

# Exhibit to Agenda Item #3

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

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting  
Wednesday, October 8, 2025, 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.

# 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.

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:



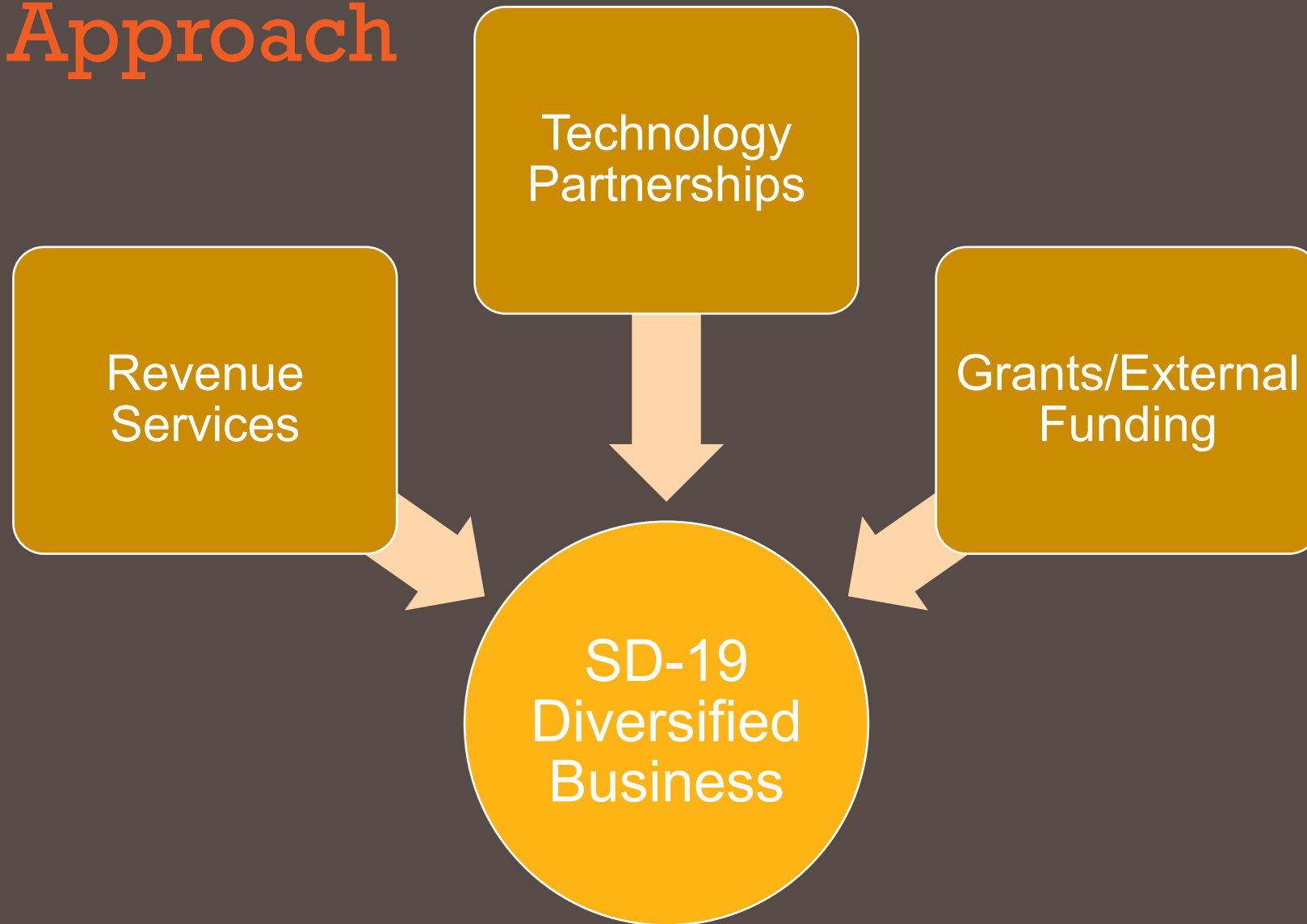
Eliminate CO<sub>2</sub> from SMUD's power supply



