

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

Date: Tuesday, November 14, 2023

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

Powering forward. Together.



AGENDA

BOARD FINANCE & AUDIT COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Tuesday, November 14, 2023
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Scheduled to begin at 6:00 p.m.

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Finance & Audit Committee will review, discuss and provide the Committee's recommendation on the agenda items.

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
http://smud.granicus.com/ViewPublisher.php?view_id=16

Zoom Webinar Link: [Join Board Finance & Audit Committee Meeting Here](#)

Webinar/Meeting ID: 160 821 1678

Passcode: 029445

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Registering in advance of a meeting by sending an email to PublicComment@smud.org, making sure to include the commenter's name, date of the meeting, and topic or agenda item for comment. Microphones will be enabled for virtual or telephonic attendees at the time public comment is called and when the commenter's name is announced.
- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Bryan Swann Accept the monitoring report for **Strategic Direction SD-9, Resource Planning.**
Presentation: 15 minutes
Discussion: 5 minutes
2. Heidi Sanborn Discuss proposed revisions to **Strategic Direction SD-9, Resource Planning.**
Presentation: 2 minutes
Discussion: 5 minutes
3. Heidi Sanborn Discuss proposed revisions to **Strategic Direction SD-7, Environmental Leadership.**
Presentation: 2 minutes
Discussion: 5 minutes

INFORMATIONAL ITEMS

4. Jennifer Restivo SMUD 2024 Proposed Budget presentation follow up questions.
Discussion: 5 minutes
5. Lisa Limcaco Provide the Board with SMUD's financial results from the nine-month period ended September 30, 2023, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 2 minutes
6. Claire Rogers Internal Audit Services Report: Procurement.
Discussion: 1 minute
7. Public Comment.
8. Rob Kerth Summary of Committee Direction.
Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to

participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

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| SSS No. |
| RS 23-004 |

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

| |
|---|
| Committee Meeting & Date Finance & Audit 11/14/2023 |
| Board Meeting Date 11/16/2023 |
| |

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|-----------------------------|-------------------|------------|----------------------------------|--|--|-----------------|--|-------------------|--------------|--|--|--|
| TO | | | | TO | | | | | | | | |
| 1. | Bryan Swann | 6. | Claire Rogers | | | | | | | | | |
| 2. | Scott Martin | 7. | | | | | | | | | | |
| 3. | Jennifer Davidson | 8. | | | | | | | | | | |
| 4. | Lora Anguay | 9. | Legal | | | | | | | | | |
| 5. | Jose Bodipo-Memba | 10. | CEO & General Manager | | | | | | | | | |
| Consent Calendar | | Yes | | No <i>If no, schedule a dry run presentation.</i> | | Budgeted | | Yes | | X No <i>(If no, explain in Cost/Budgeted section.)</i> | | |
| FROM (IPR) Sara Elsevier | | | | DEPARTMENT Resource Strategy | | | | MAIL STOP B205 | EXT. 5056 | DATE SENT 10/20/2023 | | |

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-9, Resource Planning.

Summary: Annual SD-9 Resource Planning Monitoring Report

Board Policy: *(Number & Title)* Meets annual monitoring requirement for SD-9 (Resource Planning) providing SMUD’s progress towards key resource planning objectives including progress towards our greenhouse gas reduction goals, renewable portfolio standard (RPS), energy efficiency (EE), building electrification (EB), transportation electrification (TE), equitable offerings for underserved communities, and support of clean distributed energy resources through programs.

Benefits: Provide a status report of 2022 achievements to the Board members on meeting our core resource planning objectives contained in Strategic Direction 9 – Resource Planning.

Cost/Budgeted: NA

Alternatives: Provide update via written report.

Affected Parties: Enterprise Strategy, Zero Carbon Energy Solutions, Customer and Community Services, Communication, Marketing and Community Relations, Treasury Operations & Risk Management, Legal, Government Affairs & Reliability Compliance, Energy Delivery and Operations, Sustainable Communities, Customer Experience Delivery

Coordination: Resource Strategy

Presenter: Bryan Swann, Director of Resource Strategy

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|--------------------------|
| Additional Links: |
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|--|--------------------------------------|
| SUBJECT Annual SD-9 Resource Planning Monitoring Report | ITEM NO. <i>(FOR LEGAL USE ONLY)</i> |
|--|--------------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: August 30, 2023

FROM: Claire Rogers *CR 8/30/23*

**SUBJECT: Audit Report No. 28007610
Board Monitoring Report; SD-9: Resource Planning**

Internal Audit Services (IAS) received the *SD-9 Resource Planning 2022 Annual Board Monitoring Report* and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2022

SD-9, Resource Planning



1. Background

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD’s greenhouse gas (GHG) emissions to serve retail customer load to zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification. SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

| Year | Greenhouse Gas Emissions (metric tons) |
|---------------|---|
| 2020 | 2,318,000 |
| 2030 - beyond | 0 |

In keeping with this policy, SMUD shall also achieve the following:

- a) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- b) Procure renewable resources to meet or exceed the state’s mandate of 33% of SMUD’s retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- c) In meeting GHG reduction goals, SMUD shall:
 - 1. Emphasize local and regional benefits.
 - 2. Improve equity for under-served communities.
- d) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- e) Promote cost effective, clean distributed generation through SMUD programs.

