

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, October 7, 2026

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

Powering forward. Together.



AGENDA BOARD POLICY COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

**Wednesday, October 7, 2026
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
scheduled to begin at 6:00 p.m.**

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Policy Committee will review, discuss and provide the Policy Committee's recommendation on the below agendized item(s):

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
<https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online>

Zoom Webinar Link: [Join Board Policy Committee Meeting Here](#)

Webinar/Meeting ID: 165 583 3452

Passcode: 956695

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Emily Bacchini Discuss the monitoring report for **Strategic Direction SD-6, Safety Leadership**.
Presentation: 10 minutes
Discussion: 5 minutes
2. James Frasher Discuss the monitoring report for **Strategic Direction SD-10, Innovation**.
Presentation: 20 minutes
Discussion: 10 minutes
3. James Frasher Discuss the monitoring report for **Strategic Direction SD-19, Diversified Business**.
Presentation: 12 minutes
Discussion: 6 minutes

INFORMATIONAL ITEMS

4. Brandon Rose Board Monitoring: **Governance Process GP-8, Board Committee Principles; Governance Process GP-10, Board Training, Orientation; Governance Process GP-12, Board Compensation and Benefits; and Governance Process GP-15, Board Travel and Training Reimbursement**.
Presentation: 10 minutes
Discussion: 4 minutes
5. Dave Tamayo Board Work Plan.
Discussion: 7 minutes
6. Public Comment
7. Brandon Rose Summary of Committee Direction.
Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-6155 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Nicole.Looney@smud.org, or contact by phone at 1-916-732-6055, no later than 48 hours before this meeting.

SSS No. SERES 26-07

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy – 10/07/26

Board Meeting Date

October 15, 2026

TO				TO					
1.	Linda Wong			6.					
2.	Frankie McDermot			7.					
3.	Rhonda Staley-Brooks			8.					
4.	Brandy Bolden			9.	Legal				
5.	Suresh Kotha			10.	CEO & General Manager				
Consent Calendar	☒	Yes	☐	No <i>If no, schedule a dry run presentation.</i>	Budgeted	☒	Yes	☐	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Emily Bacchini			DEPARTMENT Safety, Environmental and Real Estate Services			MAIL STOP B209	EXT. 6334	DATE SENT 09/10/26	

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-6, Safety Leadership.

Summary: Report on the status of Strategic Direction SD-6, Safety Leadership (SD-6), for safety performance from January through June of 2026. Report addresses safety leadership accomplishments during the first six months of the year, current Days Away Restricted Time (DART) numbers, and safety opportunities and challenges.

Board Policy: Strategic Direction SD-6, Safety Leadership
(Number & Title)

Benefits: Provide the scheduled bi-annual monitoring report as requested by the Board of Directors and Executive Office. The report provides an opportunity to make recommendations or policy revisions, as necessary.

Cost/Budgeted: Costs contained in budget for internal labor.

Alternatives: Provide via written report through the Chief Executive Officer and General Manager; schedule presentation for another date.

Affected Parties: Board of Directors, Executive Office

Coordination: Organization-wide

Presenter: Emily Bacchini, Director of Safety, Environmental and Real Estate Services

Additional Links:

SUBJECT

Monitoring Report – Strategic Direction SD-6, Safety Leadership

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: September 23, 2026

FROM: Linda Wong *LW 9/23/26*

**SUBJECT: Audit Report No. 28008034
Board Monitoring Report; SD-6: Safety Leadership**

Internal Audit Services (IAS) received the SD-6 *Safety Leadership* first-half 2026 Biannual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Lora Anguay

Board Monitoring Report 1st and 2nd Quarters, 2026 Strategic Direction SD-6, Safety Leadership



1. Background

Strategic Direction (SD) 6, Safety Leadership states that:

Creating a safe environment for employees and the public is a core value of SMUD.

Through best practice methods and continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. SMUD commits to a proactive approach, including the active involvement of SMUD leadership, employees, contractors, and the community, as well as comprehensive monitoring of organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

a) Workplace Safety

- i. Reduce SMUD's severe safety incidents to 0 by 2030, as measured by OSHA's Days Away Restricted Time (DART).
- ii. Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

b) Contractor Safety

- i. Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatalities (SIF) when conducting high risk work.

c) Public Safety

- i. Track and report incidents involving the public related to SMUD operations or facilities.
- ii. Implement measures to protect the public from injuries related to SMUD operations or facilities.

2. Executive Summary

SMUD is in compliance with SD-6 and is in alignment with SMUD's 5-year strategy of working toward a zero-incident culture. SMUD has experienced substantial reductions in both preventable vehicle accidents (PVAs) and serious injuries and fatalities (SIFs) over the years, culminating in zero SIFs reported in 2025. To sustain this positive trajectory, SMUD's five-year strategy to achieve zero DART incidents by 2030 will emphasize the systematic review of data obtained through supervisor interactions, SCORCH observations, and near-miss/good-catch reporting. These data sources will be used to identify leading indicators that enhance hazard recognition and guide the implementation of proactive measures aimed at keeping our employees safe.

Workplace Safety

SMUD continues to make meaningful progress toward its goal of zero severe incidents by 2030. During the first half of 2026, SMUD recorded 9 OSHA-recordable injuries, including 5 DART cases and 4 other recordable injuries. This represents a 50% decrease in total OSHA-recordable injuries compared with the same period in 2025, when 18 recordable injuries were reported. DART cases decreased by 29%, from 7 cases in the first half of 2025 to 5 cases in 2026.

This improvement may be attributed to increased supervisor-employee engagement, greater field presence, and more intentional safety conversations. As a result, SMUD's DART rate for the first half of 2026 was 0.44, this is 63% below the current industry average of 1.2.

Quality care of injured employees is measured through the Workers' Compensation program's performance, which is assessed annually by an independent actuary. SMUD continues to have a reduction in indemnity benefits over the past five years as presented below, even as the number of claims increased.

Fiscal Year	2021	2022	2023	2024	2025
No. of Claims (Medical & Indemnity)	59	54	46	63	68
Incident rate per 100 employees	2.4	2.2	1.8	2	2.2
Rates per \$100 payroll	.85	.67	.58	.50	.40

Contractor Safety

SMUD continues to use International Suppliers Network (ISN) to evaluate safety records and performance for high-risk contractors and bidders. This evaluation focuses on Contractor Fatality History, OSHA Citation History, DART and Total Recordable Incident Rates (TRIR), Insurance Experience Ratio, Safety Culture Questions, and Safety Program Review. Currently SMUD has **189** contractors in the ISN system.

This year we have increased the number of site safety evaluations for high-risk contractors to validate safety performance on the jobsites. The 2026 goal is set at 500 contractor safety visits. Through Q1 & Q2 of 2026, the Contractor Safety Team completed **324** documented safety visits. These visits focus on SMUD contractors who work with Power Generation, Line, Substation, Facilities, Vegetation Management and Environmental Services on projects where high-risk work is performed. This work includes high voltage work, working at heights, vegetation management, confined spaces, excavations, etc. SMUD has onboarded two new Vegetation Line Clearance Contractors and focused audits have been completed by SMUD's Contractor Safety and Vegetation Management teams. The Safety Management System (SMS) is used for inspections, incident tracking, reporting and investigations of SMUD contractors. This allows SMUD to verify safe working practices by our contractors to reduce the potential for serious injuries or property damage. Contractor reported incidents require an investigation to be completed and typically warrant additional site safety visits to verify corrective measures have been put into place to reduce further occurrences.

The Contractor Safety Team continued its partnership with SMUD's Vegetation Management Team and participated in the three-day Contractor Safety Event. The ISN Training tool's use has been expanded with more Contractors being assigned the various trainings. This tool helps SMUD keep track and record of training completions. Lastly, in 2024 the Contractor Safety

Team piloted Contractor Check In meetings, with success and positive feedback. In 2026, the team made it a goal to bring back the meetings and by the end of Q2 have completed three of the five Contractor Check in meetings. These meetings bring a lot of value to SMUD as it allows various stakeholders to be present and communicate successes and areas of improvement to our Contractors.

Public and Community Safety

Public Safety Statistics

SMUD tracks public and community incidents in the Safety Incident Tracking System (SITS) involving car-pole, electrical contacts, dig-in incidents, and injuries to the public that are related to SMUD's operations or facilities. The following statistics are reported for the first two quarters of 2026:

- There were 124 incidents where the public struck a SMUD asset with a vehicle, with two fatalities from such events.
- There were six electrical contacts reported with four reported injuries from these contacts.
- There were 35 dig-in incidents reported with no injuries. In response to these dig-ins, SMUD's public safety team has sent out 8 notification letters to contractors and customers responsible for the dig-in occurrence as a proactive effort to provide further awareness and education on best practices to avoid future occurrences. No responses or escalations have been provided.

Public Safety Events

SMUD's Safety team has attended several local events within the SMUD territory in support of delivering public safety messages with a variety of partnerships. The Safety team has coordinated and participated in the following events so far for the 2026 calendar year:

- Downtown Network & Sacramento City Fire (SFD) Tour
- Elk Grove Regional Safety Day
- Deterding Elementary School Public Safety Day

New Public Safety Initiatives

The Public Safety team is partnering with other SMUD business units and outside public agencies to develop procedures for responding to lithium-ion battery related fires. Additionally, the team is developing and providing resources directly to local first responders to support knowledge and awareness around high-voltage lines to prevent electrical contacts by emergency response crews.

3. Additional Supporting Information

SD-6 was last updated in April of 2026. Our goal is to achieve the desired performance objectives by year-end 2030. This report summarizes safety performance in the first half of 2026.

Safety Leadership

The Safety Team continues with its integration efforts to support our 5-year strategy that emphasizes zero incidents and injuries and a focus on a zero-accident safety culture. SMUD's Executive Leadership team continues to emphasize our Safety priority with all personnel, contractors and in the public. We continue to grow our Safety for Life culture by reducing the risk of serious injuries and fatalities, targeting messages to staff on topics beyond work-related

risks, and looking for new ways to maintain engagement. These goals are outlined in SMUD's Safety Road Map.

Safety Management System (SMS)

During the first half of 2026, SMUD made significant progress in optimizing Benchmark Gensuite, the organization's Safety Management System (SMS). Ongoing projects and process improvements continue to increase system utilization, improve visibility, and enhance the overall effectiveness of safety processes across the organization. These efforts reflect SMUD's continued commitment to strengthening safety performance, improving operational efficiency, and supporting employee well-being.

From January through June 30, the Safety Team completed several high-impact initiatives that further strengthened the SMS. Customized workshops were developed and delivered to Substation staff to improve frontline employees' knowledge and confidence when using the application in the field. Enhancements to the Contractor Manager application were also completed, including a new log feature designed to improve documentation during site visits. Opportunities for additional enhancements have also been identified within the Incident, Measurements, and ACE Forms applications, with these projects scheduled to begin in Q3.

Safety Standards Development

The Safety Team is continuously reviewing and updating SMUD's Health & Safety Standards to support the organization's World Class Safety initiatives. The Core Standards Team has adopted a streamlined review routing process utilizing SharePoint. This approach has reduced the amount of time required from review to final signature. SMUD's Health and Safety Standards have also been incorporated into SMUD GPT.

The Core Standards Team continue to meet monthly to ensure progress is made and tracked. In 2026 the team plans to review twenty-eight standards, of which fourteen have been completed in the first half of the year.

The reviewed and updated standards included:

- Major updates to the Medical Practice Electric Shock Standard to include requirements per Justin Kropp Safety Act (AB 365)
- Minor updates to the Injury and Illness Protection Program (IIPP), IIPP Appendix B, Electrical Arc Flame Reduction, General Safety Rules, PPE, Wildfire Smoke, Powered Industrial Vehicle Standard, Serious Injury Fatality (SIF) Standard, Safety & Health Training, Dog Bite Prevention Program, Contractor Safety Standard, CPR& First Aid, and Hazard Communication.

Supervisor-Employee Interactions

The Safety Team continued to make significant progress in strengthening the Supervisor-Employee Interaction process throughout 2026. In the first half of 2026, 5,026 Supervisor-Employee Interactions have been completed that will count toward the Enterprise Performance Goal (EPG) of 8,440 interactions.