Create thousands of new regional clean tech jobs

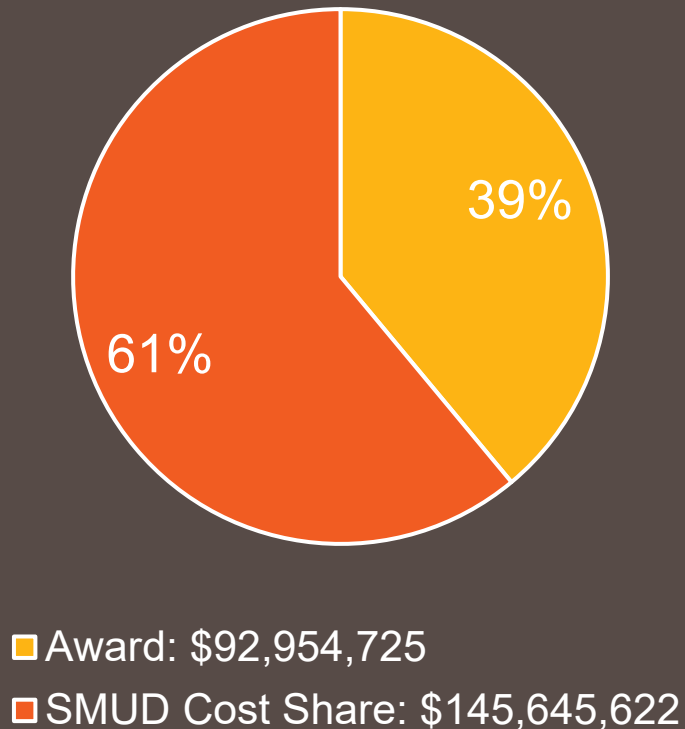
Up to 90% reduction

# SD-19 Approach



# Grants and External Funding

Total Grants: \$238M



## Highlights

### **CERRI Grant (\$23,124,528)**

- The California Energy Reliable and Resilient Infrastructure Grant was won in 2024 and will complete contracting in 2025. Deployment 2026-2031. Funded by the Department of Energy but administered by the California Energy Commission.

### **CFI Grant (\$11,600,000)**

- Federal Department of Transportation grant awarded in 2024 to install 90 new Level 2 and DC fast chargers across SMUD territory. Removed from Federal funding in 2025.

### **OPR/LCI Extreme Heat & Community Resilience Round 1 (\$750,000)**

- Shared award with the Sacramento City Unified School District. Planning grant to design and engineer a micro-grid resiliency hub at Hiram Johnson High School.

# Technology and Industry Partners

## Highlights

- AspenTech - DERMS Phase 2 and 3 design completed, and implemented in Q3 of 2024
- Uplight (SMUD Energy Store) – Accelerated adoption of product additions that began in 2023, including an expanded EV charger, smart thermostat, smart home, lighting and water savings product offerings
- SEW - In 2024, development underway for a solidified revenue share addendum to the SMUD and SEW Joint Collaboration Agreement (JCA)

## Looking Ahead

- AspenTech - DERMS Phase 4 functionality is planned to go-live in mid-2026
- SEW - In 2026, we anticipate co-developing new features with SEW as part of the EV App project





# Technology and Industry Partners

## Highlights

- ESS – Throughout 2024 continued testing and troubleshooting with the six ESS Energy Warehouse products installed at Hedge, adjacent to the Sacramento Power Academy
- Itron - In September 2024 SMUD entered into a Joint Sales Agreement (JSA) as part of a Strategic Value Partnership with ITRON

## Looking Ahead

- ESS – Early in 2025, SMUD concluded its flow battery pilot with ESS with the Energy Warehouse product because of a shift in product focus by ESS. SMUD will continue to monitor ESS product development among other Long Duration Energy Storage technologies
- Itron – Support marketing, promotion and sale of Itron products at industry events and utility user group meetings to increase revenue opportunities



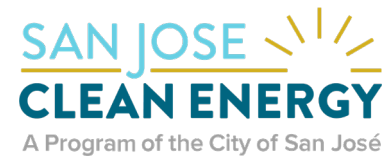
# Community Choice Aggregator Services

## Highlights

- Seven years in operation
- Currently serving 7 of the states 25 CCA's representing 2.7M meters
- Eleven (11) major service offerings (up from 7 in 2022) including Electrification Concierge, Marketing, Billing and Data Management