2. Executive Summary

SMUD’s integrated resource planning process informs long-term strategic development of programs and generation resources by the various business units within SMUD and balances reliability, sustainability, environmental, financial, and customer objectives while achieving SD-9 goals. In 2020, SMUD’s Board adopted a Climate Emergency Resolution that calls on the Board to work towards carbon neutrality by 2030. In 2021, the Board revised our SD-9 targets and approved the 2030 Zero Carbon Plan. Our progress towards achieving our SD-9 targets continues to be measured against this plan as we develop new distributed energy resource business models, investigate emerging grid-scale clean technologies, and expand our investments in proven clean technologies.

Our GHG emissions to meet customer electricity needs were approximately 2,082 thousand metric tons (MT) CO₂e in 2022. Normalized GHG emissions, which represent what our emissions would have been if load, hydro, and wind generation were as expected, were 1,725 thousand MT CO₂e. We continued working toward achieving RPS obligations for compliance period 4 (2021 – 2024), which

require meeting 44% of our retail sales with eligible renewables by 2024. Development of resources to meet current and future RPS compliance period requirements continued in 2022. As this report demonstrates, **SMUD complied with and continued to work towards the key SD-9 goals in 2022.**

3. Additional Supporting Information

The following provides an update on SMUD’s progress related to SD-9 goals. For more detailed project information see Appendix C – Detailed Project Descriptions.

A. Implementation of our 2030 Zero Carbon Plan

The 2030 Zero Carbon Plan is our roadmap to eliminating GHGs from our electricity supply by 2030 while maintaining reliable and affordable service and partnering with our customers, communities, and a wide range of stakeholders on this journey. SMUD’s GHG emissions to meet customer electricity needs decreased in 2022 to 2,082 thousand MT CO₂e. As shown in Table 1, SMUD’s normalized GHG emissions (emissions adjusted for expected weather and hydro conditions) in 2022 were 1,725 thousand MT CO₂e, which is also a decrease from last year and on trajectory to our 2030 zero carbon goal. SMUD’s main sources of GHG emissions were from SMUD’s thermal power plants and market purchases.

Table 1: SD-9 GHG Emissions & Near-term Targets

| Source | Net Power (GWh) | GHG Emissions (Thousand MT CO ₂ e) ¹ |
|--|-----------------|--|
| Net Generation and Power Purchases | 10,742 | 2,008 |
| Net Wholesale Purchases | 295 | 74 |
| <i>SMUD Electric Sales, SMUD Usage and System Losses - Non-Normalized Total²</i> | 11,037 | 2,082 |
| Adjustment for Expected Load | | (8) |
| Adjustment for Expected Wind and Hydro | | (212) |
| REC Banking Adjustment | | (137) |
| <i>SMUD Normalized Total (estimate)</i> | | 1,725 |
| <i>2030 Target</i> | | 0 |

Expanding our Sustainable Power Supply

We are reimagining our generation portfolio through replacement or retooling of our natural gas assets, expanding local investments in proven clean technologies, and launching pilot projects and programs for new and emerging clean technologies, while continuing our work to improve equity for our under-resourced communities and the health of ecosystems that support us all.

Proven Clean Technologies and Zero Emission Resource Development

Staff continue to add and plan new proven clean technologies, such as wind, geothermal, solar, and energy storage that will reduce our GHG emissions towards zero in 2030. In 2022, we added 100 MW of renewables and 4 MW of storage to our portfolio. We also have nearly 800 MW of new renewable generation and nearly 300 MW of new storage in the pipeline for development by 2030. Additional projects are still needed to achieve our 2030 objectives. In late 2022, SMUD released a request for developer proposals for renewable generation and storage projects within our service territory and regionally.

¹ Based on SMUD’s internal accounting and represents the best estimate available. The thermal power plant emissions, SMUD’s largest source of emissions, have been independently verified. Biogenic emissions are excluded as they are part of the natural carbon cycle.

² Emissions by individual thermal asset can be found in the 2022 SD-7 Report.

Although our goals are more ambitious than already aggressive state mandates, we continue to implement a renewable energy strategy that fulfills state RPS requirements. Using existing and new RPS eligible renewable generation, SMUD is on-path to achieving our RPS compliance obligation for the 2021 – 2024 compliance period and the next RPS statutory requirement of 44% RPS in 2024.

We continue to offer our customers voluntary renewable program choices. In 2022, SMUD delivered 838 GWh (7.9% of retail sales) to customers participating in Greenergy and SolarShares. Our Greenergy program served 66,877 residential and commercial accounts equal to 520 GWh. Our Large Commercial SolarShares program delivered 318 GWh of renewable power to participants. Our residential SolarShares program continues to grow, serving 489 participants, equal to 678 MWh. The program was accepted by the CEC as a community solar compliance alternative to meet the requirements of the 2022 California Title-24 Energy Code.

New Technology and Business Models

To eliminate the last 10% of our emissions by 2030 as part of our 2030 Zero Carbon Plan, we need to explore, develop, and demonstrate new and emerging clean technologies. We are currently on track with our implementation priorities in this area. Highlights of work completed in 2022 are listed below with additional achievements provided in Appendix C.