The Safety Team's focus areas in 2026 were diverse and tailored to the unique needs of each work environment. For office-based employees, efforts focused on reducing ergonomic risks and preventing slip, trip, and fall hazards. Hybrid and remote employees received personalized guidance to optimize workstation setups and minimize potential home-based hazards. In the field, leaders continued to strengthen safety through Eyes-on-Work interactions, emphasizing PPE compliance, safe equipment use, proper lifting techniques, situational awareness, and adherence to job briefings. These real-time observations provided opportunities to identify

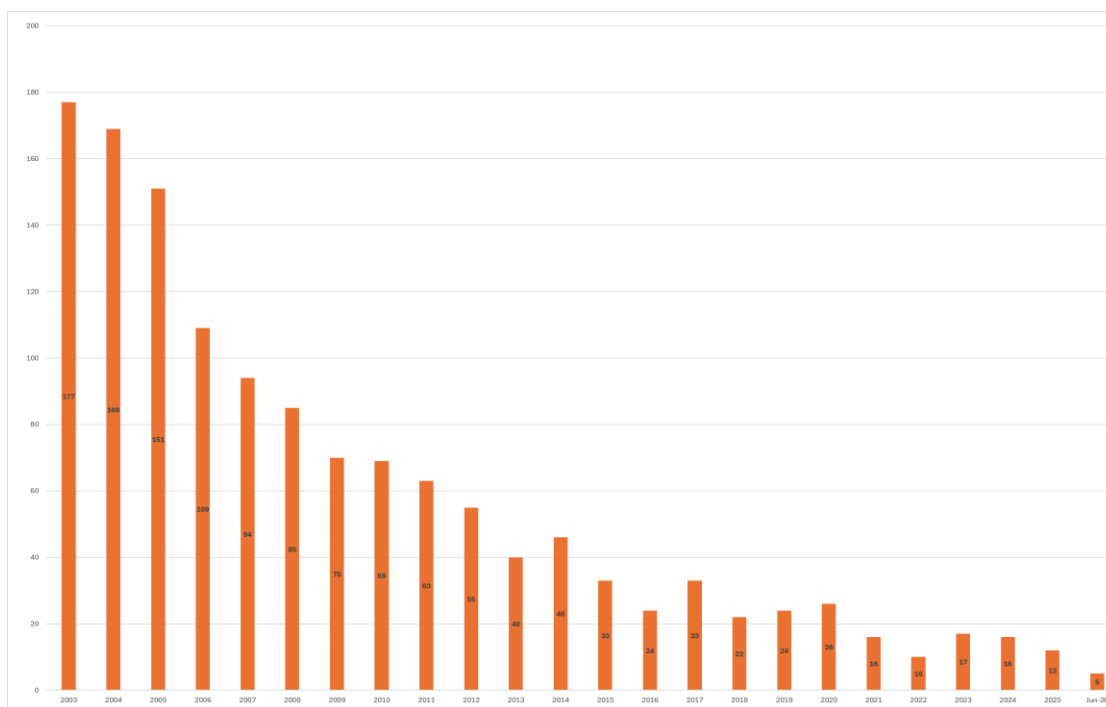
hazards early, reinforce safe behaviors, and address risks before they could result in an incident. Through these proactive measures and meaningful conversations, SMUD continues to build a strong, unified safety culture across all work environments.

Near Miss and Positive Observation/Good Catch Reporting

Leadership remains committed to fostering a proactive safety culture that encourages employees to report near misses and positive observations/good catches. This proactive approach provides opportunities to identify hazards, share lessons learned, and implement corrective actions before an incident occurs, ultimately strengthening safety performance and operational effectiveness. During the first half of 2026, 26 near miss and positive observation reports were captured in the SMS.

4. Challenges

After successfully meeting SMUD's 2025 target of 13 DARTs or fewer, we entered 2026 on a strong trajectory toward achieving this year's goal of 11 DARTs or fewer. However, the increase in DARTs at the end of Q2 and the start of Q3 brings SMUD to 9 DARTs year-to-date, and signals that we must further reinforce our safety programs and practice. The good news is that high-risk DART cases remain very low, and the time employees spend away from their regular work due to incidents is also staying low. This reflects strong hazard mitigation practices already in place, and it's important we continue to build on that momentum.



DART Count 2003-2026 (year to date)

5. Recommendation

SMUD is committed to becoming a recognized leader in safety. Both SMUD's leadership team and employees recognize that to achieve success we must integrate safety into all that we do. It is recommended that the Board accept the Monitoring Report for SD-6.

6. Appendices - World Class Safety Program Improvements & Supporting Information

Safety for Life

Safety and Environmental Day will be held in October this year at Safety Center's Safetyville. The event is open to all SMUD employees and their families. There will be plenty of external vendors, and SMUD Trades groups sharing their crafts, like Line, and Substation, and a few more. SCORCH, the Green Team, Community Education, and Safety are hosting booths. There will be plenty of games and prizes as well and Game Day food truck.

To promote SMUD's safety for life culture, our safety team offered three internal CPR classes for SMUD employees. The first two were successful and we have one more scheduled in September.

Sparky's Crew continues to get SMUD families involved in safety by sending safety postcards and quarterly newsletters to the 150 children enrolled. Children enrolled also participate in the Sparky's Crew calendar submitting their safety drawings for a chance to be used in the SMUD's Safety for Life calendar.

Our Safety for Life communications continue. Safety for Life experiences from employees are being shared in our bi-weekly newsletter and resonate the most with employees resulting in the most readership.

Driver Safety

The driver safety initiatives are going strong this year. SMUD started the year with multiple Driving Rodeo events for groups in Energy Delivery & Operations, and across the organization, and have several more slated for the remainder of the year. Each is tailored to the needs of the group with consideration given to leading PVA causes to ensure optimal value is being delivered.

Additionally, SMUD attended an industry conference and expo in Q1, bringing back a number of potential solutions to aid in PVA reduction. These solutions have been thoroughly reviewed by Safety and the best options presented to the newly-formed All-Joint Labor/Management Safety Committee (JLMSC) Sub-Committee on PVA Prevention. Initial leadership interest and support was secured for at least one solution. This momentum is carrying on into the second half of the year as we look to launch a pilot of a data-driven solution, which better utilizes the data we are already collecting through our GPS system.

SMUD has trained 236 employees in Smith Defensive Driving, either as an initial course or a refresher. The Substations group has requested their refresher courses be conducted behind-the-wheel, rather than through LMS. This is being put into place and is a strong indicator of their commitment to vehicle safety. This effort will pay dividends for their staff.

The PVA review team continues to comb through the PVA cases to ensure high-quality investigation outcomes and identify any trending data. As this effort develops, findings are being shared back with safety reps and leadership to raise the bar for investigation quality. Trending data is captured, reviewed, and often shared during safety meetings or in Safety Alerts. This approach proved valuable when we started the year with six PVAs in the first few weeks and identified and communicated the trend. The PVA frequency dropped drastically after the communication went out.

Wildfire Smoke

SMUD did not experience any wildfire smoke events that impacted operations in the first or second quarter of 2026. The On-Call Safety Team held a tabletop exercise to ensure internal staff are ready to support the organization should an event occur.

Flame Resistant Clothing

All employees working on or near energized equipment receive an annual flame-resistant (FR) clothing allowance to ensure proper protection. SMUD partners with an FR vendor to provide clothing that complies with Arc Flash safety standards for SMUD equipment and incorporates the latest FR fabric technologies to enhance comfort in various weather conditions, such as storms, cold, rain, or heat. New electrical trades employees will undergo FR clothing training conducted by a Safety Representative, and they will be added to the FR clothing portal. They will also be informed about the proper care and maintenance of their FR clothing.

Field Ergonomics

SMUD's Field Industrial Ergonomics Program continues to advance through our partnership with Briotix Health, supporting employee wellbeing and contributing to a positive trend in reducing soft-tissue injuries. Staff spent six months working closely with Line at the Power Academy to establish consistent ergonomics practices and build the foundation for a sustainable stretch-and-flex program. We now provide this program bi-weekly both at SPA and Fresh Pond. Building on last year's foundational work, including job task assessments, ergonomic evaluations, and safety meetings, Briotix has expanded its engagement with employees through continued one-on-one evaluations, vehicle ergonomic assessments, and daily stretch sessions that prepare crews for safe movement and physical readiness.

A significant enhancement introduced this year is the new Pro Fit Program availability. Previously offered only on a scheduled, as needed basis, the program now features consistent drop-in hours every Tuesday and Thursday from 5:30 to 6:30 a.m. This accessibility allows field crews and participants to work directly with the Briotix consultant on strength and conditioning, flexibility, and range of motion, which are key components in preventing soft tissue injuries and promoting long-term physical fitness. Participation continues to grow, reflecting strong employee interest and the value of proactive injury prevention.

Monthly coordination meetings between SMUD and Briotix ensure alignment of priorities, deliverables, and opportunities for improvement. These ongoing efforts strengthen our field ergonomic strategy and reinforce SMUD's commitment to maintaining a proactive, supportive safety culture.

Joint Labor Management Safety Committees

Hydro JLMSC – The Lock Out/Tag Out (LOTO) Procedure committee was created to establish a task force responsible for creating LOTO procedures for all fixed equipment throughout Hydro's facilities. This is to ensure compliance with Cal OSHA regulations. The Fresh Pond Safety Fair was held in June and was another successful event bringing SMUD employees and their families together (173 in total) for a fun day of education and awareness pertaining to the industry, emergency services and the recreational opportunities we get to enjoy right in our own backyard.

Line Assets JLMSC – A variety of safety improvements are in progress or already completed through the Line Assets JLMSC. Key improvements to highlight are as follows. Safety partnered with the Toolroom to re-establish the tool committee, develop a flow chart for process, and a tool request form for evaluation. The Watson Hole digger truck was retrofitted with a Kelly Bar.

Staff scheduled demonstrations of newer/improved vacuum truck models that will eventually be purchased to supplement the current model. A subcommittee of line foremen, fleet, and line leadership will reassess and update the hurt man rescue protocol for three-day, including additional equipment, as the single-man bucket may not be effective during climbing school. Self-retracting lifeline (SRL) safety alert went out to all crews to advise on the proper use of and storage of SRLs.

Substation, Telecom, & Metering (STM) JLMSC – Current Near misses and Safety Alerts are shared at the beginning of the Quarterly JLMSC meetings to remain current on conditions, incidents, or accidents and possibly discuss solutions. The Committee continuously identifies and establishes new initiatives and focus areas are established to improve safety. Examples from Q1 and Q2 include the creation of a sub-committee on PVA prevention, with a focus on leadership participation and leveraging new technologies, and, separately, an assessment of noise hazards in Telecom indoor work locations. The equipment of concern in these locations is being evaluated and engineering controls applied where necessary. Additional items were worked on during Q1 and Q2 but are not yet complete. These will be shared in future updates as they are completed.

Safely Conducted Observations Reduce Common Hazards (SCORCH)

Observation Engagement & Behavior Trends

The Legal & Warehouse Operations (LWO) and Electrical Trades process combined to observe a total of 752 employees during the first half of 2026. The continued awareness for minimizing exposures by planning for success made **Communication** the top observed safe behavior for the Electrical Trades workgroups. Highlighting the value in which employees place on maintaining regular communication while performing job tasks to ensure everyone is cut in. Observation feedback showed improved consistency for Maintaining a **Safe Following Distance** of 4 seconds or higher when driving behind another vehicle, making it the top observed safe behavior for the LWO workgroups. Two great behaviors that aid our field employees in going home injury-free.

Opportunities for safety improvements were related to the at-risk behaviors of **Animals/insects** and **Vehicle Operations**. Employees found themselves accidentally disturbing or provoking wasp or bees and exposed to being stung while performing job tasks. Employees were encouraged to always have Bee Bopper spray stored in their trucks and use extra caution on hot weather days when moving material or operating equipment/vehicles that have been sitting idle for a long time and create the perfect environment for an active nest. To overcome the low perception of risk when it comes to operating SMUD vehicles, employees were reminded to always wear seatbelts even when driving around the SMUD campus. Risk Reduction Reminders campaigns were launched across all participating workgroups to enhance employee commitment to safety.

Throughout the first half of 2026, a total of 2,765 Office & Professional observations occurred. Employees continue to display ownership to maintain good **Head/Neck Posture** making it the top observed safe behavior. A routine cadence for sending out Risk Reduction Reminders and taking “micro stretch breaks” enable employees to log out with less aches and pains at the end of the day with sustained consistency.

The behavior of **Hips/Legs/Feet Posture** was logged as the top at-risk behavior. Employee feedback tells us that exposure is frequently tied to a low perception of risk. Staff set out to combat the employee mindset of “it feels comfortable to me, it’s a habit of mine or it’s just something I do without thought”. Step one was to raise awareness of the cumulative trauma and

stress placed on the tendons and/or joints along with its quality-of-life injury potential impact. Step two was to educate employees on chair controls for maintaining the proper seat pan depth and creating a “frequent movement” schedule to avoid sitting with legs crossed at the ankles or with a single leg tucked under the body for long amounts of time. Although the number of times the behavior is being marked at-risk has decreased, work remains to eliminate this exposure from our office work environment.

Safety for Life/Behavior Influencing Highlights

SCORCH team members who recently attended DEKRA’s National Safety in Action conference successfully shared key takeaways and best practices at its annual 2-day Mini Conference. Why We Take Risk, The Hidden Risk or Familiar Work and The Real Cost of Safety were a few of the presentation topics shared with employees. In continuation of its Eyes on Path, Making Every Step a Safe One campaign, SCORCH partnered with Facilities and Buildings & Grounds for placement of their newly received lawn flags. What started with the stenciling of Eyes on Path on walkways is now accompanied by flags and its first-ever iNet video. SCORCH is focused on making a sustained commitment to reducing the exposure for a potential incident or injury, by simply demonstrating Eyes on Path when walking around campus.

Heat Illness

SMUD continues to identify heat as one of the main hazards our employees face during the hot summer months. The end of the second quarter was volatile with mild temperatures followed by rapidly warming days. SMUD’s Tool Committee identified an electrolyte solution that meets SMUD’s needs. Additional resources are available to employees, including cooling towels, shade structures, water and ice. Pilots are currently underway for cooling vests.

