Exhibit to Agenda Item #1

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

Wednesday, October 16, 2019 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room
IRP - $6.5 billion of new investment

- 405k All-electric smart homes
- +1,000 MW Local utility PV
- +390 MW Rooftop PV
- 560 MW Local storage

100% NET-ZERO-CARBON ELECTRICITY BY 2040

Electrification $1.7B
Renewables $3.9B
Reliable power $860M
Maximize community benefits
Lower GHG emissions

SMUD 70% below 1990
Sacramento 64% below 2020

- 880k EVs + infrastructure
- 1,400 MW PV, wind & geo out of territory
- Keep the lights on
- Hydro, batteries, system upgrades, and reduced use of natural gas
- Disadvantaged community benefits
- Local air quality
IRP Public Process

- Independent analysis of numerous IRP scenarios
  - Absolute zero carbon (Not feasible with current technology)
  - Net zero carbon, various levels of carbon emissions, offsets
- IRP Report filed with CEC April 29, 2019
  - CEC to adopt staff’s determination in December 2019
“SMUD’s IRP filing lays out an ambitious road map for lowering greenhouse gas emissions in the Sacramento region while maintaining low rates and reliability.”

- CEC staff report

“The importance of SMUD’s proposed investment shouldn’t be understated, nor should its impact. Between now and 2040, the utility plans to invest nearly $7 billion towards projects that generate renewable energy and help switch consumers’ energy use away from fossil fuels like natural gas and gasoline. This powerful commitment goes above and beyond greenhouse gas reforms required by the state, and will enable the region to be net zero for climate pollution in a little more than 20 years.”

- Environmental Defense Fund
IRP Impact on GHG Emissions

Electrification significantly reduces Sacramento area GHG emissions

64% Reduction in Sacramento Emissions

- 5.4 Million MT Reduction
- 1.3 Million MT Reduction
- 2.5 Million MT

Million Metric tons CO2 Emissions

2020
2030
2040
SMUD’s Natural Gas Emissions

- Cogeneration plant emissions reduced ~ 30% by 2030; ~ 55% by 2040
- Cosumnes emissions down ~ 15% by 2030; ~ 40% by 2040
- GHG emissions in disadvantaged communities down ~ 30% by 2030, and over 50% by 2040
- Evaluate replacing thermal plants as alternatives mature and become cost effective, while ensuring reliability
Average Annual Rate Impact

- Rate impacts reflect IRP related costs only and do not reflect other increases from inflation, new regulatory mandates, or other planned or unexpected spending.
- Additional rate increases will likely be needed to address other costs not reflected in the IRP.
2020-2023 IRP Implementation

- Electrify Transportation Initiatives
- Expand and Repower Solano Wind
- Develop Storage
- Clean Safe Reliable Affordable
- Modernize Operations
- Building Electrification
- Build Local Solar Rancho Seco Wildflower

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