- Performed information technology system upgrades to enable DERs and VPPs. This work is ongoing with anticipated initial implementation to be completed in 2023.
- Integrated DERs into operations, distribution, and the grid planning process based on our experience with our new load flexibility pilots.
- Launched new load flexibility pilot programs, including the smart thermostat virtual power plant program, and expanded our EV managed charging and vehicle-to-grid demonstrations.
- Conducted a market survey of long duration energy storage (LDES) technologies that can store energy for 10 hours or longer and are expected to be more cost competitive than lithium ion in the future. LDES is expected to play a critical role in balancing extended gaps in renewable energy supply and customer energy demand.
- Planned a pilot deployment of an LDES iron flow battery at the Hedge Power Academy.
- Investigated opportunities and began preparations for hydrogen and carbon capture grant applications.

Improving Equity for Under-Resourced Communities

Implementation of our 2030 Zero Carbon Plan will deliver wide-reaching benefits to our community, including expanded workforce development, while focusing on equity in our communities. In alignment with the plan, SMUD launched the Community Impact Plan, a stakeholder-informed strategy, which underlines our commitment to making meaningful investments in under-resourced communities to ensure their participation in a clean energy future. The three-year plan will increase energy equity outcomes on SMUD's road to zero carbon. These community-driven outcomes are focused on three areas: affordability, equitable access, and community engagement and education. Programs include capacity building for nonprofit organizations, neighborhood electrification for residential and commercial customers, and regional workforce development programs.

Our 2022 Community Impact Plan accomplishments included:

- The launch of the Residential Neighborhood Electrification Pilot program, installing 114 energy efficiency and electrification measures for 24 income-qualified customers in the Gardenland neighborhood.
- The launch of the Commercial Business District Electrification program and partnership with the Sacramento Hispanic Chamber of Commerce to increase awareness and adoption of clean energy technologies in Gardenland.

- The expanded partnerships of 14 Property Business Improvement Districts to increase our ability to support inclusive economic development efforts in our region.

Additionally, through a collaborative and community-based approach, SMUD identified emerging zero carbon energy and electrification related jobs and skills, and partnered with community organizations and education entities to create training programs that position participants from under-resourced communities to fill the projected need for workers in the clean energy industry and other emerging high wage careers. Workforce development activities in 2022 included:

- SMUD launched Powering Careers, a collaborative pilot effort between People Services & Strategies, Energy Delivery & Operations, and Sustainable Communities. Powering Careers provided under-resourced and under-represented communities with clear career pathways and direct access to clean energy careers at SMUD. Powering Careers partnered with Greater Sacramento Urban League to recruit participants from surrounding neighborhoods to participate in a success prep course, designed to provide 15 hours of workforce readiness training. Participants selected to move on participated in hands-on task-based assessments and one-on-one interviews. 20 participants were selected to participate in SMUD's 6-week hands-on and classroom-based training, where they received 240 hours of instruction & training. Six participants were selected through a competitive interview process for limited-term utility assistant positions at SMUD.
- Through our partnership with Grid Alternatives, 75 people received solar and electrification training, with over 25 participants being placed into jobs by the end of 2022. Expanding on this successful model, SMUD entered into agreements for future trainings with Northern California Construction Training, Inc. and Cosumnes River College to deliver an Electrician Pre-Apprenticeship and Construction Electrification course respectively.
- In total, through our regional workforce partnerships, SMUD provided education and training to over 3,000 people in a variety of skills and helped 446 individuals find higher paying, more secure jobs.

Energy Efficiency and Building and Vehicle Electrification

Our building energy efficiency portfolio includes rebates and retailer incentives for residential and commercial customers. The building electrification portfolio includes offerings for gas-to-electric conversions of water heating equipment, space heating equipment, and cooktops delivered through residential and commercial new construction and retrofit programs. In 2022, our energy efficiency and building electrification programs collectively reduced GHG emissions by 66,649 MT,³ equivalent to 10,097 all-electric homes. Our goal is to have these building electrification and energy efficiency programs reduce GHG emissions by 365,000 MT in 2030, the equivalent of electrifying 112,000 single family homes.

SMUD's vehicle electrification portfolio includes residential EV charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. At the end of 2022, we had 32,396 EVs registered within SMUD's service territory, an increase of 8,820 registered vehicles from the previous year⁴ and an estimated annual GHG reduction of about 97,133 MT.⁵ Our goal is to have these vehicle electrification programs reduce transportation GHG emissions by 1 MMt in 2030, the equivalent of electrifying 288,000 vehicles.

³ The DER Cost Effectiveness Tool evaluates and accounts for DER program effectiveness, calculating gross annual emissions impact. It is reported in each year the "measure" is installed on the grid and within its useful life.

⁴ EPRI Vehicles in Operation report.

⁵ 1 EV is equivalent to 3 MT of GHG reduction.

B. Promote Cost Effective Clean Distributed Generation and Storage

SD-9 requires that SMUD develop programs to promote cost effective, clean distributed generation. The following describes progress in 2022 and alignment with our 2030 Zero Carbon Plan.