Medical Monitoring

Safety continues to partner with 3rd Party Medical Monitoring vendors to ensure employees receive appropriate Cal/OSHA required monitoring. There were 3 onsite hearing events, 2 at ECOC and 1 at Fresh Pond. One hundred and ninety-nine employees completed their annual hearing exams during the three onsite events. The Safety team organized 3 onsite “pop-up clinics”, 1 at Fresh Pond and 2 at ECOC, for our medical surveillance vendor for monitoring other than hearing exams. Thirty-six employees had their annual medical exams completed during those three events. Safety will continue to ensure all employees are current on their medical monitoring.

Awards

American Public Power Association (APPA) Safety Award of Excellence

The American Public Power Association (APPA) recognized leading utilities across the country for their safe operating practices in 2025. SMUD earned the 2025 APPA Safety Award of Excellence, **Diamond Status**, for the second consecutive year.

Diamond Status is the highest level of recognition awarded by APPA and recognizes utilities that demonstrate an exceptional commitment to the safety and well-being of their employees, customers, and communities.

National Safety Council (NSC) Occupational Excellence Award

The National Safety Council (NSC) Occupational Excellence Award recognizes member organizations that demonstrate an outstanding commitment to workplace safety and superior safety performance relative to industry standards.

SMUD was recognized with this award for 2025, highlighting the organization's continued commitment to a strong safety culture, effective risk management, and proactive employee engagement in safety practices. This recognition reinforces SMUD's ongoing efforts to prevent incidents, strengthen employee engagement, and continuously improve workplace safety.

NWPPA Safety Award — Over 1,000,000 Hours of Exposure

At the 2026 Northwest Public Power Association (NWPPA) Safety Awards, utilities in the Over 1,000,000 Hours of Exposure category were recognized for outstanding safety performance based on their 2025 injury and illness incidence rates.

SMUD earned **Second Place** in this highly competitive category, recognizing its continued commitment to workplace safety and sustained safety performance.

SSS No.
ZCES 26-009

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 10/07/26
Board Meeting Date October 15, 2026

TO				TO						
1.	James Frasher			6.	Suresh Kotha					
2.	Linda Wong			7.						
3.	Joel Ledesma			8.						
4.	Rhonda Staley-Brooks			9.	Legal					
5.	Brandy Bolden			10.	CEO & General Manager					
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) James Frasher		DEPARTMENT Research and Development, Grants, and Partnerships				MAIL STOP K221	EXT. 6082	DATE SENT 09/11/26		

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-10, Innovation.

Summary: Report on the status of Strategic Direction SD-10, Innovation (SD-10), for performance from June 2025 through July 2026. Report addresses innovation and leadership accomplishments along with opportunities and headwinds.

Board Policy: This report supports Strategic Direction SD-10, Innovation, by providing a performance status.
(Number & Title)

Benefits: Provide the scheduled monitoring report as requested by the Board of Directors and Executive Office. The report provides an opportunity to make recommendations or policy revisions, as necessary.

Cost/Budgeted: Costs contained in budget for internal labor.

Alternatives: Provide via written report through the Chief Executive Officer and General Manager.

Affected Parties: Board of Directors, Executive Office

Coordination: Organization-wide

Presenter: James Frasher, Director of Research and Development, Grants, and Partnerships

Additional Links:

SUBJECT	Monitoring Report – Strategic Direction SD-10, Innovation	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: September 23, 2026

FROM: Linda Wong *LW 9/23/26*

**SUBJECT: Audit Report No. 28008035
Board Monitoring Report; SD-10: Innovation**

Internal Audit Services (IAS) received the SD-10 *Innovation* 2026 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

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Board Monitoring Report 2026 Strategic Direction, SD-10 Innovation



1) Background

SD-10 States: Delivering innovative solutions, products and services to our customers is a core value. To assure our long-term competitiveness, SMUD shall invest in research and development projects that support its core and key values and integrate emerging technologies and new business models into SMUD's customer offerings in a way that balances risk and opportunity and benefit our customers and community.

2) Executive Summary

To assure SMUD's long term competitiveness and delivery of the Clean Energy Vision, the Research & Development (R&D) team provides subject matter expertise, project planning and execution in support of SMUD's core and key values. R&D evaluates emerging technologies and business models and accelerates their integration into SMUD's operations in a way that balances risk and opportunity. The R&D portfolio contains both short term and multi-year projects focused on scaling load flexibility, facilitating electrification of buildings and transportation, and optimizing reliable grid assets and operations. We support SMUD through research, analysis, development and demonstration of emerging technologies that benefit our customers and community. Including the transition of vetted technologies into operations, and analysis of energy and climate change policies.

Our conclusion is that SMUD is in compliance with SD-10 Innovation.

SD Requirement	Purpose	Outcome	Notes
Project Implementation	Project distribution indicates breadth of portfolio diversity and prioritization of program areas.	28 active projects in 2026. 4 projects are completed as of July 1, 2026 ¹ .	This reflects a 12% increase in active projects and maintained a consistent rate of completed projects compared to the previous reporting period.
Risk	Technology risk assesses ability to meet expected performance goals. Implementation risk assesses the probability of deployment.	82% of projects are deemed low to medium-low technology risk. 79% are deemed low to medium-low implementation risk.	The risk portfolio is consistent with the previous reporting period. Potential risks are managed by creating a diversified portfolio and partnering with other entities to distribute risk and mitigation.
Benefits	Research stage and benefits timeframe indicate the relevance of portfolio to address customer needs and strategic planning.	75% of projects are in stages 4-5 ² . 89% are expected to provide benefits to SMUD or customers within 5 years.	The percentage of projects in stages 4-5 is consistent with 68% in 2025, reflects the addition of earlier stage technologies to the portfolio, with an eye toward delivery of benefits beyond 2030. The benefits time frame is consistent with the 2025 portfolio.

Table 1: SD Requirements Compliance

¹ Reporting metrics and achievements reflect the reporting period of July 1, 2025 – June 30, 2026.

² Stage 1 - Preliminary Investigation, Stage 2 - Concept Definition/Lab scale, Stage 3 - Concept Development (Prototype/bench scale), Stage 4 - Technology Development and Verification (pilot scale; field testing), Stage 5 - Commercialization

3) Additional Supporting Information Project Implementation: SMUD's Research and Development team has the primary responsibility of meeting SD-10; however, notable innovation occurs throughout SMUD.

Electric Transportation (ET)

Transportation electrification advances SMUD's sustainability goals by reducing local emissions and petroleum use, improving air quality, and generating new revenue. SMUD is committed to increasing EV adoption and expanding charging access to serve a wider range of customers and use cases. At the same time, we are addressing grid impacts from EV charging through pricing incentives and remote charging management, investigating managed charging (V1G) and Vehicle-to-Grid (V2G) technologies to better understand their potential benefits and challenges.

Key Activities:

- After two years of engagement, the **REACH 1.0** multi-family housing partner determined the grant was no longer feasible and opted to cancel the grant. SMUD subsequently engaged the CEC in a 'wind-down' effort resulting in successful closure of the grant.
- Completed the **Residential Managed EV Charging Pilot**. Key learnings will be applied to improve effectiveness of the managed EV program design to achieve the goals of deferred distribution system upgrades, reducing renewable generation curtailment, and accessing import and export arbitrage opportunities.
- In 2025, SMUD successfully activated its **REACH 2.0 grant** to market and process EV charger rebates targeting multi-family sites in Disadvantaged Communities. Construction expected to end in Q1 2027 with full grant closeout expected by Q4 2027.
- With CEC match funding of \$2.4M, SMUD's **FAST Grant** began installing 13 stations (26 ports) at California State University, Sacramento and the Sacramento International Airport- locations chosen for their high on-demand transportation volume and easy access to transportation corridors. The FAST grant also developed a Minimum Viable Product for a SMUD-branded mobile app intended to enable charger access, activate sessions, and process payments across multiple charging networks via a single account.
- The **Light Duty V2G Demonstration Project** (in collaboration with Tokyo Electric Power Company) used a 2023 Nissan Leaf and Fermata FE-20 Charger to conduct operational, resiliency and API testing for Vehicle-to-Grid export. The charger effectively responded to price signals sent by SMUD, and safely shutdown during simulation of edge cases (like loss of power). Fermata's AI optimization program was able to respond to SMUD's hourly price signals via our Price Communication Application and control charging and discharging to leverage arbitrage value against the price signals.

Energy Efficiency (EE) & Electric Buildings (EB)

This portfolio optimizes energy delivery costs and balances infrastructure investments with demand growth via targeted, time-specific energy efficiency and building electrification. R&D explores emerging and underutilized technologies, working to lower barriers to technology adoption.

Key Achievements:

- The **panel upgrade mitigation demo** project has deployed ten SPAN 32 panels to support electrification of low-income customers' homes and avoid service upgrades.
- SMUD contracted with a vendor to develop the **RTU Engagement Tool for Small and Medium Businesses (SMB)**. The tool is now used by SMUD Strategic Account Advisors to help estimate bill impacts (including demand charges) of retrofitting rooftop HVAC units for SMB customers, improving customer decision-making and targeting.

DER Integration and Load Flexibility

This program portfolio supports cost-effective, reliable, and scalable flexible resource growth to serve future grid needs. R&D determines functional, operational and market viability of flexible loads to align supply and demand, give customers bill management options, improve air quality, improve grid asset utilization and reduce carbon emissions.

Key Achievements:

- **New Customer Technology Evaluation Process** - Coordinated technical review, installation standards, and staff training for various models of customer owned Meter Socket Adapters. The adapters are installed by SMUD Meter Technicians between the customer panel and utility meter, simplifying the electrical equipment and electrician labor for customer DER like PV, batteries, and electric vehicles. The Enphase IQ Meter Collar is the first formally approved product for installation behind the SMUD meter.
- **DER Interconnection Tool Enhancement** – The PRECISE DER settings tool was enhanced for usability and reliability to better support the Customer Interconnection process. Developers with the National Lab of the Rockies and end users within SMUD's Distribution Planning department collaborated through a series of user assessment and feature demonstration sessions. Together they identified and deployed improvements to the computation and presentation of results, resulting in greater confidence in the assignment of optimal PV inverter settings.
- Despite the Multifamily VPP project being canceled due to reduced federal subsidy for the technology, there were several key accomplishments during the planning of this project, notably as part of the interconnection process related to right-sizing telemetry requirements and clarifying operational plan requirements for battery systems located on constrained feeders.

Grid Technology & Reliability

R&D pursues innovative grid, storage, and generation solutions to facilitate SMUD's goal of zero carbon by increasing our technology options focused on improving reliability and affordability. Research results are aimed at providing flexibility in project options and understanding the conditions by which newer technologies, processes, and tools may be favorable compared to traditional solutions.

Key Achievements:

- Pilot of the ANYbotics robot dog for substation inspection continues in its second year. This tool is paired with substation inspection workers to perform daily tasks prioritizing infrared imaging, and partial discharge testing to look for early signs of trouble. We now

have 3 robots paired with 3 substation inspectors in the pilot. With inspectors trained and able to routinely program and commission new substations, the focus of the coming year will be to evaluate the business case of enhanced data collection. Potential use cases with other work groups within SMUD will also be explored.

- Concluded testing of the MEPPI lithium-ion battery, transitioned scheduled operations to DSO. Planning is currently underway to potentially use this battery to test grid forming inverters. Grid forming inverters could fill reliability gaps as our grid transitions from being dominated by synchronous generators to inverter-based resources.
- Expanded installation of the NextPower Vantage (formerly OnSight Owl) Computer Vision AI System to the Rancho Seco 2 solar generation site. This technology provides independent fire smoke detection which is useful for early detection of grass/brush fires that pose a risk to generation infrastructure due to proximity or pre-emptive thermal runaway detection for utility scale lithium-ion batteries. This technology, with real time monitoring, supplements traditional fire alarm systems.
- Continued monitoring of Advanced Transmission Technologies (ATTs) through participation in EPRI's Grid-Enhancing Technologies for a Smart Energy Transition (GET SET) project. In this Project, EPRI is conducting lab testing of advanced conductors and Dynamic Line Rating (DLR) to validate vendor claims and compare performance across common conditions. This builds upon SMUD's prior experience from small scale pilots with advanced conductor and DLR. Applying ATTs to existing transmission infrastructure is gaining attention since large loads are emerging at a faster pace than new (traditional) transmission projects can accommodate.

Climate Change

This program provides technical, economic, and policy expertise on climate change and impacts to SMUD territory. It compliments SMUD's Zero Carbon Plan and aligns with board direction to address climate vulnerabilities, partnering with our customers and community on mitigation opportunities and regenerative net positive projects.

Key Achievements:

- An update of SMUD's Climate Readiness Strategy is near conclusion, with an expanded vulnerability assessment, a recommended investment framework, and focused analysis on the UARP, Solano Wind Farm and extreme heat impacts.
- The Nature-Based Carbon and Biodiversity feasibility study is underway, including a regional assessment of opportunities to invest in land-based carbon storage on SMUD-owned and managed lands.
- The Carbon Farming and Ecosystem Service Research is a multi-year study aimed to restore California prairie and native pollinator habitat under PV panels in surrounding perimeter areas at Rancho Seco II. Composite soil testing of the Clay East hedgerow revealed a 9% increase in carbon matter and soil organic carbon since baseline testing two years ago, a much bigger increase than anticipated in the near term. Stewardship efforts continue with soil, pollinator and plant survival monitoring.

