Exhibit to Agenda Item #1

Brief the Board on customer experience strategy, measurement, and priorities that support SMUD’s 2030 Zero Carbon Plan.

Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, August 9, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Why Customer Experience Matters

- Increased customer retention
- Higher cross-sell and upsell
- Decreased cost to serve
- More new customers

COMPETITIVE MARKET

- Higher program participation
- Customers follow our advice and advocate
- Lower cost to serve (less calls)
- More likely to pay on time
- Higher commercial load factor and share of wallet
- Forgive mistakes
Customer Experience Strategy Evolution

- Customer Experience Strategy (original)
- Board Climate Emergency Declaration
- Zero Carbon Plan
- Customer Experience Strategy (updated)

2016  2021  2022  2022+
Overall Customer Experience Metric

Value for Pay

“Thinking about your overall relationship with SMUD, how satisfied with SMUD are you on the value for what you pay?”

All responses above the “Neutral” are counted in the VFP score.

VFP score of 72 means 72% of customers gave SMUD a score of 5, 6, or 7 on this question.
Customer Experience Strategy
We enhance the quality of life for our customers and community as we transition to a clean energy future.

Our goal is:
Customers feel in control of their energy usage because SMUD reliably delivers...

Energy
Always-on

Information
Information to make the best energy decisions for their homes or businesses

Pricing
Fair and transparent rates and fees

Tools
Digital/mobile tools to manage energy usage and accounts

In a way that is...

Easy
“It’s easy and convenient to do business with SMUD, whether via digital, phone or in person.”

Responsive
“SMUD moves at the speed of my life and business. SMUD values my time, so issues are resolved efficiently with minimal hand-offs.”

Trusting
“SMUD is a company that I can trust.”

Community-Minded
“SMUD brings value to its diverse communities and works collaboratively throughout the region to meet the evolving power needs.”

We measure it by...

Value
80% of customers perceive value for what they pay.

SMUD
Board Strategic Development Committee and Special SMUD Board of Directors Meeting
Value for Pay Performance

![Graph showing value for pay performance by overall, residential, and commercial categories for different years (2016-2021) and Jan - June 2022.](image-url)
Customer Experience Key Areas of Focus

- Zero Carbon Programs
- Outbound Communication
- Outage Experience
- Digital Tools
- Target Markets/Communities
- Pricing, Fees & Rate Changes
Customer Experience Road to Differentiate

- **2022**: The Recovering Customer
  - Customers shaking off impacts of pandemic and reassessing financial position.
  - Limited awareness of SMUD’s ZCP efforts.
- **2023**: The Well-Informed Customer
  - Customers feel that the flow of info from SMUD (ZCP and more) is relevant, timely, intuitive and channel appropriate.
  - Community sees result of our ZCP efforts.
- **2024**: The Real-Time Customer
  - Customers know what we’re doing (ZCP) and can seamlessly engage with SMUD based on real-time info/knowledge in their channel of choice.
- **2025**: The Empowered Customer
  - Seamless pivoting among automation, self-service, and high touch interactions.
  - Customers extracting value from SMUD’s ZCP efforts.
- **2030**: The All-Electric Customer
  - SMUD’s offering reflect customer needs and wants.
  - Electrification blends naturally in homes and businesses.
  - Customers do not seek alternatives.

**Value for what you pay**
- Basic/Elevate
  - VFP 73
- Elevate
- Elevate
- Elevate/Differentiate
- Differentiate
  - VFP 80
Thank you