Flexible Demand

Our flexible demand programs seek to optimize operation of our customer-partner's equipment and distributed energy resources in a way that balances customer-partner and grid needs, and compensates customers for the energy they supply into SMUD's grid for use by other customers. In 2022, we awarded a contract for the My Energy Optimizer Partner+ program for battery storage (a storage virtual power plant program) with program implementation to begin in 2023. The My Energy Optimizer Partner level offering for smart thermostats enrolled over 12,500 devices and 10,250 customers, including 40 on the Critical Peak Pricing rate. Fifteen Peak Events were delivered throughout the 2022 summer season resulting in 10 MW load reduction capability. This resource was added to the summer 2023 Load Management Plan. With our PowerDirect® program, commercial customers were notified eleven times to curtail load, which produced an average load reduction of 5.24 MW to 12.72 MW across the duration of the events.⁶ As part of our load flexibility programs, we offer time-of-day rates, which give the majority of our customers more time on the lower priced non-summer seasonal rate.

Clean Distributed Generation and Storage

2022 saw expansion of customer-sited distributed generation and storage with installation of:

- 33.61 MW of residential customer-sited solar PV (7,009 systems).
- 7.21 MW of commercial customer-sited solar PV (270 systems).
- 3.26 MW of residential customer-sited energy storage projects (509 systems).
- 1.29 MW of commercial customer-sited energy storage projects (1 system).

At the end of 2022, we had over 47,000 total customer-sited PV installations totaling 323 MW in SMUD's service territory and over 1,000 total customer-sited storage installations totaling 8.70 MW.

4. Challenges

Notable challenges to meeting SD-9 goals in 2022 included an extended unplanned outage at Cosumnes Power Plant (CPP), lower than expected generation from several renewable resources, project delays, and extended drought conditions in the West leading to hydro generation losses. The outage at CPP occurred between June and December, following a planned maintenance event, and required a large amount of unplanned market purchases in 2022. This event, combined with the loss of 40% of planned hydro generation due to drought conditions, could have resulted in a measurable increase in GHG emissions in 2022. However, our energy traders reduced the impacts of these two events by focusing on procuring as much low-carbon and carbon free power as practical resulting in lower emissions totals compared to 2021. During the unplanned outage timeframe, approximately 25% of SMUD's market purchases were from low-carbon and carbon free resources which helped replace the lost generation from the CPP outage and from our hydro generation resources.

5. Recommendation

It is recommended that the Board accept the Monitoring Report for SD-9.

⁶ NERC WebDADs report "Realized Demand Reduction (MW)"

Appendix A – SD-9 History

SD-9 was established by SMUD’s Board in 2004 and provides direction for SMUD’s ongoing environmental leadership and the use of an IRP process to achieve these directives while balancing environmental goals with financial and customer rate impacts and reliability requirements. SMUD’s strategic directions have evolved as markets, policies and laws have changed.

In December 2008, the Board added sustainable power supply as the overall objective of the IRP process and set a GHG emissions target. In 2018 the Board updated our GHG reduction goals to include a 2040 Net Zero GHG goal. In 2020, the Board adopted carbon-based targets for energy efficiency and building electrification. This was the first time a major utility used carbon as its efficiency tracking metric, and aligned our evolving energy supply goals with our energy efficiency and electrification programs. In April 2021, the Board adopted Resolution No. 21-04-04 which updated the SD-9 to align with our goal of zero GHG emissions in our energy supply by 2030, as put forth in our 2030 Zero Carbon Plan. SMUD has embarked on a path to zero carbon by 2030, focusing on zero carbon resource acquisition and new renewable energy contracts, expanding on customer programs for energy efficiency and building and transportation electrification, developing new voluntary customer programs, and investigating emerging clean energy technology. Under SD-9, SMUD’s goal is more aggressive than California’s planned trajectory, which requires that utilities meet electric demand with at least 60% eligible renewable resources by 2030. SMUD’s goal is also more aggressive than California’s planned trajectory to achieve economywide carbon neutrality by 2045.

Appendix B – Methodology Discussion

Normalization Adjustments

Normalization adjustments to SMUD’s actual GHG emissions include a *decrease* to account for higher-than-expected energy usage by SMUD customers, a *decrease* to account for lower-than-expected hydro production, an *increase* to account for higher-than-expected wind production and a *decrease* for using banked renewable energy credits (RECs). In previous years, SMUD procured more renewable energy than required and received credits for future use. These credits were saved or banked in accordance with RPS rules, which *increased* our normalized SD-9 emissions in those years to account for these banked RECs. Using these banked RECs lowers SMUD’s normalized emissions because any emissions impacts were realized at an earlier date, but not yet credited to SMUD. SMUD used all remaining banked surplus RECs from previous years in 2022 and will no longer incorporate the REC Banking Adjustment in future SD9 reports.

Continued historic drought conditions well into 2022 reduced hydro generation by 40% from SMUD’s hydro resources. As a result, actual 2022 GHG emissions were higher than expected. Fortunately, while SMUD’s hydro generation was significantly reduced in 2022, we were able to procure short-term low-carbon and carbon free energy from the northwest where there were stronger hydro conditions. In fact, our short-term carbon free purchases from the NW nearly doubled from the previous year. While these short-term purchases are not guaranteed year-to-year, our energy traders actively look for these opportunities to reduce GHG emissions associated with market purchases.

