

# 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, August 15, 2023, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# 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.”

# SMUD's 2022 Economic Impact: > \$3.5 billion

In 2022, SMUD's impact on the economy was over \$3.5 billion.

This represents the overall effect that SMUD policies and actions had on the local economy, including:

- SMUD's operations (i.e., jobs and income)
- SMUD's external contracting activities
- The resulting increase in household income and spending that boosts further economic activity

2022	Employment	Income	Output
Direct Impact (output)	2,260	\$381,152,849	\$2,188,238,103
Indirect Impact (business-to-business)	4,289	\$269,079,127	\$904,403,469
Induced Impact (business-to-consumer)	3,064	\$165,174,974	\$495,551,202
<b>TOTAL</b>	<b>9,613</b>	<b>\$815,406,950</b>	<b>\$3,588,192,773</b>

# Progress in Inclusive Economic Development

## Brookings Institution Annual Assessment

- Sacramento Region rankings among 192 US metro areas with populations over 250k:

Report	2018	2019	2020	2021	2023
Growth	67	64	34	34	22
Prosperity	71	59	34	33	28
Inclusion	84	51	20	15	5
Racial Inclusion	-	70	46	31	17
Geographic Inclusion	-	-	23	30	14

# 2030 Clean Energy Vision & the Community Impact Plan



An infographic detailing the Community Impact Plan. It includes a photo of a family walking in a park, a map of SMUD service areas, and three focus areas: Affordability, Equitable access, and Community engagement. It also lists the audience (Residential and Commercial) and the approach to the plan.

### Our audience

**Residential**

- Low- & median-income populations who can't afford necessities
- Renter with higher energy burdens
- Under-served populations with cultural or language barriers

**Commercial**

- Small businesses
- Nonprofits

### Our focus

**Affordability** **Equitable access** **Community engagement**

*We're doubling the current investment towards under-resourced communities!*

### Our approach

- **Diversifying** clean energy programs to make them accessible to more residential customers.
- **Leading** inclusive economic development with new job trainings and job placement programs for clean energy jobs.
- **Focusing** on investing in the business community through meaningful and impactful partnerships.
- **Creating** capacity building opportunities for nonprofits to support our 2030 zero carbon plan engagement.
- **Showing up** in culturally relevant ways with community education and outreach through our community ambassador teams.

# Inclusive Economic Development Approach



2030 Zero Carbon  
Vision



Competitive Rates &  
Incentives



Community Impact  
Plan



Small Business  
Contracting



Innovation and  
Entrepreneurship



Attraction, Retention  
& Expansion



Sustainable  
Communities Focus



Developer Community  
Support

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

Enterprise



Grants



Community Impact



DEIB



Entrepreneurship



Entrepreneurship Events



Attendees



Cohort or Accelerator Participants



Mentor Matches for Startup Founders



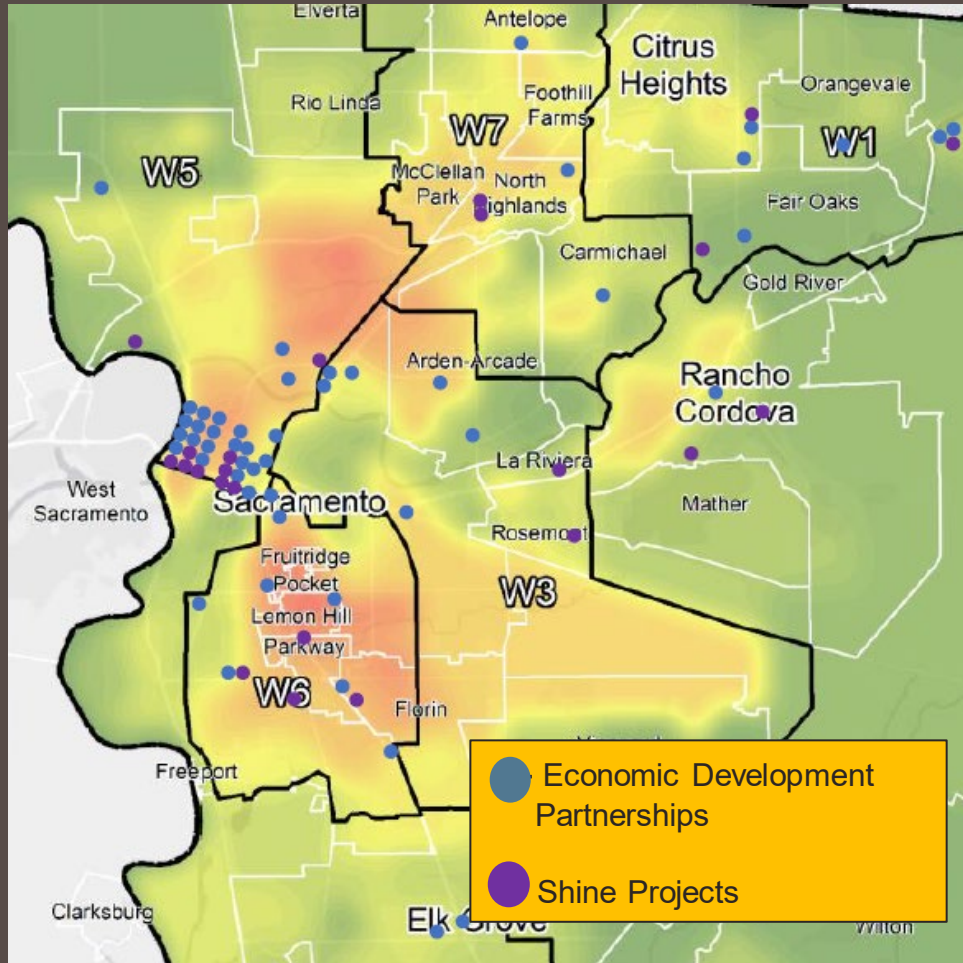
# b) SMUD shall align its economic development activities with regional economic development initiatives.

## Leadership in Regional Economic Development Initiatives





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



**Workforce & Equitable Economic & Community Development**

-  **Regional Workforce Strategy**
-  **Energy Careers Pathways Program**
-  **Shine Awards Program**
-  **Community Resource Liaisons**
-  **California Mobility Center**

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

3,313

Jobs attracted

1,402

Consulting hours to  
minority small businesses  
(MBARK, Minority Business  
Attraction and Retention Kickstart)

17,000

Local business  
members reached

202

Developers engaged

258

Businesses received  
EE incentives

24.57

GWh of energy  
savings

41,404

Lifetime carbon  
emissions saved

32%

Increase in revenue from  
cannabis customers

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

### Economic Development Rate (EDR):

Size	Term	Industry Requirements	Job Requirements	Full Service Requirement	Discount (2 options)
300kW+	10 years	No limitations	No minimum requirement	No	<p><b>Standard EDR</b></p> <p><u>Opt A:</u> 6% for years 1-5, declining 1% per year for years 6-10</p> <p><u>Opt B:</u> 4.5% for 10 years</p> <p><b>Rate for Disadvantaged Communities</b></p> <p><u>Opt A:</u> 8% for years 1-5, declining 1.5% per year for years 6-10</p> <p><u>Opt B:</u> 6% for 10 years</p>

### 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.



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## SMUD SEED GOAL: 20%

- ✓ SEED Award % of Eligible Awards: **30.9%**
- ✓ Number of SEED Awards: 210
- ✓ SEED Total \$ Award: \$102 million
- ✓ SEED Compliance: 101.5%
- ✓ SEED Vendors: 519



# Conclusion

- 2022 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