Exhibit to Agenda Item #1
Accept the monitoring report for Strategic Direction SD-13, Economic Development Policy.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, October 18, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Economic Development Policy

SD-13:
“Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

b) SMUD shall align its economic development activities with regional economic development initiatives.

c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

d) SMUD shall offer economic development rates and program incentives.

e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.”
2021 COVID-19 Pandemic Response

Local Business Community

- Virtual Energy Audits
- Chamber & Non-Profit Support
- MBARK
- CMC Workforce Development
- Regional COVID Response Initiatives
- Payment Arrangements
- Non-Disconnect Policy
- Information Dissemination

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting

October 18, 2022
Inclusive Economic Development Approach

2030 Zero Carbon Vision
Inclusive and Equitable Partnerships
Innovation and Entrepreneurship
Sustainable Communities Focus

Competitive Rates & Incentives
Small Business Contracting
Attraction, Retention & Expansion
Developer Community Support
a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.
a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions. (continued)
b) SMUD shall align its economic development activities with regional economic development initiatives.

- Leadership in Regional Economic Development Initiatives
b) SMUD shall align its economic development activities with regional economic development initiatives. (continued)
c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

- Jobs attracted: 442
- New business startups: 24
- Jobs retained: 8,056
- Jobs created: 575
- Million in small business loans: $38.7
- Developers engaged: 225
- Businesses received EE incentives: 363
- Increase in revenue from cannabis customers: 85%
d) SMUD shall offer economic development rates and program incentives.

Economic Development Rate:

<table>
<thead>
<tr>
<th>Size</th>
<th>Term</th>
<th>Industry Requirements</th>
<th>Job Requirements</th>
<th>Full Service Requirement</th>
<th>Discount (2 options)</th>
</tr>
</thead>
<tbody>
<tr>
<td>300kW+</td>
<td>10 years</td>
<td>No limitations</td>
<td>No minimum requirement</td>
<td>No</td>
<td>Standard EDR</td>
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<td></td>
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<td>Opt A: 6% for years 1-5, declining 1% per year for years 6-10</td>
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<td>Opt B: 4.5% for 10 years</td>
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</tbody>
</table>

Rate for Disadvantaged Communities

Opt A: 8% for years 1-5, declining 1.5% per year for years 6-10
Opt B: 6% for 10 years

Programs & Services:

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, Express Energy Solutions programs, and Supplier Education and Economic Development (SEED)
- Go Electric rebates
e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.
a) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. (continued)

SMUD SEED GOAL: 20%

☑ SEED Award % of Total Awards: 23%
☑ Number of SEED Awards: 115
☑ SEED Total $ Award: $48 million
☑ SEED Compliance: 93.9%
☑ SEED Vendors: 959

= 3,000+ people reached
➢ 100+ outreach events
➢ 27 workshops, orientations, panels
Conclusion

• 2021 SMUD efforts were in compliance with SD-13

• Requested Action: Accept the monitoring report for Strategic Direction SD-13, Economic Development

• Place item on Board consent calendar for approval