Renewables Portfolio Standard (RPS)

State RPS law requires that SMUD procure renewable generation for at least 60% of retail sales by 2030 as well as achieve interim targets over several compliance periods.⁷ 2022 was a challenging year with the loss of almost 500,000 MWh of expected renewable generation due to project delays, transmission outages, and partial project outages at several of our renewable projects. The State

⁷ Senate Bill 100 (De León, Chapter 312, Statutes of 2018) increased RPS targets to 44% by the end of 2024, 52% by the end of 2027, 60% by the end of 2030 and set a statewide planning goal to meet 100% of retail electricity sales with RPS eligible and zero-carbon resources by 2045.

determines compliance with RPS obligations by compliance period rather than individual year in acknowledgment of the “lumpiness” of new resource additions and to provide some flexibility. We are on track to meet the RPS targets for compliance period 4 (2021 – 2024).

Appendix C – Detailed Project Descriptions

Sustainable Communities & Income-Eligible Programs

Implementation of our 2030 Zero Carbon Plan will deliver wide-reaching benefits to our community while focusing on equity and strengthening our communities.

- **Transportation Electrification**. SMUD is partnering with the community to implement eMobility Hubs throughout our region, which will be strategically located at sites in under-resourced communities. These hubs will include various modes of transportation such as public transit, micro mobility, shared mobility, ride hail, taxi services, community electric vehicles, public EV charging stations, etc. Additionally, EV programs are expanding to provide low cost or free EV charging infrastructure for income eligible customers and expertise on home charging solutions. In 2022, we installed 221 EV circuits to prepare households for the future and additionally installed 135 EVSE for those that participated in the Clean Cars 4 All program. We also offered incentives to expand EV charging infrastructure at public locations, multifamily properties, and affordable housing sites. Additionally, two EV ride & drives were facilitated in under-resourced communities in 2022 to educate those communities on the benefits of EVs, incentives available, and charging programs.
- **Load Flexibility**. SMUD worked to ensure that all customers can participate in the portfolio of load flexibility pilots launched in 2022. These pilots will help achieve our 2030 zero carbon goal, yet they can sometimes require costly technologies, such as a smart thermostat, electric vehicle, or battery storage system to participate. SMUD continued to explore ways in which our load flexibility pilots can be more inclusive despite this barrier. Possible examples include integrating load flexibility program enrollment into our existing low-income weatherization program, which already provides a no-cost smart thermostat in most cases and/or creating a no-cost technology installation pathway for low-income homeowners or renters to participate in our virtual power plant program with their heating/cooling system.
- **Building Electrification and Energy Efficiency**. To support SMUD’s equity efforts as part of the 2030 Zero Carbon Plan, SMUD is continuing expansion of its existing efforts to provide no-cost energy retrofit installations to income eligible residential customers for both gas-to-electric conversions and electric-to-electric upgrades. Available project measures include electric heat pump water heaters, electric heat pump HVAC units, seal-and-insulate projects, and panel upgrades. In addition, SMUD continues to provide a low-income incentive for projects within SMUD’s multifamily retrofit program that meet affordable housing criteria. In 2022, SMUD installed 688 building electrification measures for income-eligible households and provided solar for 11 households. We connected with nearly 2,400 households to provide energy efficiency measures and education (details of these measures are provided in Table 3).
- **Workforce Development**: Through our Sustainable Communities Workforce Development efforts, we partnered with organizations to reach into our community to understand the challenges that residents face in pursuing well-paying careers. At the same time, we renewed our focus on the jobs and skills that will help our community get to zero carbon. As part of that effort, SMUD completed the second year of our Energy Careers Pathways training partnership with Grid Alternatives. The solar workforce program recruited individuals from under-resourced communities and provided them four weeks of paid instruction. Upon graduation, participants were matched with potential employers to demonstrate what they have learned by showcasing conduit bending, wired J-boxes, and more. Students also learned about the installation and importance of battery storage and EV charging infrastructure.

- **Data Tools:** To deploy comprehensive resources for our communities most in need, we continue to align our region’s investments toward the goal of creating and supporting healthy, vibrant, and economically sustainable neighborhoods. We have developed several data collection and visualization tools aimed at matching areas of inequity within the Sacramento region with future investment; we’re working to address potential inequities in the way we do business. These include our Sustainable Communities Resource Priorities Map, which was updated in 2022 to include the Justice 40 Climate and Justice Economic Screening Tool, an update to the CalEnviroScreen 4.0 data, digital inclusion data, and English ability and linguistics isolation information. Additionally, our Sustainable Communities dashboard tracks funding and links partners and projects across six key focus areas – Institutional Support and Outreach, Education, Health Equity, Environmental Leadership, Economic Development, and Transportation and Access. These metrics, coupled with expanded access to an equitable workforce pipeline and business creation, will serve to validate investments across focus areas.

Proven Clean Technology Projects

Table 2 details new proven clean technology procurement activities. Beyond the projects listed below, in the near-term, we are exploring options to procure or develop additional zero emission resources, including local solar and storage, to help achieve our 2030 Zero Carbon Plan.

