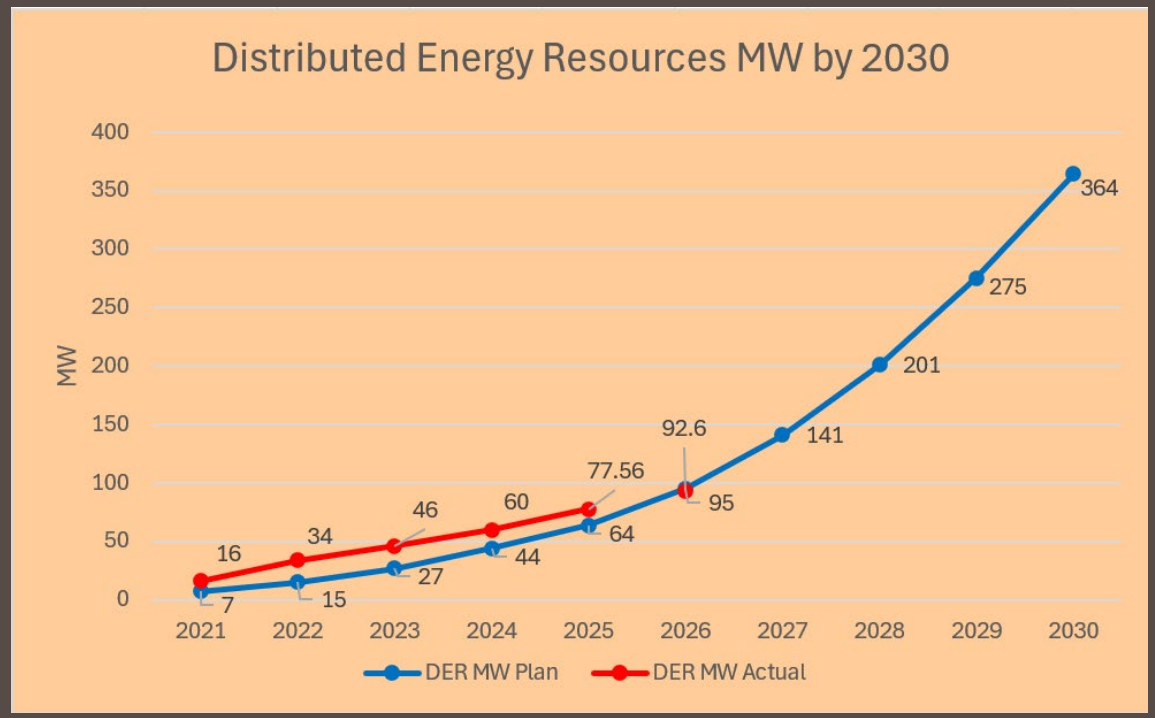
Distributed energy resources (DER)/load flexibility

Programs & options to participate in building our Virtual Power Plant to help shift & manage loads during times when energy is needed or when excess energy is available.

Distributed energy resources (DER)/load flexibility

Customer program portfolio status





Distributed energy resources (DER)/load flexibility

Key metrics & milestones

	2025 Final	2026 Goal	YTD (July)	2026 Forecast
My Energy Optimizer Partner				
• Smart thermostats enrolled	38,840	42,000	41,615	42,300
• MW enrolled	29.7	33	32.5	33
My Energy Optimizer Batteries				
• Tesla batteries	1,568	1,870	3,388	4,359
• MW enrolled	8.46	10.10	18.29	23.5
• Non-Tesla batteries	88	130	173	213
• MW enrolled	0.29	0.50	0.63	0.75
My Energy Optimizer Starter/Time of Day Optimized				
• TOD-optimized batteries	1,387	3,344	1,599	2,019
• MW optimized	6.93	16.72	7.99	10.09
Peak Conserve				
• Customer devices enrolled	1,749	1,000	1,273	1,250
• MW enrolled	1.38	0.79	1.01	0.99
Commercial PowerDirect				
• Customers enrolled	41	42	38	41
• MW enrolled	28.5	33	23	24
Total MW of load flexible capacity*	77.56	96.61	85.72	94.63

Program milestones:

- Delivered over 19MW of capacity through the My Energy Optimizer Partner+ Program.
- Increased CPP Rate participation by ~44%.
- Launched “Energy Shift Capacity” smart thermostat pilot to test new load shaping strategies.
- Adjusted PowerDirect event hours to improve value to SMUD & customers.
- Wrapping up Commercial VPP contract negotiations, with launch planned in Q4.