Enterprise-Wide Innovations

While SD-10 innovation goals are met within the R&D research portfolio, additional notable achievements occurred across SMUD.

- SMUD staff are implementing a new Outage Management System from AspenTech (Emerson) into our existing DERMS/ADMS deployment, which will allow for a shared network model, near real-time device and outage data exchange, coordinated switching and restoration, and DER visibility and control (at a later date). This module is expected to go live Q3 2026.
- Through July 30, 2026, SMUD has installed 198,918 Grid Edge Intelligence-enabled meters. These are the foundation for Distributed Intelligence applications (DI apps). Plan to deploy DI apps to all meters by the end of 2026. The seven DI apps being deployed so far include: High Impedance Detection, Active Temperature Monitoring, Location Awareness, Solar/PV Awareness, Active Transformer Load Monitoring, Active Transformer Voltage Monitoring, and EV Awareness.
- The SMUD Board approved the PPA for the solar array portion of the microgrid project being planned at Grant Union High School. Execution is awaiting a signed MOU with the Twin Rivers Unified School District.
- SMUD staff completed the feasibility assessment, draft design and engineering report for the Land Use & Climate Innovation agency's grant-funded Community Solar and Resiliency Project, which aims to understand and address extreme heat impacts through collaborative, community-centered planning to support deployment of clean energy solutions and community resilience strategies.
- SMUD GPT, an alternative to ChatGPT, so staff can research topics, summarize documents, and generate content while keeping data local to SMUD, has expanded to include around 100 custom models developed by SMUD staff. Across all these models within SMUD GPT, 1,524 unique users at SMUD have produced 58,088 conversations containing 204,208 messages.

Summary: As SMUD shifts an eye beyond implementation of the 2030 Zero Carbon Plan, R&D has ramped up support for bulk grid and load flexibility technologies and business models, focused on robotics and electric transportation, while continuing to advance research in climate change and technologies that enable building electrification. These innovations mitigate grid infrastructure investments, maintain customer choice and offer sustainable solutions toward a low carbon future. Our diverse portfolio maintains long-term competitiveness and balances risk with potential environmental and economic benefits, ensuring community benefits.

4) Challenges: Uncertainty of federal incentives, tariffs, supply chain lead times, and inflationary impacts all require careful navigation. Staff resources remain focused on providing subject matter expertise for efforts supporting sustainable operations beyond 2030, balanced between grant planning, acquisition and delivery to reduce SMUD's costs for R&D and project planning and implementation.

5) Recommendation: Recommend the Board accept the SD-10 Monitoring Report.

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Table 2: R&D Projects

Research Area (WBS)	ID	Project Name	Project Description	SD-10 Benefits	Start Date	End Date	Ward
Building Electrification	158	Smart Panel Cluster Pilot	This project will define, plan and implement a targeted pilot concentration of SPAN panels (up to 250), building upon the panel-constrained demonstration project to validate some of the assumptions presented in the E3 business model. The purpose of this pilot is to demonstrate the capability of SPAN Edge panels in residential customer's homes located on a shared distribution constraint to prevent panel, transformer, feeder, bank, or substation upgrades. The pilot will include parallel exploration of both Service Upgrade Avoidance through fixed limits (Firm Service Limits) at the panel and grouped Load Flexibility limits (Dynamic Service Limits) as methods to impact distribution constraints. The pilot will enable current and future electrification to take place while utilizing existing customer and grid infrastructure, maintaining reliability and deferring upgrade costs. The ideal customer is one who wishes to electrify some or all end-uses but has panel constraints and lives on the targeted feeder, however, all customers on the identified feeder will be approached to participate.	A clear quantification of the value to inform incentives and articulation of the value and recommended targeting for a load flex add-on whether as a standalone program or as a requirement of a smart panel adoption or incentive. (Distributed Energy Solutions and Distribution Planning & Operations) o Both departments need to be in agreement of how that's going to be used and continue to work together to identify opportunities. • Identify requirements needed to allow capacity constrained (at panel or transformer or feeder) customers that are installing a SPAN Edge panel to participate in DR/load shift programs. (Customer Interconnection) • Determine the value of load control of most single-family homes all on one feeder. (Distribution Operations and Planning) • Identify an alternative to like-for -like panel replacement when electrifying • Demonstrated load reduction to defer feeder, bank, substation upgrades due to local (at the home level) load curtailments/control. (DP&O) • Recommendations presented to stakeholders that lead to the creation of a scalable program • helping avoid a distribution grid constraint in the real world and then quantifying how did we do it and how can we do it more efficiently going forward • The target location is already at 100% loading, can we deploy this technology to keep it at or lower the load while enabling electrification in that same place.	6/12/2026	12/31/2027	All

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Building Electrification	154	End Use Value Assessment	This project involves developing a regional End-Use Value Assessment (EVA) tool as part of EPRI's Advanced Buildings & Communities program to evaluate the cost-benefit trade-offs of decarbonizing buildings through high-efficiency, electrified end-uses. Leveraging physics-based analysis and U.S. Department of Energy reference building models—primarily focusing on gas or fossil-fuel-powered systems for heating, water heating, and cooking—the EVA will identify functionally optimal, market-available electrification options tailored to specific building types and climate zones. The project aims to create a robust, user-friendly evaluation platform that enables stakeholders to make informed decarbonization decisions by providing regionally relevant insights into the economic and performance impacts of various electrification strategies. Deliverables will include the methodology, a validated assessment tool, supporting documentation, and illustrative case studies, all designed to accelerate building decarbonization efforts through data-driven analysis.	The project will deliver a validated, regional EVA tool that enables stakeholders to assess the economic and performance trade-offs of electrifying building end-uses, supporting more informed and cost-effective decarbonization decisions across diverse building types and climates.	4/27/2026	4/30/2027	All
Building Electrification	131	Panel Upgrade Mitigation Demo	The project team has installed SPAN 32 smart panel and along with end use electrification measures in 10 participants' homes. The project team and their contractors are currently collecting circuit level data for measurement and verification purposes. The project team is working with their internal partners to identify suitable candidates for the SPAN Edge and ABB Reliahome sub panels, with the expectation of completing installation by the end of 2026.	Single-family households face barriers to electrification due to the limitations of existing electrical systems, which often necessitate costly panel and service upgrades. This project aimed to assess various smart panel/breaker solutions through field research in homes in the Sacramento area to better understand the true costs, performance, and customer impacts. The expected outcomes of this project were a better understanding of: - Best practices for deciding when and where to deploy each panel mitigation strategy. - Identification of unforeseen barriers to smart panel/breaker technology. - Frequency of load nearing or reaching the service limit. - The technology readiness level of various manufacturers for mitigating service upgrades.	11/19/2024	12/31/2026	All

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Building Electrification	120	Home Infrastructure Planning Phase II (HIP II)	This project developed a Residential End State model to forecast the load shapes of 40,000 residential homes following full electrification. This data improves SMUD's ability to estimate the likely magnitude of impacts from residential electrification due to panel upgrades and distribution grid upgrades. Follow on efforts will include implementing the model on SMUD's servers and re-running the model with our full, single family residential population.	Better understanding of the infrastructure needs for fully electrified residences should help reduce the costs incurred by SMUD and our residential customers as they electrify their homes and vehicles. This will help to better plan infrastructure upgrades likely associated with customer electrification, helping to accelerate the decarbonization of residential homes.	5/1/2023	12/30/2025	District wide
Building Electrification	127	RTU Engagement Tool - Small, Medium Business (SMB)	The final version of the tool has been delivered to SMB team. A training session for the initial group of SAA's has been conducted. A follow up status evaluation will be conducted by the end of May 26'. The tool provides estimated bill impacts, including demand charges, for retrofitting roof top HVAC units at small and medium businesses to electric heat, information to assist in the decision to electrify equipment in commercial facilities.	The customer engagement tool will enhance SMUD strategic account advisors' (SAAs') ability to target and encourage customer electrification by providing precise, customer-specific analysis of the realistic impacts on each customer's bill. This will allow customers to make informed decisions about electrification, which will lead to accelerated decarbonization, with associated energy savings, and overall emission reductions. It will also allow facility staff to enter equipment and other information to refine and improve cost estimates if they so choose.	8/30/2024	4/30/2026	District wide
Climate Change	64	Carbon Farming and Ecosystem Service Research at RSSII	Conduct field experiments at Rancho Seco to research ecosystems and evaluate the use of native species/pollinators to reduce operational costs associated with vegetation management, expand pollinator habitat and improve soil health and carbon storage. The project is tracking plant survival using a specific thick mulch technique, in addition to pollinator presence and soil carbon.	The project will help identify and demonstrate strategies to integrate ecosystem services and agricultural value into large scale solar projects, helping to mitigate their environmental impact and build public support for their continued construction, assisting SMUD in achieving the 2030 ZCP.	1/30/2021	1/30/2026	2
Electric Transportation	107	ESB V2G Demonstration	This project will build off learnings from the electric school bus project with Twin Rivers Unified School District. The project will demonstrate and test Vehicle to Grid (V2X) functionality with electric school buses.	Reduce grid impacts, reduced customer infrastructure build-out cost, wholesale energy or capacity cost avoidance, and mirror characteristics of stationary storage using V2G.	6/1/2026	12/31/2028	District wide
Electric Transportation	24	SMUD-Owned EVSE	Operation and maintenance of SMUD's public level 2 and DCFC charging stations.	Increase EV adoption by having publicly available working charging stations in high trafficked areas.	1/1/2014	12/31/2026	District wide
Electric Transportation	22	Residential Managed EV Charging (V1G)	Actively manage residential EV charging times and peak power consumption. Managed EV charging can enable deferment of distribution system upgrades, smooth the duck curve, reduce renewable generation curtailment, and provide import and export arbitrage opportunities.	Benefits realized include showing that managed charging with telematics can effectively cut the secondary peak caused by our TOU and EV rates. The managed charging helped spread out charging evenly during the EV rate's incentive hours, from midnight to 6 a.m. Also, valuable lessons were gained from the pilot that shaped our program design. For example, targeting customers on grid areas with capacity limits will deliver the best value.	10/1/2021	12/31/2025	District wide

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Electric Transportation	133	FAST Grant Implementation	Sacramento Municipal Utility District (SMUD), in partnership with Sacramento International Airport (SMF), California State University, Sacramento (CSUS), and ChargerHelp! (CH!), are deploying Direct Current Fast Charging stations (DCFCs) at two locations in Sacramento. With CEC match funding, this project will support the deployment of three fast charging hubs, with a total of 15 stations and 30 ports, strategically located in optimum locations with high on-demand transportation volume, near multi-family housing properties, and with quick and easy access to main transportation corridors. SMUD is currently developing a mobile app, integrated with an e-Roaming platform, to enable convenient access to locate chargers, activate sessions, and pay for charging across multiple charging networks through a single account.	Increase EV adoption by delivering electric mobility solutions throughout transportation corridors, promoting electric transportation as a benefit for drivers while lowering charging costs to increase access to electric vehicle (EV) charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, and residents	4/23/2024	3/30/2028	All
Electric Transportation	130	Smart Outlet Evaluation	SMUD staff evaluated three smart outlet products to gain first-hand knowledge and experience with their performance. This will influence programmatic policies and direction and allows program managers directly involved in consulting with customers or performing direct installations of chargers to evaluate these products and influence the market toward adoption of suitable technology.	Smart outlets promise advantages over traditional corded Electric Vehicle Charging Station (EVCS), including lower initial cost, simpler installation, lower physical profile, lower maintenance costs, and reduced maintenance burden for site hosts.	11/1/2024	9/30/2025	All
Electric Transportation	104	Light Duty Fleet V2G	This project tested and demonstrated V2X functionality on campus with two Nissan Leaf's and Fermata chargers. In partnership with TEPCO (Tokyo Electric Power Company) we evaluated the interconnection process, installation requirements, and V2X functionality. Furthermore, we explored the V2X optimization systems using the simple price API from both Virtual Peaker and Fermata. This demonstration and evaluation helped us discover issues and gain insights into V2X in a very low risk environment. This research helped inform a potential V2X pilot in the future.	Informed deployment of light-duty V2X reduces grid impacts and customer infrastructure build-out costs. LDV fleet management also offers wholesale energy or capacity cost avoidance, and mirror characteristics of stationary storage.	1/1/2022	7/31/2025	District wide