Table 2: New Procurement and Project Development Status

| Project Name | Type | Projected Online Year | Status | Size (MW) | Equivalent Homes Powered | Emissions Avoided (MT CO ₂ /year) |
|-------------------|-----------------------|-----------------------|-------------------|--------------|--------------------------|--|
| Hedge Battery | Battery | 2022 | Online | 4 | 800 (peak) | NA |
| NTUA Drew Solar | Solar PV | 2022 | Online | 100 | 33,100 | 117,579 |
| Calpine Geysers | Geothermal | 2023 | Online | 100 | 97,300 | 322,850 |
| ESS Battery Pilot | Long-duration Storage | 2024 | Construction | 4 | 800 (peak) | NA |
| Solano 4 | Wind | 2024 | Construction | 85.5 | 28,000 | 118,147 |
| Coyote Creek | Solar PV | 2026 | Under Development | 200 | 58,500 | 193,870 |
| | Battery | | | 100 | 20,000 (peak) | NA |
| Slough House | Solar PV | 2025 | Under Development | 50 | 14,600 | 48,369 |
| Country Acres | Solar PV | 2026 | Under Development | 344 | 100,400 | 248,352 |
| | Battery | | | 172 | 34,400 (peak) | NA |
| Total | Generation | | | 879.5 | 387,900 | 1,049,167 |
| | Storage | | | 280 | | |

Energy Efficiency and Building Electrification Programs

Table 3 provides a summary of some of our 2022 energy efficiency and building electrification accomplishments, including offerings for our income eligible customers.

Table 3: Energy Efficiency and Building Electrification Accomplishments

| Measures & Projects | Install Count |
|--|---------------|
| Commercial Retrofit Projects Completed | 312 |
| New Efficient Commercial Buildings Constructed | 14 |
| Multifamily Units Retrofitted | 954 |
| Efficient Induction Cooktops (Electric to Electric) | 129 |
| Efficient Induction Cooktops (Gas to Electric) | 257 |
| Residential Heat Pump Water Heaters Installed (Electric to Electric) | 65 |
| Residential Heat Pump Water Heaters Installed (Gas to Electric) | 897 |
| Residential HVAC Installations (Electric to Electric) | 280 |
| Residential HVAC Installations (Gas to Electric) | 2,108 |
| Residential Seal and Insulate Installations | 463 |
| All Electric New Homes and Multifamily units Constructed | 1,299 |
| Income Eligible Energy Efficiency Bundles and Electrification | Install Count |
| Energy Efficiency Weatherization | 2,386 |
| Heat Pump Space Heating (Gas to Electric) | 274 |
| Heat Pump Water Heaters (Gas to Electric) | 182 |
| Induction Stoves (Gas to Electric) | 34 |
| Induction Hot Plates for Renters | 198 |

Vehicle Electrification

In 2022, SMUD expanded our transportation electrification programs to accommodate the adoption of electric vehicles in our service territory. The residential Drive Electric program continued to promote the adoption of plug-in electric vehicles through a variety of program offerings, including the residential EV discount rate, SMUD Charge@Home rebates, participation in Ride & Drive educational events, and our engagement and training of local auto dealers. Below are some metrics related to the residential Drive Electric program:

- In 2022, approximately 62% of residential EV households, equivalent to 17,229 customers, participated in the EV rate credit (midnight to 6 AM EV charging discount).⁸
- Six EV Ride & Drive events were held throughout SMUD’s territory and as COVID concerns began to ease we hosted 841 in-car experiences in addition to over 17,000 views of the SMUD EV ride & drive video.
- We provided residential customers with incentives for 941 EV chargers, installations/circuits, or both.

⁸ SAP Installation Fact 5090 Rates report, and EPRI Vehicles In Operation report

- SMUD's contribution to the statewide California Clean Fuel Reward program provided SMUD customers 4,804 point of sale rebates on the purchase or lease of a new EV at participating dealers.
- SMUD continued to fund local dealer certification as PlugStar certified dealers. Twenty-three dealers are participating in the program, 75 dealer staff were trained. SMUD additionally implemented our third EV auto dealership competition to encourage and incentivize EV sales and reward dealerships and their staff for increased EV promotion.
- SMUD provided customers expert advice and support with the EV Support Program service for SMUD customers through Plug in America's Electric Vehicle Support Program, which offers live one-on-one support answering questions on all things EV.
- SMUD continued integral support of the Clean Cars for All program in conjunction with SMAQMD. This program provides up to \$9,500 toward a new or used PHEV for income-qualified residents living in areas impacted by higher levels of pollution (disadvantaged communities). Through this partnership, SMUD has provided a free installation of a home EV Charger for customers that participated in Clean Cars for All; we installed 135 in 2022.
- Ensuring no community is left behind, SMUD also installed 221 EV circuits for income eligible customers to prepare the home for the addition of an EV and a charger.