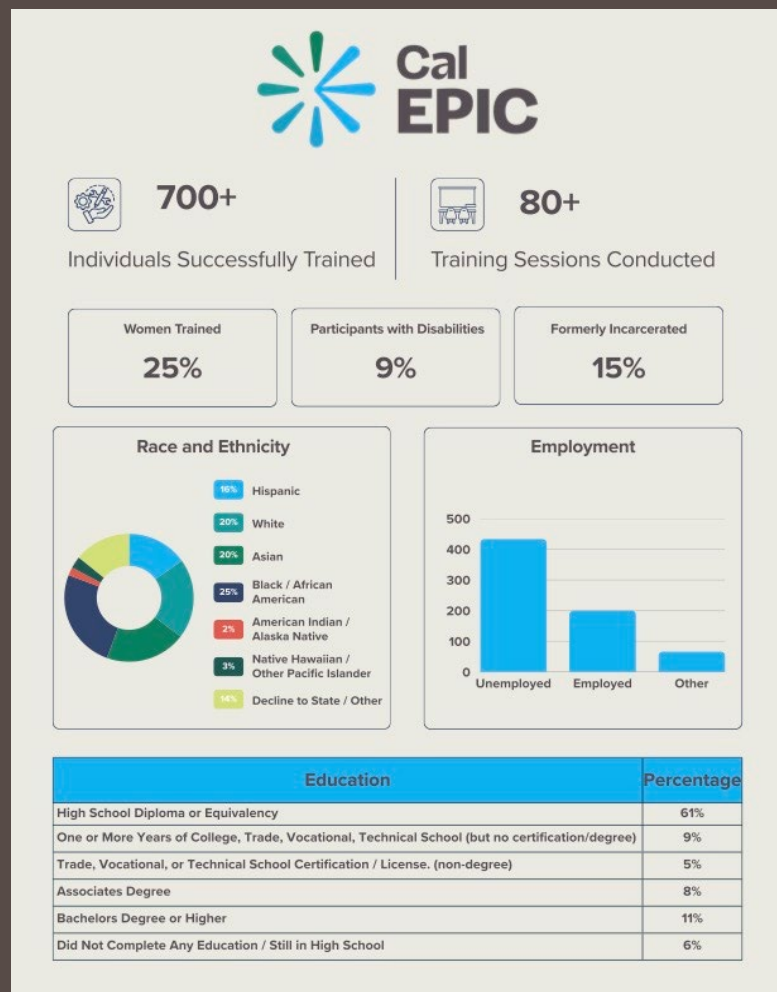
## Looking Ahead

- Continued value expansion of SMUD intellectual property





# California Energy, Power & Innovation Collaborative (CalEPIC)



## Highlights

Rebranded from California Mobility Center to CalEPIC.

Over 700 people trained by Cal EPIC/California Mobility Center in the last three years.

- Most come with High School-level educational attainment.
- Focus on community partnerships has yielded classes representative of our communities and ingrained in equitable practices.

Rivian Technical Trades Program: Paid, 15-week technician internship program.

- Job offer at the end of training program if they satisfy all their training requirements.