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Electric Transportation	125	EPRI EVs2Scale2030	The “EVs2Scale2030” initiative is a three-year project focused on leveraging the scale of the utility industry to help galvanize and align all market stakeholders as electric vehicles are deployed at scale and as EV goals increasingly target 50% EV market share by 2030. The initiative will focus on what needs to be done over the next 7 years to reach the 2030 goals. EPRI plans to broadly collaborate with utilities, vehicle manufacturers, charging providers, industry experts, trade associations, consumer groups, civil society, federal agencies and labs to support the rapid deployment and charging of millions of electric vehicles – while minimizing grid impacts and enabling critical grid benefits.	Key deliverable from EVs2Scale were: The Vetted Product List (VPL) - the nation's most transparent and comprehensive resource for industry stakeholders that evaluates electric vehicle supply equipment against consensus based industry criteria and the National EV Infrastructure Standards (NEVI) issued by the U.S. Department of Transportation and the Federal Highway Administration in an effort to simplify the complex landscape of EV charging equipment for vendors and users of EV charging equipment alike. Over 100 EV vendors and nearly 800 EV chargers have been vetted for adherence to industry standards to date. eRoadMAP - a first-of-its-kind interactive, online tool for understanding where, when, and how much EV charging load is likely to materialize on the U.S. electric grid. eRoadMAP allows users to explore how quickly electric vehicles are expected in different regions and identifies the energy needs at roughly the individual feeder level where critical utility planning occurs. eRoadMAP is a free and public resource highlighting both immediate and future charging needs. GridFAST - a secure information exchange platform that helps businesses and other organizations engage early and efficiently with utilities across the U.S. to accelerate the energization of electric vehicle (EV) charging projects. It also helps improve transparency in EV charging planning to better inform grid investments to support transportation electrification at scale. GridREADY guide - A 50-state resource for proactive grid planning. GridREADY is a data-driven resource designed to align stakeholders around the urgent need for early, coordinated grid planning to support the growing demand from electric vehicle (EV) adoption. Leveraging EPRI's eRoadMAP as its foundational data source, GridREADY offers a consistent, nationwide view of where and when grid investments are needed—helping ensure that no state and no community is left behind in the transition to transportation electrification.	7/14/2022	12/31/2026	District wide
Energy Storage	144	HBS1 Grid Forming Upgrade	The project involves staged testing of grid-forming (GFM) inverters in 3 parts: 1) Desktop PSCAD modeling of a hypothetical GFM upgrade to Hedge BESS (HBS1); 2) Hardware in Loop testing of actual inverter and power plant controllers after upgrade. 3) Field implementation of upgrade inverter and power plant controllers.	Safety & Reliability - Portfolio inclusion and configuration of Grid Forming Inverters (GFM) will help maintain Bulk Electric System (BES) reliability (at the transmission level) with a growing contribution of inverter-based renewable generation.	2/3/2025	6/30/2028	All

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Energy Storage	146	EPRI deRisked Supplemental	The update for this month is the following: * In an effort to align its product development with market and customer needs, Qnetic meet with deRisked participants to solicit unvarnished feedback on gaps, areas for improvement this was done through office hours that EPRI hosted last month. * EPRI is currently developing a data intake and processing workflow that will allow them to more directly and efficiently compare performance across different technologies and products. * EPRI is planning to set up a dedicated page on Storagewiki to share analyses as they are completed.	The primary benefit of this supplemental project is to evaluate current industry best practices and identify strategies that can be effectively adapted and implemented at SMUD where appropriate. The insights gained will support informed decision-making, foster operational improvements, and enhance organizational capabilities. Where applicable, the resulting recommendations will be deployed on a district-wide basis to promote consistency, improve efficiency, and advance SMUD's strategic objectives.	7/22/2025	12/31/2028	All
Energy Storage	122	Hedge 4 MW/8MWh Monitoring and Maintenance	Operation of a 4 MW / 8 MWh utility-scale storage battery to test different operational modes and grid interactions. Originally planned to move as a Power Generation managed asset in 2027. Transfer delayed supporting potential testing with the GFM project, to approximately 2028.	The operation and testing of the Hedge Lithium-ion battery will inform the installation and direction of SMUD's future battery projects as they ramp up to meet the 2030 plan of ~3000MW of renewables and storage.	1/20/2024	1/19/2029	3
Energy Storage	138	EPRI Phase 3 Fire Protection & Mitigation	Develop an Emergency Response Plan for the Hedge Lithium-Ion battery and perform tabletop drills for SMUD personnel and first responders.	Better understand the requirements for safety and reliability for utility scale batteries. Develop resources to train SMUD stakeholders and first responders to understand lithium-ion battery storage fire hazards and response for existing and future battery systems.	3/3/2025	12/31/2026	3
Generation and Sequestration	156	XPOSE	During Q2-2026, the XPOSE project team made significant progress on core deliverables. Key activities included the ongoing development, testing, and validation of the walkdown visual inspection guidance, as well as the concurrent development and testing of the AI-assisted device discovery tool. In parallel, the team continued wireless threat characterization and initiated planning for inverter exposure characterization. To support these efforts, additional field walkdowns were scheduled to provide more on-the-ground validation opportunities.	The benefits of this supplemental project are to gain insight into current industry practices and identify proven strategies that can be adapted and implemented at SMUD where appropriate. The knowledge and best practices obtained through this project will help support informed decision-making, improve operational efficiency, and drive innovation across the organization. Where applicable, the resulting strategies will be implemented on a district-wide basis to promote consistency, enhance performance, and support SMUD's long-term strategic objectives.	7/1/2025	7/3/2028	All

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Grid Evolution	139	Grant Union High School Solar+Battery Microgrid Project	The purpose of this project is to design and develop a Solar + Battery Microgrid at Grant Union High School within TRUSD that can serve as a Red Cross emergency shelter during disasters and prolonged outages, while also providing clean energy during normal operations and serving as a scalable model for future public-facility microgrids	Deploy a first-of-its-kind microgrid to demonstrate how a microgrid can provide additional benefits beyond emergency shelters by using SMUD's SolarShares and Commercial VPP programs. Serve as a template for future school installations.	6/2/2025	12/30/2027	5
Grid Evolution	136	ANYbotics Robot Assisted Inspection	Improve issue identification for preventative maintenance to reduce unexpected failures in operation and significant cost to failure of preventative maintenance. There are 4 employees dedicated to monitoring 264 substations every month, this technology will aid existing inspection staff. This will increase data collection and accuracy through robot assistance with manual and autonomous missions.	This technology will supplement the substation walkdowns done by substation operators. As the substation operator is conducting their inspection routine, the robot will aid in identifying smaller failures that are not noticeable by the human eye until it becomes a bigger failure. Being able to catch failures earlier can help minimize cost and risk.	5/28/2025	5/27/2028	3
Grid Evolution	132	NextPower Vantage AI Fire Detection System	This technology serves as an alternate means of fire smoke detection at or near a generation facility, that supplements traditional fire detection and alarming. As soon as something abnormal is spotted or sensed by AI analysis of the camera feed, such as smoke or a rapid/significant increase in temperature above our threshold, the Vantage sends out text message and email alerts within seconds. Additionally, there is a real-time monitoring dashboard which allows us to view the facility being monitored.	This technology provides independent fire smoke detection which is useful for early detection of grass/brush fires that pose a risk to generation infrastructure due to proximity or pre-emptive thermal runaway detection for utility scale lithium-ion batteries.	11/1/2024	10/31/2027	3
Grid Evolution	155	EPRI GETSET	During this reporting period, the EPRI research team delivered a presentation detailing the results of their laboratory testing activities for Dynamic Line Ratings (DLR) and Advanced Power Flow Control (APFC). The presentation covered the testing protocols used and shared preliminary data on device accuracy and reliability under controlled conditions.	Participation in this EPRI Supplemental project allows SMUD to continue monitoring Advanced Transmission Technologies, which may have applications to support adding large loads faster than traditional transmission infrastructure projects can accommodate.	9/30/2025	12/31/2027	All
Load Flexibility	153	Flexible Service Connections	This demonstration project aims to study the technical capabilities, integration process, administrative feasibility, and customer appetite for dynamic service connections. The demonstration plans to enroll up to five (5) high EV charging load customers (under 4 MW) whose initial load request can't be fulfilled without a timely and costly infrastructure project or who are amenable to begin operations with less than their final capacity.	Accelerate customer energization timelines for operation by allowing fleets to access a time-varying amount of capacity, as determined by SMUD, without increasing system capacity to meet charging needs	3/23/2026	12/31/2028	All

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Load Flexibility	148	CSR Microgrid Project	The Extreme Heat & Climate Resilience (EHCR) grant-funded Community Solar and Resiliency Project (CSR) is a multifaceted initiative aimed at understanding and addressing extreme heat impacts through collaborative, community-centered planning to support the deployment of innovative clean energy solutions and community resilience strategies. SMUD's role focus on extreme heat assessments and research and energy resilience design and engineering.	The long-term benefits to SMUD include a stronger partnership between SCUSD and SMUD and the development of a microgrid modeling tool to simulate system performance under various scenarios.	6/2/2025	5/31/2027	6
Load Flexibility	135	New Customer Technology Evaluation Process	Provide technical review of Meter Socket Adapters which allow the customer the ability to potentially avoid panel upgrades from PV/Battery installation via an adapter that interconnects between the utility meter and the customer main panel. Currently, Tesla/ConnectDER/SPAN MSAs are being evaluated via the New Tech Process.	•Potentially allows customer to avoid panel upgrades from installation of PV/EV •Increase adoption and penetration of DER •Improve overall customer satisfaction and experience	6/26/2025	12/31/2025	All
Load Flexibility	134	PRECISE DER Interconnection Tool Enhancements	Add enhancements to Precise for battery, solar+battery and battery add-on applications for residential customers. Also develop future enhancements to Precise such as Large-Scale DER, Flexible and Limited Generation Profiles LGP, EV Charging Stations, and V2H/V2G. The results of the enhancements will significantly reduce the labor hours of every engineer's time. In addition, it will maximize the benefit of each asset.	Increase safety and avoid reprogramming of advanced inverters post-install, and minimize curtailment. Deploying the tool in a real utility environment would advance chances of commercialization of PRECISE and revenues to SMUD. Save an estimated 45 minutes per interconnection application, approximately 600 engineering hours annually. Reduce labor demands, enabling engineers to focus on more complex tasks without adding staff. Expedite turn-around on customer interconnection applications. Increase DER Hosting Capacity on SMUD's grid.	1/1/2025	12/31/2027	All
Load Flexibility	89	Smart Inverters	This project tested smart inverter connection via two pathways: direct connection and through vendors/aggregators. Direct connection was done to assist in development of the DERMS, while the vendor/aggregator pathway explored real world implementation of the protocol and leveraging OEM and aggregator relationships to establish pilot access agreements to a broader range of smart inverters.	Smart inverters are new technology that allow SMUD to monitor residential PV and storage and provides control functionality to assist in grid support. Ensuring that IEEE 2030.5-CSIP is a reliable communication protocol helps open up this communications pathway for many devices.	7/1/2021	7/31/2025	All

SD-10 Innovation 2026 Board Monitoring Report
Appendix

Load Flexibility	126	Multi-Family VPP	This demonstration aims to install 108 battery plus solar systems behind the meter in 108 tenant apartment units at the Chesapeake Commons multifamily complex. The goals are to identify how this model can scale into a commercial program, if the combined battery management system and utility dispatch control can ensure that peak loads are maintained or lowered, and to understand the distribution grid benefits of co-located BESS assets vs distributed installations.	The project benefited SMUD by strengthening its ability to design scalable, customer-friendly multifamily battery storage programs. It highlighted that multifamily installations needed to be treated differently from single-family homes, particularly in distribution capacity, interconnection processing, and operational control. It also identified cost-effective telemetry alternatives to SCADA, opportunities to simplify interconnection through one application per building or transformer, and the need to clearly distinguish between operational and interconnection contracts. In addition, it showed that SMUD's program guidelines needed to be updated to clearly reflect UL1742-SB certification requirements. From an operational standpoint, the work benefited SMUD by establishing a framework for scheduling and controlling batteries on constrained feeders, with Distribution Planning setting default operating parameters, Distribution System Operations retaining override authority, and Energy Trading and Contracts using remaining capacity where available. This structure improved reliability, supported grid flexibility, and helped reconcile distribution needs with broader asset value. Overall, these benefits supported a more equitable, efficient, and scalable deployment of multifamily BESS while improving customer experience, internal process efficiency, and grid reliability.	8/1/2025	1/31/2026	2
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SD-10 Innovation 2026 Board Monitoring Report
Appendix

Table 3: Enterprise-Wide Initiatives

Initiative Name	Initiative Description	Initiative Benefits	Start Date	End Date	Ward
DERMS	Strategic business partnership with OSI to develop a Distributed Energy Resource Management System whereas SCADA and behind the meter resources can be used to solve distribution constraints, participate in the market, and manage flexible loads.	Leverage DER capabilities to meet economic objectives, peak load reduction, local constraint issues, deferred infrastructure investment, and grid optimization. As OSI's partner, SMUD shares revenue from future sales.	2018	2028	All
SMUD GPT	SMUD GPT is a locally hosted alternative to ChatGPT. It allows staff to summarize documents, research topics, and generate new content while keeping all data local to SMUD.	As of June 30, SMUD GPT had 365 active weekly users, creating 1,190 conversations per week. Use cases are varied, including code generation, technical troubleshooting, research, training content development	2025	N/A	All
Gridscope	SMUD initiated a 3-year pilot project with Gridware, to install about 500 "Gridscope" devices on our transmission and distribution poles in the Upper American River Project (UARP) and in our service area, targeting distribution circuits with high fire risk, high number of outages, and a high percentage of outages with unknown cause.	The purpose of these solar-powered monitoring devices is to detect early signs of potential hazards like vibrations from car-pole incidents, bird strikes, fallen tree limbs, wind damage and downed wires. This allows for more rapid identification of outage cause and damage location, speeding restoration and allowing more targeted preventive measures.	2025	2027	2,3 ,4, 5,7
Transformer Health Monitoring Sensors	Deploy real-time monitoring sensors on substation transformers to continuously track transformer health, detect emerging issues early, and provide data for operations, maintenance, and future capital planning.	By collecting real-time data for a transformer, we can detect changes early, monitor performance under stress and make better decisions about maintenance, operations and long-term capital planning. Whether it's deferring replacements, increasing monitoring or scheduling repairs before failures occur, this proactive approach supports our long-term commitment to grid reliability and affordability.	2026	2031	All