The Commercial EV Program expanded its commercial customer offerings by launching a new eFuel Services offering which included an eFuel Advisor service. eFuel Advisor helps commercial fleet customers build a fleet electrification plan, including site analysis, charger recommendations, and cost estimates. In 2022, 5 advisor reports were completed for local customers. Below are some additional metrics related to serving commercial customers:

- Total commercial EV Program incentives in 2022 included the installation of 349 EV chargers encompassing level II and DC fast chargers, 45 forklifts, and 35 medium/heavy duty vehicles.
- SMUD partnered with the California Energy Commission and the Center for Sustainable Energy on the California Electric Vehicle Infrastructure Project (CALeVIP) in Sacramento County to promote the installation of public level II and DC fast charging stations. The program stopped taking applications for new projects in October 2021, but installations continued into 2022 and 2023. The partnership was the first of its kind in the state and is being used as a model for projects in other areas of California.

Time-of-Day (TOD) Rates

Our residential customers reduced overall load in the range of 86-126 MW. In addition to avoiding peak energy prices, customers, on average, saved money using more energy in the middle of the day when retail energy prices are cheaper, and renewables are abundant. Participation in the program has remained strong with 97% of customers on TOD rates.

Table 4: TOD Implementation

| Benefit Metric | Original Pilot Projections | 2022 Results |
|-----------------------------------|-----------------------------------|--------------------------------|
| Carbon reduction (metric tons) | 3,000-5,000 | 12,790 |
| Residential peak load reduction | 75 MW, or 5.8% | ~86–126MW, or 4-6.3% |
| Financial benefit | \$4M annually | \$15.9M estimated ⁹ |
| Percent of customers on TOD rates | 96% | 97% |

Zero Emission Resources

We are continuing to fund research and development efforts as well as pursue grants for clean energy and GHG reduction projects in 2022 and beyond as part of our 2030 Zero Carbon Plan. Below are just a few of the projects that we explored in 2022; more information on our research and development work can be found in our annual Strategic Direction 10 (SD-10) Report.

- Carbon Capture and Storage (CCS). Continued to explore CCS technologies such as investigating new grant and partnership opportunities and participating in the EPRI supplemental project researching the Allam Fetsvedt Cycle, a novel approach to carbon capture, which burns fossil fuels with oxygen instead of air to generate electricity without emitting CO₂ or NO_x.
- Wind Resources in Northern CA. Assessed available wind generation resource potentials in Northern California that may feasibly be delivered to SMUD or the Balancing Authority of Northern California.
- Low-carbon Fuel Standard (LCFS) Electricity Pathways. For Van Warmerdam, New Hope and Van Steyn Dairy Digesters, carbon intensities and annual reports were submitted to CARB. The dairy digesters produce low-carbon electricity. To certify that these resources are low-carbon, SMUD tracks each digester’s carbon intensity and submits this data to the CARB LCFS program on an annual basis.

Grant Funded Clean Energy Projects

- Hydrogen Blend Collaborative Research. Completed the literature review and techno-economic analysis requirements for pipeline hydrogen blending collaborative research. This project will address the barriers on pipeline materials compatibility & degradation related to the blending of hydrogen into natural gas pipelines, a concept referred to as HyBlend. SMUD will provide data and will serve as one of the sites or use cases for injection of H₂. Resulting data will be used for techno-economic analysis to quantify costs and opportunities of H₂ production and blending with natural gas.
- Thermochemical Conversion of Biomass to Hydrogen. This project received a \$500k award from the Department of Conservation Forest Biomass to Carbon-Negative Biofuels Pilot Program in December 2022. The project concept is to use waste biomass from clearing the UARP transmission corridor for thermochemical conversion to hydrogen. This award will focus on site selection, pre-construction project validation and engineering, and begin Front-End Engineering Design for a potential project. This scope is expected to be completed during 2023.
- BestFit Innovative Charging Solutions. SMUD has been working with Ford Pro (who acquired Electriphi, the project lead applicant), in collaboration with other key partners to demonstrate a

⁹ This calculation uses customer load adjusted for impacts of COVID 19.

cost-efficient and grid-friendly pathway for fleet electrification across diverse vehicle types. This project will accelerate V2G, offsetting what would otherwise be a cost to SMUD.

- Blueprint for Medium & Heavy-Duty Zero-Emission Vehicle Infrastructure. This is a grant-funded project by the CEC to create a landmark regional blueprint plan to accelerate adoption of medium and heavy-duty zero emission vehicles in Sacramento and West Sacramento. The plan identified locations for charging and hydrogen refueling stations that optimize existing grid capabilities, reducing implementation and operational costs while accommodating the needs of local communities. The project also assessed workforce development needs to implement the plan's various elements and to ensure broad economic opportunity in the growing EV sector.
- ChargeReady Community Project. In early 2022, SMUD was awarded the CEC's Reliable, Equitable, and Accessible Charging for Multi-family Housing grant (GFO-21-603) to deploy charging infrastructure in multi-family housing units in underserved communities. The main goal of the project is to develop a technical and business model to inform future deployments and disseminate knowledge in the industry. Project partners include Mutual Housing and the SMAQMD. The project team will deploy at least 108 level II charging handles at up to 10 locations in Sacramento, utilizing SMUD's eFuel program for design and construction.