# California Energy, Power & Innovation Collaborative (CalEPIC)

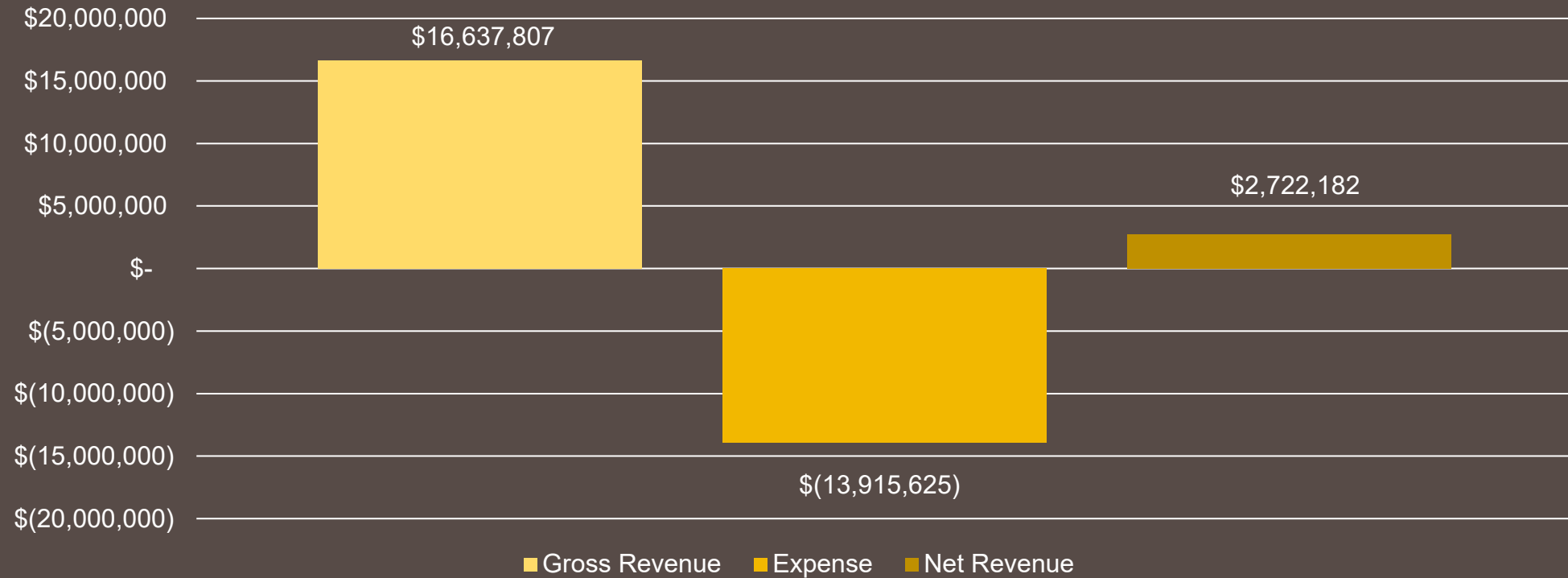


## Funding Wins

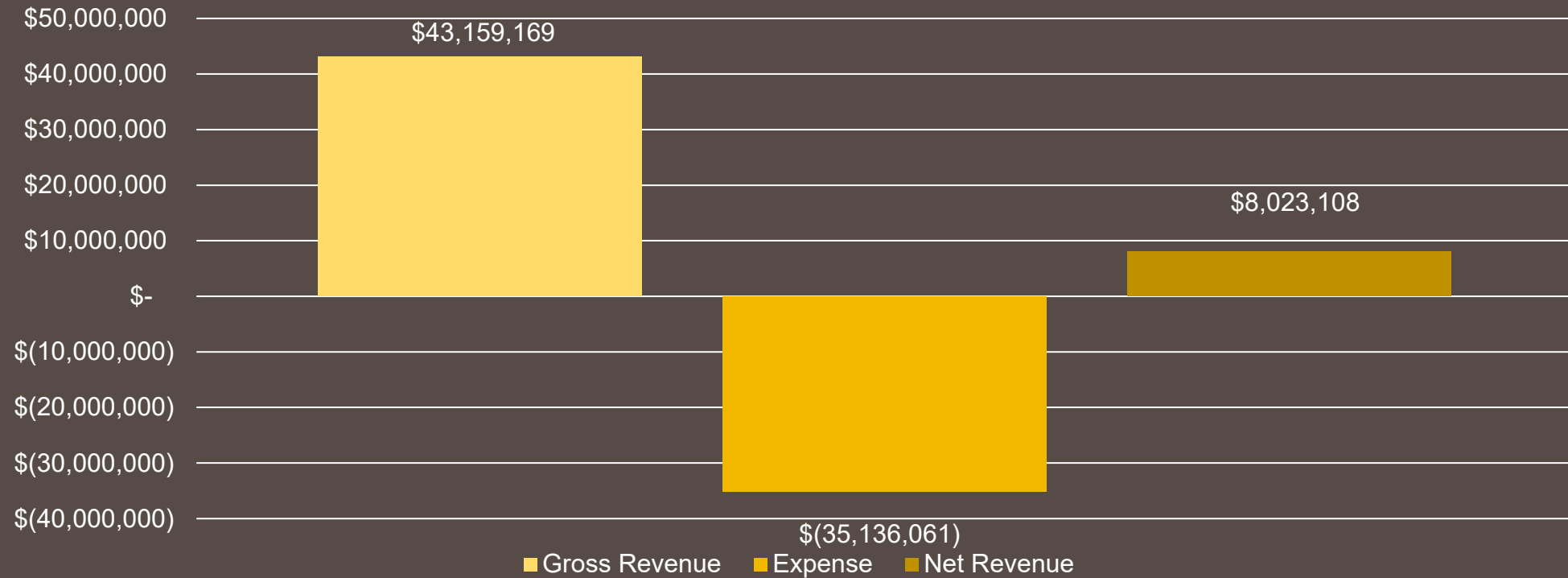
\$5.3 million in grant funding has been awarded to Cal EPIC in 2025

- \$4 million from California Energy Commission for ChargeYard.
- \$500,000 from GitLab Foundation for Rivian Technical Trades program.
- \$500,000 from State of California for EPIC on the Road mobile classroom for workforce development training.
- \$290,000 from California Masonic Foundation to teach high school students about green jobs available to them post-graduation.

# Portfolio Revenue Summary



# Portfolio Revenue Summary Over 3 Years



# Conclusion

Request the Board accept 2024  
SD-19 Monitoring Report