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Grid Edge Intelligence	As of July 30, 2026, SMUD has installed 198,918 Grid Edge Intelligence-enabled meters. These are the foundation for Distributed Intelligence applications (DI apps).	The seven DI apps deployed so far include: • <i>High Impedance Detection</i> – Detects and locates poor electrical (high impedance) connections in low voltage secondaries • <i>Active Temperature Monitoring</i> – Uses high-resolution temperature readings to detect meter socket problems before they create a safety hazard • <i>Location Awareness</i> – Accurately determines electrical connectivity of every next-gen Riva meter on the grid (i.e., transformer, phase, and feeder/bank) • <i>Solar/PV Awareness</i> – Provides real-time output for solar power with magnitude of solar generation at the premise in kW on a continuous basis (every 15-min). • ATXM includes <i>Active Transformer Load Monitoring</i> – Near real-time monitoring of distribution transformer with DI-capable revenue meters (e.g. overload, power factor, reverse power flow) and <i>Active Transformer Voltage Monitoring</i> – Near real-time monitoring of voltage on all service points connected to a distribution transformer • <i>Brownfield</i> – tested and validated functionality with mix of new Itron RIVA meters and legacy Landis+Gyr meters on the same transformer • <i>Greenfield validated and in deployment</i> • <i>EV Awareness</i> – Provides near-real-time (i.e., 5-minute timestep) disaggregation information for when an electric vehicle begins or stops charging	2024	2028	All
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SSS No.

ZCES 26-010

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 10/07/26

Board Meeting Date
October 15, 2026

TO				TO			
1.	James Frasher			6.	Suresh Kotha		
2.	Linda Wong			7.			
3.	Joel Ledesma			8.			
4.	Rhonda Staley-Brooks			9.	Legal		
5.	Brandy Bolden			10.	CEO & General Manager		
Consent Calendar		☒ Yes			Budgeted		☒ Yes
						No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) James Frasher		DEPARTMENT Research and Development, Grants, and Partnerships				MAIL STOP K221	EXT. 6082
						DATE SENT 09/11/26	

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-19, Diversified Business.

Summary: Report on the status of Strategic Direction SD-19, Diversified Business (SD-19), for performance from June 2025 through July 2026. Report addresses innovation and leadership accomplishments along with opportunities and headwinds.

Board Policy: This report supports Strategic Direction SD-19, Diversified Business, by providing a performance status.
(Number & Title)

Benefits: Provide the scheduled monitoring report as requested by the Board of Directors and Executive Office. The report provides an opportunity to make recommendations or policy revisions, as necessary.

Cost/Budgeted: Contained in budget for internal labor.

Alternatives: Provide via written report through the Chief Executive Officer and General Manager.

Affected Parties: Board of Directors, Executive Office

Coordination: Organization-wide

Presenter: James Frasher, Director of Research and Development, Grants, and Partnerships

Additional Links:

SUBJECT

Monitoring Report – Strategic Direction SD-19, Diversified Business

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: September 23, 2026

FROM: Linda Wong *LW 9/23/26*

**SUBJECT: Audit Report No. 28008036
Board Monitoring Report; SD-19: Diversified Business**

Internal Audit Services (IAS) received the SD-19 *Diversified Business* 2025 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report align with the supporting documentation provided at the time of review.

CC:

Lora Anguay

Board Monitoring Report 2025 SD-19, Diversified Business

1) Background

Strategic Direction SD-19 states that:

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.

2) Executive Summary

- a) The 2030 Zero Carbon Plan has positioned SMUD as a leader in the utility industry. The Diversified Business portfolio utilizes that leadership position to build revenue generating partnerships with technology developers, pursue external funding (grants) to support innovation and partnership, enable technology solutions to become fully commercialized through real world pilots and demonstrations, and expand regional access to green careers.
- b) **SMUD is in compliance with SD-19, Diversified Business.**
- c) Eliminating the final 10% of emissions from SMUDs energy supply requires the development of new technology and business models.

- d) The Grants Team manages or monitors 11 active competitively won grants (both State and Federal awards) totaling \$240M in total project costs and \$94M in award. The Grants Team supports SD-19 with grants that offset planned work or strategically introduce complimentary new work. In all cases, the pursuit and management of grants is a net financial positive to SMUD and represents a renewable and diverse funding stream.

External Funding (2025)

Total Project Cost	Award Amount	SMUD Cost Share
\$239,615,960	\$93,893,376	\$145,722,583

- e) New Business Development continues to develop leads for new strategic partnerships by providing initial review, collaborating with operational teams, and evaluating and establishing the more promising opportunities that fit strategic and operational needs. In 2025, traction developed for promising partnerships including Peak Energy and ANYbotics – both of which are expected to become part of SMUD’s Strategic Partnerships portfolio in the future. Moving forward, the NBD team is refining its process and goals to focus on opportunities that provide maximum regional economic impact and those that bring the potential for considerable new revenue to SMUD.

Partnership benefits to SMUD may include revenue sharing agreements, intellectual property development, future pricing commitments, service-based payments and/or partner commitments to regional investment. Partners benefit from SMUDs zero carbon leadership, subject matter expertise and collaboration on real world pilots and full-scale demonstrations.

Portfolio Revenue

Gross Revenue*	Costs	Net Revenue
\$21,928,519	\$16,119,464	\$5,809,055

*Partnership revenue may include revenue sharing agreements, intellectual property royalties, and/or service-based payments. Future product discounts, stock warrant value, and other unrealized benefits are not accounted for as revenue.

Strategic Partners and Revenue Generating Relationships

Partner	Area of Focus
Emerson (Formerly AspenTech, OSI Inc.)	ADMS / DERMS
ESS Inc.	Long Duration Energy Storage
Cal EPIC (Formerly California Mobility Center)	Mobility Innovation and Workforce Development
Itron	Smart meter and customer data platform
Simple Energy (Uplight)	Customer engagement and load flexibility
Smart Energy Water (SEW)	Customer Experience Platform Development
Community Energy Services	Operational support and consulting services for community choice aggregators

- f) Coming into focus is SMUD's leadership for battery manufacturing and regional economic growth: SMUD is well-positioned to lead a regional battery manufacturing initiative that can stimulate long-term economic development. As renewable energy sources like wind and solar continue to decline in cost and advancements in Long Duration Energy Storage (LDES) accelerate, utility-scale deployment will be essential for reliable, cost-effective power.

Our approach focuses on building strategic partnerships with community stakeholders, industry innovators, and manufacturers to create a collaborative ecosystem. Leveraging SMUD's assets and expertise, this initiative aims to attract investments, generate quality jobs, and support regional economic growth while advancing our clean energy objectives. This model ensures mutual benefits: community job creation and sustainable energy benefits, alongside market opportunities for manufacturers.

Our real-time deployment capabilities — including the rare Hedge training facility with direct grid connections and real-world testing environments — provide manufacturers with unparalleled resources. This competitive advantage strengthens our region's appeal as a hub for cutting-edge energy storage development.

In 2025, SMUD built strategic partnerships with leading battery technology companies and other innovators to support shared goals around advancing new technologies and strengthening the local economy. With LiCAP and Sepion already operating in the region, these collaborations are contributing to job growth and expanding advanced manufacturing capabilities in the Sacramento area, creating a solid foundation for long-term economic opportunity.

Companies	Manufacturing Technology
Seption Technologies	Lithium-metal Battery Separators
SPARKZ	Battery Cathode
LiCAP	Battery Electrode
Peak Energy	Sodium-ion Battery
Qnetic Energy	Flywheel Battery
CHAEVI	Electric Vehicle Charging
Princeton NuEnergy	Lithium-ion Battery Recycling

3) Additional Supporting Information

a) Additional Funding

Funding is most often pursued through grants; however, this category is not limited to grants. SMUD considers foundation funding, disaster recovery funds, state and federal funding allocations and other sources of funding in this category. Descriptions of a selection of grants are listed in Appendix A.

b) Community Energy Services

SMUD currently provides 12 specific services to nine (9) community choice aggregators representing 2.8M meters. SMUD has, on average, added approximately one new CCA client and one new service launch per year. Specific details on these CCA's are listed in Appendix B.

c) Technology and Industry Partners

Diversified business is often an outcome of technology and industry partnerships. These relationships often build on the successes of individual pilots, projects, or other innovation initiatives. Specific details of projects and innovation are outlined in the SD-10, Innovation monitoring report. Additional strategic partnership details are included in Appendix C of this report.

4) Challenges

- a) In 2025, SMUD's grant efforts experienced significant upheaval at the federal level directly related to the changing priorities of a new presidential administration. Despite these challenges, SMUD was able to secure an additional \$69M in total project cost for the CERRI grant- a dual federal and state grant product that offsets the cost of network protector and underground cable installation. Overall, the Grants Team approach to changing federal priorities and processes is to remain adaptable and pivot when needed.
- b) SMUD's leadership position in pushing towards zero carbon has created a significant number of potential opportunities and partnerships to consider. The prevalence of funding opportunities and the volume of companies with a

desire to work with SMUD create challenges in filtering through the volume of opportunities in pursuit of the best opportunities. Strategic partnerships are often made more complex because they often involve technologies that are not fully commercialized or market ready. Developing the correct portfolio of grants and partnerships is critical to meeting the goal and intent of SD-19. Pursuing too many initiatives in parallel can result in a lack of support on the most important areas of focus. Additionally, it is critical that the efforts pursued have strong alignment with each other and the overall zero carbon plan.

- c) Zero Carbon by 2030 is a critical and aggressive timeline. As SMUD evaluates grants, partnerships and new business opportunities, it must be done in the context of achieving zero carbon by 2030. This timeline constraint must be considered when looking at the technology and commercial readiness levels of companies SMUD is considering partnering with. Similarly, grants and other external funds that have timelines that extend beyond 2030 may lack alignment with the 2030 Zero Carbon Plan. Pursuit of diversified business to help achieve zero carbon is a priority, but this pursuit will extend beyond 2030.

5) Recommendation

It is recommended that the Board accept the Fiscal Year 2025 Monitoring Report for SD-19, Diversified Business.

APPENDIX A

Selection of Grant Descriptions

1. Catalyst Fund- Workforce Development Grant

Project Name: Catalyst Fund Workforce Development Grant

Funding Awarded: \$508,000

The 'Capitol Region Skilled Trades Workforce Pipeline Program' (Project) leverages regional experts in the Utilities, Transportation Infrastructure, and Commercial Construction Opportunity Industry Sectors to formally analyze the region's pipeline of skilled trades workforce with particular attention to identifying barriers to entry for disinvested community members. Utilizing detail from the initial analysis, this same cohort will co-create a robust curriculum that focuses on 'Common Skills' shared amongst the employer pool. The expectation for this Exploratory project is for members to consider and commit to pursuing shared training opportunities with potential to operationalize strategies that foster inclusion and ensure equitable outcomes. The concept for this Exploratory project originated from available regional data paired with repeated anecdotal evidence shared amongst employers within the project's targeted opportunity sectors. The throughline of the data and evidence was repeated emphasis on applicants having 'missing skills' due to lack of appropriate training.

2. FAST Grant

Project name: *SACommunity EV Hubs*

Funding Awarded: \$2,812,421

Sacramento Municipal Utility District (SMUD), in partnership with Sacramento International Airport (SMF), Sacramento Valley Station (SVS), California State University, Sacramento (CSUS), ChargerHelp! (CH!), and AECOM, proposed the deployment of Direct Current Fast Charging stations (DCFCs) at three locations in Sacramento, enabling increased access to electric vehicle (EV) charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, and residents. The project will support the deployment of three fast charging hubs, with a total of 15 stations and 30 ports, strategically located in optimum locations with high on-demand transportation volume, near multi-family housing properties, and with quick and easy access to main transportation corridors. SMUD will develop a mobile app, integrated with an e-Roaming platform, to enable convenient access to locate chargers, activate sessions, and pay for charging across multiple charging networks through a single account. Development of this single public charging interface will allow users to find, compare, and use multiple public charging options, without having to create and manage multiple proprietary apps. Development of this app and use of the e-Roaming platform will also allow SMUD to offer discounts and special rates to on-demand drivers and other target customer groups. SMUD's *SACommunity EV Hubs* project will support

the Sacramento region's access to charging infrastructure for high mileage on-demand transportation services and the public. *SACommunity EV Hubs* will deploy a model that transitions charging in high-traffic communities from a constrained amenity to accessible infrastructure. These plazas will enhance access to public charging while attracting service drivers with affordable rates and shared infrastructure to ease their financial burden.

