Exhibit to Agenda Item #1

Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, February 11, 2020, scheduled to begin at 5:30 p.m.
Auditorium, SMUD Headquarters Building
An actual customer call…
Snapshot: Poverty in Sacramento

Sacramento
20% of households live in poverty

California
18% of households live in poverty

United States
13% of households live in poverty

Family of 4 at 0-50% of the Federal Poverty Level:
• **Annual household income:** Less than $13,000
• **Electric bill burden:** More than 10%

It means making choices between keeping the lights on, staying warm or eating.
Our EAPR customers

Avg Annual Income: $22,000
Avg. home size: 1,192 sq. ft.
Multi-Family: 44%
Single Family: 56%
Home ownership: 49%

<table>
<thead>
<tr>
<th>Ward</th>
<th>EAPR Customers</th>
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<tbody>
<tr>
<td>W1</td>
<td>7,007</td>
</tr>
<tr>
<td>W2</td>
<td>6,750</td>
</tr>
<tr>
<td>W3</td>
<td>10,700</td>
</tr>
<tr>
<td>W4</td>
<td>7,092</td>
</tr>
<tr>
<td>W5</td>
<td>12,720</td>
</tr>
<tr>
<td>W6</td>
<td>15,786</td>
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<tr>
<td>W7</td>
<td>11,768</td>
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Most important issues facing you and your family

- Health Care
- Taxes/Government spending
- Economy/Jobs
- Other
- Environmental issues
- Energy prices
- Energy consumption too high
- Housing
- Education
- Crime
- Terrorism

SMUD (N=244)

Source: J.D. Power
What we see

- Exposed wiring
- Space heaters
- Mold in the air handler (closet)
- Gap at door threshold
- Netting to prevent cockroaches
- 1977 water heater
- Missing window
Despite receiving a subsidy, EAPR Customers...

- Need additional financial assistance (EnergyHELP)
- Face a significantly higher Electric Bill Burden
- Are 6+ times more likely to be disconnected
- Have a higher rate of late payments
Our intent is…

…to help our customers most in need.
Our Focus

**Improve**
Improve sustainability and integrity of the low-income program by helping those most in need.

**Increase**
Increase program offerings that align with participants’ lifestyles to address energy usage and/or their feeling of control.

**Strengthen**
Strengthen safety net for Sacramento’s underserved through strategic partnerships in order to positively impact customers in a more holistic manner.
### Supporting low-income customers: Impact

<table>
<thead>
<tr>
<th>EAPR Discount</th>
<th>• Provide a tiered discount based on federal poverty level</th>
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<tbody>
<tr>
<td>130,000 +</td>
<td>• Customers reached through education, outreach and program recruitment</td>
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<tr>
<td>~19,000</td>
<td>• Efficiency bundles, weatherization, HVAC repairs/replacement and rooftop solar</td>
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<tr>
<td>8.6 GWh</td>
<td>• GWh savings since 2016</td>
</tr>
<tr>
<td>$1.1M</td>
<td>• Estimated bill savings 2016 to current</td>
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<tr>
<td>72</td>
<td>• EAPR participant VFP. VFP was 67 in 2016, and is currently higher than overall residential customers VFP.</td>
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What we hear

A mother of 5 whose family survives on a single-income shared she had to prepare her kids to hurry and shower while there was hot water prior to their disconnect date.

-- EnergyHelp recipient

“I was unable to buy food because my bill was so high! Thank you for the repair to my heating system and lowering my bill.”

-- Deep Home Customer

“I would not be able to pay rent without my EAPR discount.”

-- EAPR Customer

“Thank you so much for my new system! I am finally warm and almost pain free! The pain because of being cold was unbearable.”

-- MED Rate Customer
Leveraging partnerships for Sustainable Communities
Where we are today

EAPR pilot participants
Change in Electric Bill Burden (pilot recipients)
2017 – Oct 2019

8.7%
Making a positive impact

Dunning Level 1
- 4 days after invoice due date
- Reminder notice & late fee

Dunning Level 2
- 12 days after invoice due date
- 48 hour disconnect notice
- Additional $15 fee

Dunning Level 3
- 30 days after invoice due date
- Unless cancelled, power is disconnected and all charges are required to be paid before reconnection (reconnection fee applies)

Payment Status

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<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>Dunning Level 2</td>
<td>-29%</td>
<td>-34%</td>
<td>-28%</td>
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<tr>
<td>Dunning Level 3</td>
<td></td>
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<td>Disconnections</td>
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What we expect

EAPR program participants
Projected Change in Electric Bill Burden (pilot recipients)
2017 – 2022

What we expect
Powering forward. Together.

- Listen first
- Confront reality
- Find partners
- Maximize impact