Looking ahead:

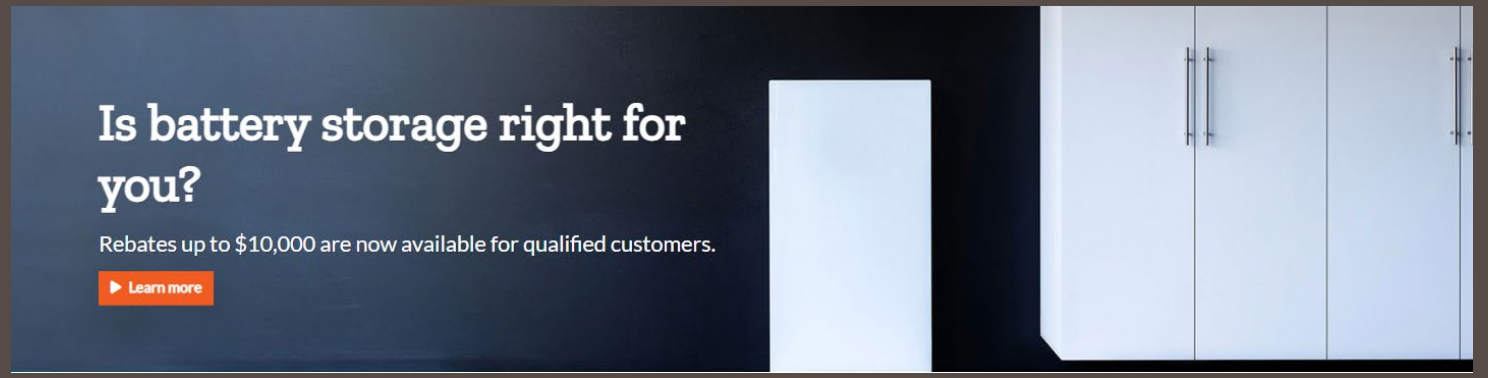
- First commercial VPP installations scheduled for completion in 2027.
- Multi-DER vendor selection nearing completion.
- EV Managed Charging program launch.
- Exploring residential front-of-the-meter battery storage models to deliver localized value.

**Total MW includes StorageShares.*

Distributed energy resources (DER)/load flexibility
Highlights

The new Elk Grove recreation center & The Home Depot stores enrolled in PowerDirect

My Energy Optimizer Partner Amazon display ad & post season impact report



My Energy Optimizer Partner+ Amazon display ad & post season impact report

Green pricing programs

Gives customers the ability to opt in & select a level of renewable &/or carbon-free electricity that meets individual or corporate objectives above & beyond our standard retail rates.

Green pricing programs

Key metrics & milestones

Green pricing programs

Key metrics & milestones

	2025 Final	2026 Goal	YTD (July)	2026 Forecast
Residential Greenergy accounts	61,569	63,305	61,586	63,188
Commercial Greenergy accounts	1,604	2,475	1,495	2,000
Residential SolarShares accounts	2,036	3,700	2,515	3,595
Neighborhood SolarShares • Enrolled premises (Cum.)	2,379	4,081	2,556	3,475
• Single family	576	980	613	834
• Multifamily	1,726	2,938	1,841	2,502
• Accessory dwelling units	96	163	102	139
Commercial SolarShares • Customer accounts	441	441	441	441
Total gross GWh sales	807	870	462	831

Program milestones:

- 51% year-over-year enrollments via the Contact Center: 2,624 customers in Residential Greenergy (July 2026 YTD).
- Greenergy celebrates 30 years of national leadership in the voluntary Green Pricing space.
- Added 5MW of solar supply to Residential SolarShares given customer enrollments & demand.
- Launched multi-tenant solar (market rate).

Looking ahead:

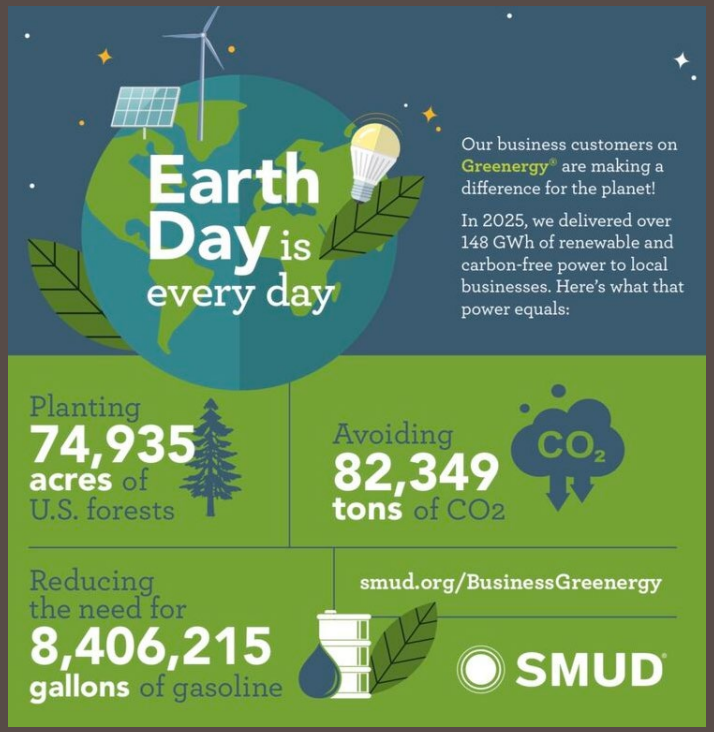
- Grant Union HS Solar & Storage for Schools.
- Climate Advocate adding nature-based solutions.
- Designing Renewable Shares offering for commercial customers.