3. **REACH 2.0 Grant**

Project Name: SMUD Multifamily EV Charging Community

Funding Awarded: \$5,000,000

Sacramento Municipal Utility District (SMUD), in partnership with the Sacramento Metropolitan Air Quality Management District (SMAQMD), Uber, and dozens of Sacramento area property owners, managers, and developers, has been awarded funding to deploy and demonstrate a replicable and scalable approach to delivering affordable electric vehicle (EV) charging for multifamily homes (MFH). SMUD Multifamily EV Charging Community proposes to deploy over 400 AC chargers at 26 multifamily (MF) residential and MF-adjacent locations across Sacramento, with 92% of sites located within disadvantaged, low-income, or affordable housing communities.

The SMUD Multifamily EV Charging Community project increases regional at-home EV charging access while testing and validating a scalable, replicable business case and promising technology solutions to catalyze the deployment of level 1 and 2 electric vehicle service equipment (EVSE) at and near MFH. The project proposes to deploy best-fit design and engineering solutions at each site, combined with a newly developed SMUD EV app featuring an integrated e-Roaming platform to offer novel rate designs through member charging networks. The project will also leverage existing programs and organizational resources to prepare for scale. The combination will deliver an equitable, streamlined, high-quality, and cost-effective charging experience.

4. **CERRI Grant**

Funding Awarded: \$25.5M

Total Project Cost: \$69.7M

In 2025, SMUD won the California Energy Resilient and Reliable Infrastructure (CERRI) grant administered by the California Energy Commission with funding provided by the federal Department of Energy. The purpose of this grant is to install 192-240 Network Protectors and 110,000-200,000 circuit feet of underground cable. The project targets pre-1970 installations that are currently past their useful life and require immediate upgrades to preserve reliability and grid resilience. Installations will take place across the City of Sacramento and be completed between 2026-2031.

APPENDIX B

Community Choice Aggregator Detail

SMUD Community Energy Services currently provides 12 services to nine (9) community choice aggregators representing 2.8M meters. CES has averaged approximately one new CCA client and one new service launch per year. There are 25 operational CCAs in California representing 15M customers or about 38% of California. SMUD continues to invest in new CCA, utility, jurisdiction and energy company business activities.

Customer Care and Operations	Data and Insights	Engagement and Branding
• Contact Center • Billing • Debt Collections • Custom CRM Systems	• Data Management • Market Research • Data Analytics	• Customer Programs • Electrification Concierge • Marketing • Digital Payments • CARE Enrollments

Community Choice Aggregator Clients

In 2002, Assembly Bill 117 was passed to establish Community Choice Aggregation in the State by authorizing Community Choice Aggregators (“CCAs”) to aggregate customer electric load and purchase electricity for customers. SMUD sees the growth of CCAs as an opportunity to support organizations with values closely aligned with SMUD’s values, while also generating additional revenue for SMUD. CCA programs are proliferating in the State thanks to support for expanding renewable energy use and desire for local control, particularly for electricity procurement. There are numerous CCAs operating in the State, and more are anticipated to launch in the future. CCAs are responsible for procuring wholesale power, setting the generation rate, providing customer care, understanding customer needs, and engaging customers through programs and other services. The local investor-owned utility (“IOU”) continues to deliver electricity from the electric grid, maintain its electric infrastructure, bill customers and collect payments.

In October 2017, SMUD contracted with Valley Clean Energy (“VCE”). VCE is a joint powers agency formed in 2016 by the City of Woodland, the City of Davis and Yolo County to implement a local CCA program. The service territory expanded to include the City of Winters in 2021.

In February 2018, SMUD contracted with Ava Community Energy (“Ava” formerly East

Bay Community Energy). Ava is a joint powers agency formed in 2016 by the cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro and Union City in Alameda County to implement a local CCA program. Ava expanded its territory to the cities of Pleasanton, Newark, and Tracy in April 2021. An expansion of Stockton is planned for 2025.

In June 2019, SMUD contracted with Silicon Valley Clean Energy (“SVCE”). SVCE is a joint powers agency formed in 2016 by the cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and Unincorporated Santa Clara County to implement a local CCA program.

In October 2022, SMUD contracted with Marin Clean Energy (“MCE”). MCE is a joint powers agency formed in 2010 and represents 37 member communities across four Bay Area counties: Contra Costa, Marin, Napa and Solano.

In December 2022, SMUD contracted with Sonoma Clean Power (“SCP”). SCP is a joint powers agency that serves Sonoma and Mendocino counties.

In May 2024, SMUD contracted with Central Coast Community Energy (“3CE”). 3CE is a joint powers agency representing County of Monterey, County of San Benito, County of Santa Cruz, County of Santa Barbara, Arroyo Grande, Buellton, Capitola, Carmel, Carpinteria, Del Rey Oaks, Goleta, Gonzales, Greenfield, Grover Beach, Guadalupe, Hollister, Marina, Monterey, Morro Bay, Pacific Grove, Paso Robles, Pismo Beach, Salinas, Sand City, San Juan Bautista, San Luis Obispo, Santa Cruz, Santa Maria, Scotts Valley, Seaside, Soledad, Solvang, and Watsonville. Atascadero and unincorporated San Luis Obispo County are anticipated to begin service in January 2025.

In August 2024, SMUD contracted with San Jose Clean Energy (“SJCE”). SJCE is a joint powers agency that serves San Jose.

In September 2025, SMUD contracted with Apple Valley Choice Energy (“AVCE”). AVCE is a joint powers agency that serves the Town of Apple Valley.

In October 2025, SMUD contracted with Redwood Coast Energy Authority (“RCEA”) to perform market research for the Northern Rural Energy Network (NREN).

APPENDIX C

Partner List and Description

- 1) **Emerson (Formerly: AspenTech, Open System International, Inc.):** Strategic technology partnership to implement and deploy an industry-leading Distributed Energy Resource Management System (DERMS). SMUD will receive royalties from future sales of the enhanced product suite for DERMS. DERMS Phase 1 and ADMS development is complete, implemented Q3 2022. DERMS Phase 2 and Phase 3 design and development completed and implemented in Q3 2024. Phase 4 design has begun continuing development of the core DERMS system functionality.

OSI Inc. was bought by Emerson for \$1.6 billion in an all-cash transaction on October 1, 2020. The acquisition added to Emerson's existing \$1 billion standalone software and associated engineering implementation services portfolio. Then in May 2022, Emerson combined its industrial software businesses – OSI Inc. and its Geological Simulation Software business – with AspenTech to create a global industrial software leader. On March 12, 2025, Emerson acquired all outstanding shares of AspenTech, which is now a wholly owned subsidiary of Emerson. The Emerson partnership continues to contribute revenue to the portfolio.

- 2) **ESS Inc.:** ESS is a long-duration energy storage system developer established in 2011, whose technology is based on earth-abundant iron, salt and water to deliver environmentally safer solutions capable of providing up to 8 hours of flexible energy capacity for commercial and utility-scale energy storage applications, with a long-term design target of 12-17 hours duration.

SMUD and ESS established a joint collaboration agreement in 2022 that called for ESS to deliver a mix of its Energy Warehouse™ and Energy Center™ long-duration energy storage (LDES) solutions for testing and evaluation on the SMUD electric grid beginning in 2023.

In 2023, SMUD installed and commissioned 6 Energy Warehouse™ products as part of its partnership with ESS, with a combined energy storage capacity of 3 MWh. Each Energy Warehouse iron-flow battery is packaged in a standard 40' shipping cargo container modified to house the electrolyte tanks, cell stack, and ancillary equipment such as pumps and electronics.

In 2025, before proceeding with the Energy Center™ phase of the partnership, ESS began a transition process involving corporate restructuring, furlough of employees, and a strategic shift to their next generation product the Energy Base which is a larger format package and focuses on a longer duration design target of 12-17 hours duration. As a result, SMUD had decided to conclude the pilot with ESS's older products.

In 2026, ESS announced diversification of its business by adding system design and construction services for another battery technology provider, Asylum Energy. SMUD continues to monitor the progression of ESS's next generation products.

- 3) **Cal EPIC (formerly the California Mobility Center):** The rebrand of the California Mobility Center (CMC) to Cal EPIC (California Energy, Power, and Innovation Collaborative) occurred on Earth Day in 2025. The new name in its entirety, California Energy, Power, and Innovation Collaborative, is clear on what the organization does and aims to be. As an accelerator for new technology that addresses energy and power needs, with a focus on zero-carbon solutions, Cal EPIC becomes a regional partner and destination for people to work together.

In 2025, Cal EPIC was awarded (and notified of awards) a total of \$5.3 million that extend through 2030 for the longest grants. Grant awards include: \$4 million from the California Energy Commission for Charge Yard (2030 end date), \$500,000 from GitLab Foundation for Rivian Technical Trades Program operations (2027 end date), \$500,000 from the State of California for the EPIC on the Road mobile classroom van to do workforce development in the eight-county region (2026 end date), and \$290,000 from the California Masonic Foundation to teach Sacramento high-school students about jobs in green careers that are available in Sacramento post-graduation (2027 end date)

The Capital Charge Yard was chosen by the California Energy Commission to be the first-of-its-kind EV Charger Testing Lab in California. Partners in this effort include the Korea Electrotechnology Research Institute and CharIN, two leaders who have done this work internationally and across the country. Partners from the ecosystem that sent letters of support included Kempower, Rivian, ChargePoint, and SMUD. Industry partners who are reaching out to Cal EPIC include Tesla, ABB, GM Energy, Task 53, Hubject, and many others who are looking to be a part of Charge Yard. The goal of Charge Yard is to create an interoperability and conformance testing space that is publicly available to EVSE and EV manufacturers as well as researchers. The Charge Yard is expected to help with universal standard creation and study opportunities for bidirectional power (V2X). In addition to testing and research inside the Charge Yard, Cal EPIC will host five events a year (two testing events and three policy and non-testing events) to support EVSE advancements and operations.

Cal EPIC's Rivian program partnership began in early-2025. The Rivian Technical Trades Program at Cal EPIC is the first Rivian workforce development program for EV technicians that is not associated with a community college. Cal EPIC is one of five technical trades programs for Rivian in the country and the only program in California. This is a 15-week program that selects people from the Sacramento community to become paid interns for Rivian while they learn skills for electric vehicle support. During this time, participants are paid \$24 per hour and offered a job for Rivian if they meet all requirements of the program. Through 2025, the Cal EPIC and Rivian partnership trained over 30 people and had participants provided job offers in Sacramento, the greater Bay Area, Fresno, San Diego, Phoenix, Tempe, and Salt Lake City.

Through 2025, Cal EPIC had trained over 700 people in the Sacramento region over the last three years. More than half of those participants came to the programs with a high-school level educational attainment. A majority of the trainees identified as a

minority population. A focus of the outreach was through partnership with SMUD and local community-based organizations that served diverse communities.

- 4) **Itron:** Itron Networked Solutions, Inc. has been a SMUD strategic partner for over 25 years, and in September 2024 SMUD entered into a Joint Sales Agreement (JSA) as part of a Strategic Value Partnership with ITRON. The JSA has the potential to generate revenue to offset software fees, as SMUD co-market products with ITRON to support and develop functionalities that enable Grid Edge intelligence to increase grid stability, resiliency, and reliability through visibility, management, and control of devices on the grid. In addition, SMUD also has a Joint Collaboration Agreement (JCA), if an opportunity presents itself in the future for co-development.
- 5) **Simple Energy (Uplight):** Since 2017, SMUD has partnered with Simple Energy to operate the SMUD Energy Store (smudenergystore.com) through a collaborative revenue-sharing agreement that generates approximately 4% of gross merchandise value in revenue. The online store offers a wide range of smart thermostats, connected home products, EV chargers, lighting, and water-saving products, many with instant rebates that significantly reduce costs on popular items. This partnership has fostered a strong, productive relationship that supports SMUD's energy efficiency goals, promotes customer programs, delivers high levels of customer satisfaction, enhanced customer engagement, and strong Value for Pay outcomes.

In 2025, the Energy Store continued to evolve its product mix and customer experience to better support SMUD programs and customer needs. Key accomplishments included increasing the My Energy Optimizer attachment rate from 42% to 50% for customers purchasing smart thermostats, adding a new Leviton EV charger compatible with Charge@Home program guidelines, and enhancing reporting to better support the Charge@Home program. The team also rolled out global promo code functionality to allow customers to leverage a single promo code for a predetermined length of time, helping streamline promotions and improve campaign flexibility.

Additional 2025 efforts focused on expanding customer engagement and product relevance. The store introduced new smart thermostat, advanced power strip, air purifier, and home safety product offerings, and procured new energy savings products informed by results from a SMUD Market Research study to support the first Renter Energy Savings Starter Set for a Q1 2026 rollout. The Energy Store also facilitated a booth at the Community Resource Expo, maintained an average 89% CSAT in 2025 compared with an 80% benchmark, and continued efforts to increase repeat purchasers. As of 2025, 6,200 EV chargers have been sold, reflecting continued strong customer demand and program alignment.

