## Business Segments & Functions

<table>
<thead>
<tr>
<th>Transmission Planning &amp; Operations</th>
<th>Distribution Planning &amp; Operations</th>
<th>Line Assets</th>
<th>Substation, Telecom &amp; Network</th>
<th>Strategic Services &amp; PMO</th>
<th>Environmental, Safety &amp; Real Estate Services</th>
<th>Operational Excellence</th>
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</thead>
<tbody>
<tr>
<td>Real-time Engineering &amp; EIM Operations</td>
<td>Transmission &amp; Distribution Maintenance Planning</td>
<td>Vegetation Management</td>
<td>Field Metering &amp; Power Quality</td>
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<td>Real Estate Services</td>
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<td>System Protection &amp; Control</td>
<td>Electrical Design Standards</td>
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<td>Transmission Engineering</td>
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<td>Power System Operations Training</td>
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November 10, 2021
Transforming and maintaining a safe and reliable grid, while also addressing future capacity & infrastructure needs are the primary spending drivers in 2022 (SD-4, 9, 17)

- 2030 Zero Carbon Plan
  - Electrification
  - Solar and storage interconnection

- Foundational technology for the future
  - Implementation of the Advanced Distribution Management System (ADMS) and Distributed Energy Resource Management System (DERMS)
Safety & Reliability

Transforming and maintaining a safe and reliable grid, while also addressing future capacity & infrastructure needs are the primary spending drivers in 2022 (SD-4, 9, 17)

- Transmission & Distribution Substation additions and replacements
- Substation Transformers & Circuit Breakers
- Cable & pole replacements
- Wildfire Mitigation Plan
- Vegetation Management
- Utilize advanced technologies to improve imagery and inspection in our maintenance processes
Safety & Reliability

Keeping the lights on with a strong commitment to employee and community safety (SD-4, 6, 8)

- Safety for Life
- Safety Roadmap Update
- Safety Management System (SMS) implementation
- Field ergonomics pilot
- SMUD Contractor Safety
- No Work Stoppages
- Our Highly Engaged Workforce are Key to Safely Keeping the Lights On
Affordability

Operational Excellence (SD-2)

The Operational Excellence program supports the 2030 Clean Energy Vision by developing and managing an enterprise framework to:

- Reduce cost
- Increase efficiency
- Drive continuous improvement
Affordability

Despite the increase in core work and other fiscal pressures, we continue to optimize our processes and reduce cost (SD-2,4)

- **Workforce Optimization Initiative**
  - Realized annual savings of $2.7M to date, with $37.6M projected over next five years
  - Optimizing 23 work groups and hundreds of key processes
  - Improved Enterprise Document Management (EDM) compliance and reduced paper through digitization & data capture
  - Improved work cycle times with dynamic scheduling
Affordability

Operations Project Management Office (PMO) (SD-2,4)

Create cost savings, efficiencies, and standard practices through optimization of SMUD’s Operations Project Management Office (PMO) by merging and streamlining PMO operations. Align on consistent tools, reporting and organization structured to effectively manage the portfolio.
Organizational Agility

Our commitment to diversity, equity, and inclusion continues with additional career pathways to reach all parts of our community (SD-8,13,15)

- Workforce Strategy
  - Experienced
  - Entry Level
- Creating new pathways to SMUD opportunities
- Powering Careers
- Apprenticeship Programs
- New Entry Level opportunities at SMUD
- Partnering
Environmental Initiatives (SD-7)

- Implementation of Sustainability Roadmap
- Landfill cap installation at North City
- Integration of Environmental Justice components into California Environmental Quality Act (CEQA)
- Finalize Habitat Conservation Plan
- Station J CEQA initiation
- Continue 59th St. remediation, demolition, and relocation of employees and storage
Community Vitality

Community Relationships & Communications (SD-4,5,8,13,15)

- Improve Energy Delivery & Operations customer and outage communications
- Collaborate with other utilities and IBEW to increase utility career opportunities to all parts of our community
- Support Economic growth:
  - Commercial Development
2022 Proposed Budget

<table>
<thead>
<tr>
<th></th>
<th>2021 Forecast</th>
<th>2021 Budget</th>
<th>2022 Proposed</th>
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<tbody>
<tr>
<td>O&amp;M</td>
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<td>Capital</td>
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Information Only

SMUD Logo