Green pricing programs

Highlights

Lundberg Family Farms nature-based solution project

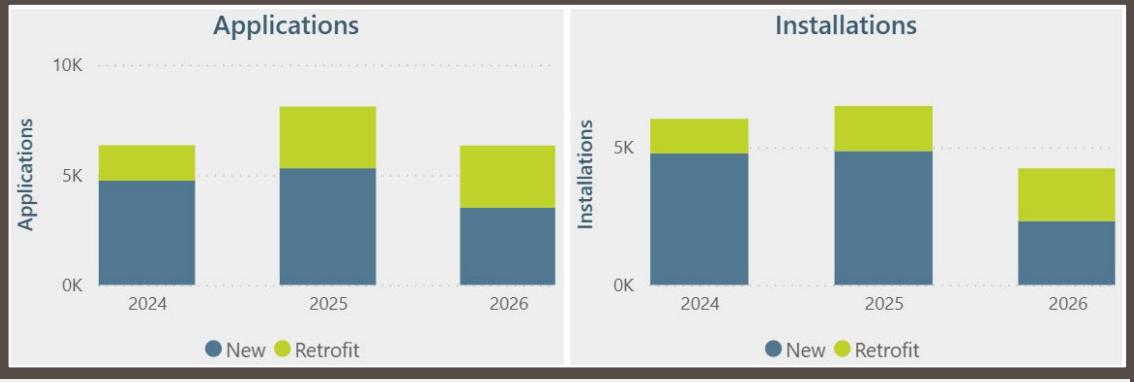
Country Acres tour of 1,100+ acres of solar & battery storage interconnected at distribution level at Baseline & North Watt Avenue

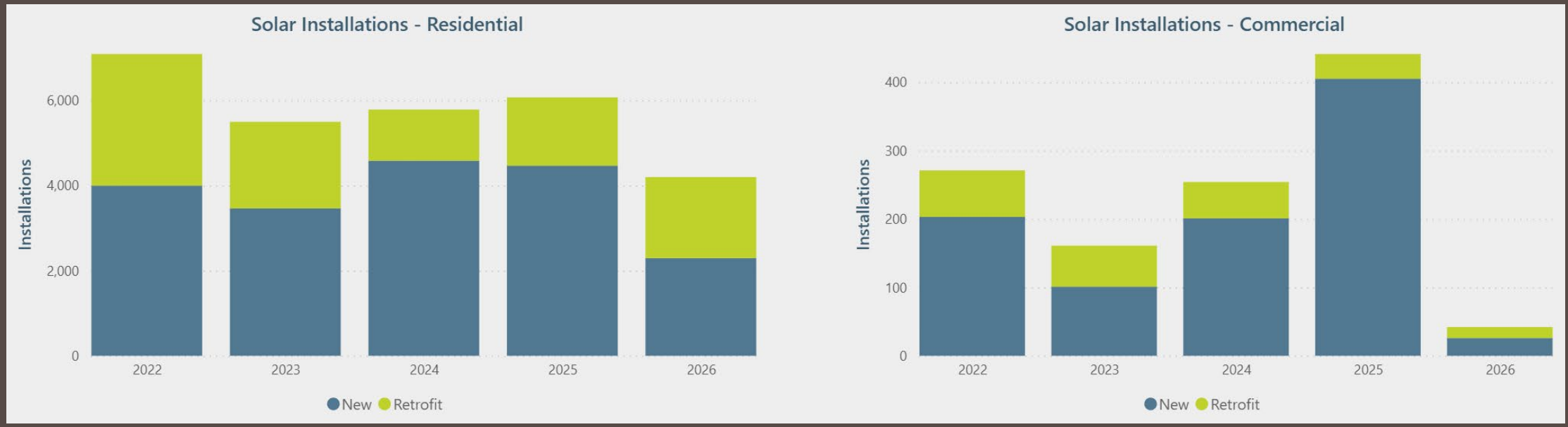


2026 progress

Solar: Behind the meter

2025 & 2026 Solar applications & installations January through August 23					
			Variance		
	2025	2026	#	%	
Applications	5,018	6,332	1,314	26	↑
Installations	4,098	4,238	140	3	↑