- 6) **Smart Energy Systems, Inc. dba Smart Energy Water (SEW):** SEW is a digital platform developer dedicated to solving global energy and water crises. SMUD and SEW are Co-developing innovative utility centric communication tools such as, customer facing self-service modules, payment processing (through SEW subsidiary I

Pay Smart), and eMobility. These tools support SMUD in our zero-carbon journey and may generate future shared revenue if the tools are adopted by other utilities. Both the SEW and I Pay Smart Joint Collaboration Agreements (JCAs) were extended through 12/31/2036.

As SMUD continues to build its eco-system with SEW, we anticipate the platform will be one of their most robust examples in North America by the end of 2027. As we are standing up the SEW platform, revenue or licensing offsets have not yet materialized. Budget cuts require that we focus on core functionality and opportunities to improve customer experience. Therefore, co-development of new products with SEW will likely be de-emphasized until 2028.

SSS No. BOD 2026-015

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 10/07/26
Board Meeting Date N/A

TO					TO							
1.	Jennifer Restivo				6.							
2.	Suresh Kotha				7.							
3.	Brandy Bolden				8.							
4.	Rhonda Staley-Brooks				9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	☒	No <i>If no, schedule a dry run presentation.</i>		Budgeted	☒	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Bryanna Schaefer / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B304	EXT. 5424	DATE SENT 9/11/26

NARRATIVE:

Requested Action: Allow the Board of Directors an opportunity to monitor existing policies: Governance Process GP-8, Board Committee Principles; Governance Process GP-10, Board Training, Orientation; Governance Process GP-12, Board Compensation and Benefits; and Governance Process GP-15, Board Travel and Training Reimbursement.

Summary: A schedule to monitor Board policies was agreed upon by the Policy Monitoring Ad Hoc Committee. Monitoring established policies creates a better understanding of the policies and gives the Board an opportunity to make corrections, additions, or changes, if necessary.

Board Policy: *(Number & Title)* This monitoring supports Governance Process GP-2, Governance Focus, which states in part that, “[t]he Board will direct, evaluate, and inspire the organization through the establishment of written policies reflecting the Board’s values.”

Benefits: Monitoring policies helps ensure the policies are current and in keeping with the current will of the Board.

Cost/Budgeted: Costs contained in budget for internal labor.

Alternatives: Not review these policies at this time.

Affected Parties: Board of Directors

Coordination: Board Office

Presenter: Rosanna Herber, Policy Committee Chair

Additional Links:

SUBJECT	Board Monitoring of GP-8, GP-10, GP-12, and GP-15	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY



Category: Governance Process
Policy No.: GP-8
Title: Board Committee Principles

The Board may establish standing committees and the president may establish ad hoc committees based on need and input from the Board members.

Standing committees shall assist the Board in its ongoing work and activities. Standing committees shall be composed of three Board members, including a chair and vice-chair, who shall be appointed by the Board President. Any other Board member may attend and participate in the deliberations of any standing committee. Each standing committee shall have a charter describing the committee's purpose. If a standing committee lacks a quorum of members for any meeting, the President, Vice-President, or Committee chair, in that order, may appoint a non-committee Board member to serve on the Committee for that meeting.

Ad hoc committees shall be created for a limited duration to address a specific topic of interest to the Board. Each ad hoc committee may be composed of two or three Board members, and shall include designation of a chair and a clear statement of purpose. Ad hoc committees are not required to provide public notice of their meetings under the Ralph M. Brown Act. Each ad hoc committee shall report back at a publicly noticed Board or standing committee meeting on its activities.

Specifically:

- a) All committees will ordinarily assist the Board by gaining education, considering alternatives and implications, and preparing policy alternatives.
- b) Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
- c) Board committees cannot exercise authority over staff nor interfere with the delegation from the Board to the CEO. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.
- d) As a general rule, items scheduled for Board action (including items requested by a Board member) shall first be presented to a standing committee for review.
- e) Standing committees shall be reviewed at least annually by the Board to determine whether they should continue.

- f) This policy applies to any group which is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
June 3, 2004	Resolution No. 04-06-07	Date of Revision.
January 12, 2006	Resolution No. 06-01-05	Date of Revision.
January 24, 2008	Resolution No. 08-01-07	Date of Revision.
March 20, 2008	Resolution No. 08-03-08	Date of Revision.
September 17, 2009	Resolution No. 09-09-10	Date of Revision. (Effective Date = January 1, 2010)
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

SMUD BOARD POLICY



Category: Governance Process
Policy No.: GP-10
Title: Board Training, Orientation

The Board will invest in training, development and orientation to assure excellence in governance.

Specifically:

- a) Board members shall be offered and encouraged to receive training in the skills of effective governance, communication and decision making.
- b) The Board president and Board committee chairs shall be offered and encouraged to receive training in the facilitation of meetings.
- c) At least every two years, Board members shall receive training on sexual harassment prevention and laws related to ethics (conflict of interest requirements, government transparency, open and fair government processes). Training shall be made available annually.
- d) New Board members shall receive an orientation in the SMUD's governance policies.
- e) Board members shall be offered and encouraged to receive regular training with respect to understanding trends and developments in public power and the energy industry.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
December 1, 2005	Resolution No. 05-12-09	Date of Revision.
April 6, 2006	Resolution No. 06-04-07	Date of Revision.
April 19, 2007	Resolution No. 07-04-13	Date of Revision.
April 17, 2008	Resolution No. 08-04-10	Date of Revision.
August 20, 2009	Resolution No. 09-08-14	Date of Revision.
July 18, 2013	Resolution No. 13-07-03	Date of Revision.
March 17, 2016	Resolution No. 16-03-10	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

SMUD BOARD POLICY



Category: Governance Process
Policy No.: GP-12
Title: Board Compensation and Benefits

In keeping with the MUD Act, members of the Board of Directors are entitled to compensation for their service. Specifically:

- a) Each Board member may receive for each attendance at the meetings of the full Board, Board committee meetings, ad hoc committee meetings, publicly noticed SMUD workshops or meetings, other publicly noticed meetings where the Board member is representing the Board, state or federal legislative briefings or meetings where the Board member is representing the Board, meetings with SMUD customers or staff relating to SMUD business, community meetings or events where the Board member is representing SMUD, events where SMUD is being recognized, conferences and organized educational activities, the sum of \$335.00 per day of service. No director may receive compensation for more than ten (10) days in any one calendar month. Campaign and political meetings, events, and fundraisers are not compensable under this policy.
- b) Board member compensation shall be reviewed annually.
- c) Each Board member may also be reimbursed for expenses related to travel, meals, lodging and other actual and necessary expenses incurred in the performance of his or her official duties as described in subsection a). Reimbursement shall be in accordance with Internal Revenue Service regulations as established in Publication 463, or any successor publication.
- d) Each Board member may be reimbursed for computer and other technology purchases, rentals, and refurbishments that will aid them in the performance of their duties pursuant to reimbursement policies applicable to executive and senior leaders.
- e) Compensation forms shall be completed by a Director and distributed to the Board office. The Board shall review and approve compensation and any request for technology reimbursement at a regular Board meeting. Board member compensation, along with any requests for technology reimbursement, shall be placed on the consent calendar at each regular Board meeting, unless a Board member requests that it be placed on the discussion calendar.
- f) SMUD shall provide and contribute payment for health care benefits, equivalent to the contribution made to SMUD employees in the PAS employee group, to any Board member who elects such benefit, and additionally make an annual contribution payment of \$500 to a Flexible Spending Account.

- g) Subject to the applicable tax codes and IRS rules and regulations, and to the extent possible, SMUD shall direct payment to a SMUD defined contribution plan (either a 457(b) plan or a 401(k) plan) for each Director who elects to have such a benefit in the amount of 30% of compensation based on days of service. Directors who elect to receive this benefit must (1) have a SMUD defined contribution plan and (2) direct payment to the defined contribution plan of their choice at initial enrollment and then during (and only during) SMUD's open enrollment period for employee benefits.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
December 2, 2004	Resolution No. 04-12-03	Date of Revision.
December 1, 2005	Resolution No. 05-12-10	Date of Revision.
May 17, 2007	Resolution No. 07-05-08	Date of Revision.
July 16, 2009	Resolution No. 09-07-02	Date of Revision.
September 18, 2014	Resolution No. 14-09-07	Date of Revision.
December 20, 2018	Resolution No. 18-12-15	Date of Revision.
December 12, 2019	Resolution No. 19-12-05	Date of Revision.
June 15, 2023	Resolution No. 23-06-02	Date of Revision. (Effective Date = July 1, 2023)
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
February 15, 2024	Resolution No. 24-02-03	Date of Revision.
April 17, 2025	Resolution No. 25-04-02	Date of Revision. (Effective Date = July 1, 2025)
April 16, 2026	Resolution No. 26-04-08	Date of Revision. (Effective Date = July 1, 2026) [Current Policy]

SMUD BOARD POLICY



Category: Governance Process
Policy No.: GP-15
Title: Board Travel and Training Reimbursement

Board members shall have the opportunity to attend conferences, meetings, training, and various activities that are appropriate to their work as Directors and provide value to SMUD.

As part of this policy:

- a) Each Board member shall have an annual budget for travel and training, which shall be adjusted annually for inflation and rounded to the nearest hundred dollars. The training budget shall include funds for attendance at community functions and baseline dues in organizations that further Board members' professional development, when accompanied by written justification.
- b) The Board shall approve its travel and training budget as part of the annual budget process. Budgeted travel and training funds shall expire at the end of each calendar year with no rollover option.
- c) The Board travel and training budget shall be managed by the Special Assistant to the Board as part of the Board Office budget.
- d) Requests for travel, training and events in excess of \$1,000 shall be accompanied by a written justification of the benefits to SMUD and consistency with Board policy and submitted to the Board Special Assistant.
- e) Written travel and training justifications required by sections a) and d) of this policy, along with a status report on the Board's travel and training budget and individual directors' expenditures, shall be distributed to all Board members monthly for the purposes of transparency and oversight.
- f) Board members shall submit all relevant travel and training receipts to Board Office staff within two weeks for reconciliation.
- g) Board members shall publicly report the results of their travel and training at a Board meeting.
- h) New Board members shall receive an orientation in the Board's travel and training policy.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

November 13, 2008	Resolution No. 08-11-07	Date of Adoption. (Effective Date = January 1, 2009)
August 20, 2009	Resolution No. 09-08-15	Date of Revision.
October 6, 2011	Resolution No. 11-10-02	Date of Revision.
December 1, 2016	Resolution No. 16-12-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
February 15, 2024	Resolution No. 24-02-04	Date of Revision.
June 20, 2024	Resolution No. 24-06-08	Date of Revision.
October 17, 2024	Resolution No. 24-10-06	Date of Revision. [Current Policy]

SSS No. BOD 2026-004

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2026Board Meeting Date
N/A

TO					TO							
1.	Brandy Bolden				6.							
2.	Rhonda Staley-Brooks				7.							
3.	Suresh Kotha				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No <i>If no, schedule a dry run presentation.</i>		Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Bryanna Schaefer / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 5424	DATE SENT 12/18/25
NARRATIVE:												
Requested Action:		Enable the Board of Directors and Executive Staff an opportunity to review the Board Work Plan.										
Summary:		The Board President reviews the Board Work Plan at the Policy Committee meeting to ensure agenda items support the work of the Board.										
Board Policy: <i>(Number & Title)</i>		This review of the Work Plan supports Governance Process GP-4, Board/Committee Work Plan and Agenda Planning (GP-4), which states that the Board will develop each year a list of topics and issues that it wishes to explore in the coming years and maintain a work plan that will be regularly reviewed by the Board or a standing committee. GP-4 and Governance Process GP-6, Role of the Board President, states that the [Board] President shall ensure that the Board's agendas meet the goals of the annual work plan.										
Benefits:		Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.										
Cost/Budgeted:		Included in budget.										
Alternatives:		Not review the Work Plan at this time.										
Affected Parties:		Board of Directors and Executive Office										
Coordination:		Board Office										
Presenter:		Dave Tamayo, Board President										

Additional Links:

SUBJECT

Board Work Plan

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. BOD 2026-005

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2026Board Meeting Date
N/A

TO					TO							
1.	Brandy Bolden				6.							
2.	Rhonda Staley-Brooks				7.							
3.	Suresh Kotha				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No <i>If no, schedule a dry run presentation.</i>		Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Bryanna Schaefer / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B304	EXT. 5424	DATE SENT 12/18/25
NARRATIVE:												
Requested Action: A summary of directives is provided to staff during the committee meeting. Summary: The Board requested an ongoing opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting to make clear the will of the Board. The Policy Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting. Board Policy: <i>(Number & Title)</i> Governance Process GP-4, Board/Committee Work Plan and Agenda Planning states the Board will focus on the results the Board wants the organization to achieve. Benefits: Having an agenized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board. Cost/Budgeted: Included in budget. Alternatives: Not to summarize the Board's requests at this meeting. Affected Parties: Board of Directors and Executive Office Coordination: Board Office Presenter: Rosanna Herber, Policy Committee Chair												

Additional Links:

SUBJECT

Summary of Committee Direction – Policy Committee

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.