In light of these challenges, **how do we think about the path ahead?**

Customer engagement & affordability

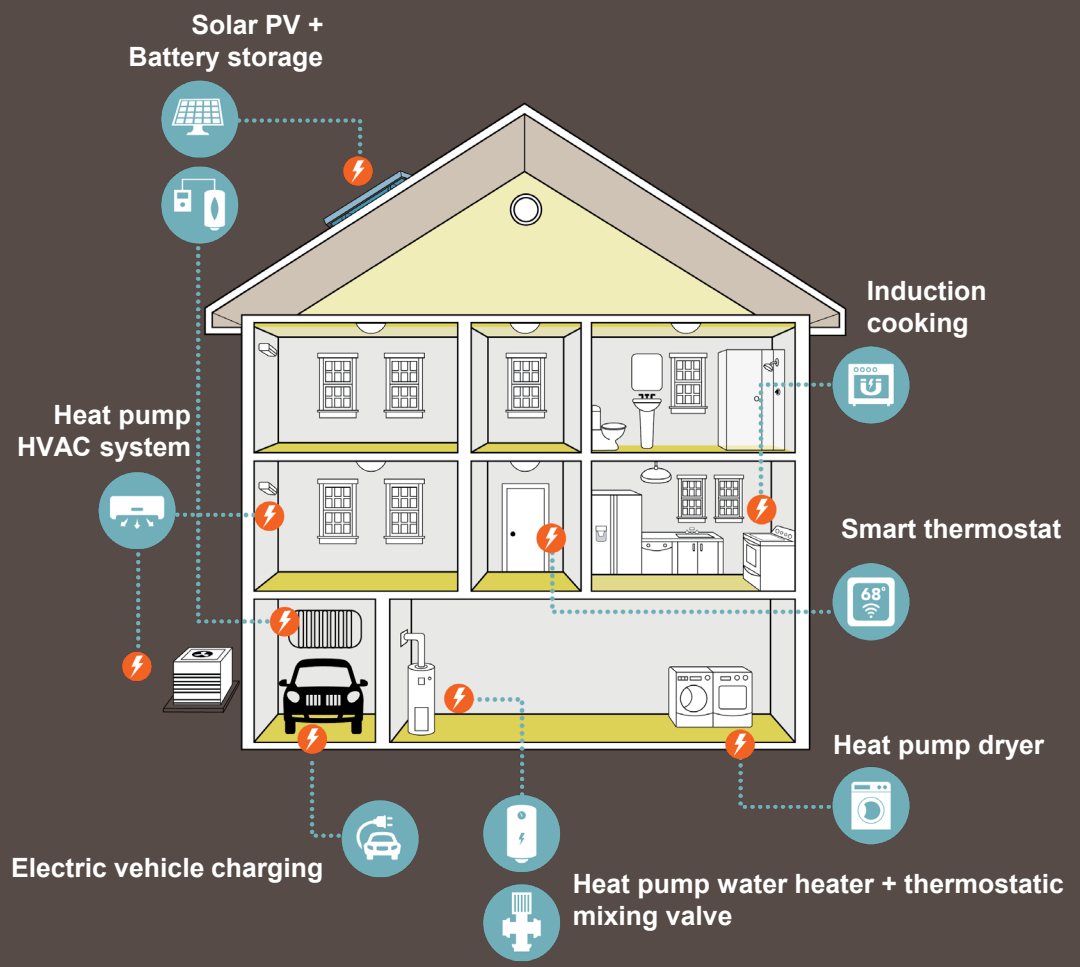
Mixed Fuel Home

Electricity
$1,788 per year

Gas Appliances
$1,258 per year

Gasoline Transportation
$3,800 per year

Total
$6,846 per year



All Electric Home

Electricity
$1,788 per year

Electric Appliances
$625 per year

Electric Transportation
$1,200 per year

Total
$3,613 per year

Decarbonization through electrification

Electrification is accelerating

- Existing buildings
- Transportation
- New electric loads

Scaling creates bottlenecks

- Grid capacity constraints
- Permitting & interconnection
- High upfront costs
- Supply chain & workforce

Load flex to the rescue!

- Shifts load to off peak
- Improves grid utilization
- Delays upgrade needs
- Supports affordability
- Supports reliability

To decarbonize at scale, electrification must be paired with flexible, grid-aware load management.

Summary & conclusions

- External headwinds have made significant impact on program participation toward goals. While the team has initiated efforts to booster adoption, we still face significant challenges given loss of external funding, policy changes & uncertain economic conditions.
- DERs remain a large opportunity to ensure affordability for customers & community while enabling them to participate in decarbonization journey; considerations for prioritization of approaches moving forward will be important.
- IDRP analysis is helping inform potential revised adoption trajectories that will be incorporated into IRP process.

Any questions?