Climate Change and Ecosystem Service Research Projects Undertaken in 2022

These projects provide technical, economic, and policy expertise on climate change and biodiversity, assisting operations in identifying and addressing climate vulnerabilities, and creating opportunities for SMUD customers and community partners to support climate neutrality and ecologically regenerative projects with a net positive impact. In 2022, SMUD achieved the following:

- Continued executing our multi-year ecosystem service integration research at SMUD's Rancho Seco II Solar project, including soil carbon monitoring, native seeding and hedgerows, and pollinator field studies. Partners include Electric Power Research Institute (EPRI), UC Davis Wild Energy Lab and the Xerces Society. This research will continue until Fall 2025.
- Formalized a proposal for an Agrivoltaic research project at SMUD's proposed Country Acres solar facility with partner UC Davis. This effort will examine the costs and benefits of the integration of crops and solar electricity production.
- Concluded the American Public Power Association Demonstration of Energy and Efficiency Development grant-funded field assessment of two grocery store installations funded by our award-winning Natural Refrigerant Incentive Program. The CO₂ transcritical system delivered significant direct and indirect CO₂e reduction relative to conventional systems.

Voluntary Renewable Energy Programs

Greenery and SolarShares are voluntary renewable energy programs that give customers the option to receive renewable electricity generated in and delivered to California by paying a fixed monthly rate. Our Greenery options currently available are as follows: Basic Greenery, \$3/month for 200kWhs; California Renewable Greenery, \$10/month to receive 100% California generation; and Local Renewable Greenery, \$18/month to receive 100% local Sacramento Region generation. When a customer enrolls in Greenery, their usage is tracked according to their enrollment level. SMUD uses the proceeds from this program to invest in renewable generators or purchase renewable energy credits to supply participants from generators located within California. In addition to these products, a customer may also purchase renewables for their neighbors or invest in carbon reducing programs through our Greenery Neighbor, and Greenery Climate Advocate programs. All Greenery renewable purchases are in addition to our RPS requirements. Our Neighborhood SolarShares option is available to builders of new low-rise residential dwellings to achieve the solar mandate from California's Title 24 Energy Code.

Customer-side Solar and Storage Status

In 2022 completed residential and commercial solar and storage projects accounted for over 45 MW of operational distributed generation. Projects approved for installation prior to March 1, 2022, were installed under net-energy metering compensation. Projects approved on or after March 1, 2022 are given the new Solar and Storage rate compensation. Table 5 summarizes customer solar installations data through 2022 and Table 6 summarizes customer storage installations through 2022.

Table 5: Installed Customer Solar PV¹⁰

| | Residential | | Commercial | | Totals | |
|---------------|-------------------|--------|-------------------|--------|-------------------|--------|
| | Installed Systems | MW | Installed Systems | MW | Installed Systems | MW |
| 2022 | 7,009 | 33.61 | 270 | 7.21 | 7,279 | 40.82 |
| Totals | 46,097 | 207.83 | 1,158 | 115.59 | 47,255 | 323.42 |

Table 6: Installed Customer Storage

| | Residential | | Commercial | | Totals | |
|---------------|-------------------|------|-------------------|------|-------------------|------|
| | Installed Systems | MW | Installed Systems | MW | Installed Systems | MW |
| 2022 | 509 | 3.26 | 1 | 1.29 | 510 | 4.55 |
| Totals | 1,091 | 7.08 | 7 | 1.62 | 1,098 | 8.70 |

¹⁰ This table includes net-energy metering (NEM), Solar Smart, virtual net-energy metering (VNEM), and Solar and Storage Rate installations.

SSS No. LEG 2023-0101

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

| |
|--|
| Committee Meeting & Date Finance & Audit – 11/14/23 |
| Board Meeting Date November 16, 2023 |
| |

| | | | | | | | |
|-------------------------|--|------------------------------------|--|-----------|------|-----------------|--|
| TO | | | | TO | | | |
| 1. | Ellias van Ekelenburg | 6. | Jose Bodipo-Memba | | | | |
| 2. | Bryan Swann | 7. | | | | | |
| 3. | Jennifer Davidson | 8. | | | | | |
| 4. | Lora Anguay | 9. | Legal | | | | |
| 5. | Scott Martin | 10. | CEO & General Manager | | | | |
| Consent Calendar | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <i>If no, schedule a dry run presentation.</i> | | | Budgeted | <input checked="" type="checkbox"/> Yes |
| FROM (IPR) | | DEPARTMENT | | MAIL STOP | EXT. | DATE SENT | |
| Laura Lewis | | Executive Office | | B308 | 6123 | 10/19/23 | |

NARRATIVE:

Requested Action: Approve proposed revisions to **Strategic Direction SD-9, Resource Planning**.

Summary: The Board conducted a review of Strategic Direction SD-9, Resource Planning (SD-9) facilitated by Board consultant, Eric Douglas, during its retreat on August 21, 2023, and identified proposed revisions that would ensure SMUD minimizes its environmental impacts on “cultural resources.” Because the term “cultural resources” has not been used in environmental contexts to include Tribal cultural resources, the Policy Committee proposed broadening the language to “Tribal and other cultural impacts.” Staff recommends amending SD-9 to incorporate that phrase into SD-9 to both protect Tribal and other cultural resources, and also maximize inclusion.

Board Policy: Governance Process GP-1, Purpose of Board – Subsection a) Identify and define the purpose, values, and vision of SMUD...and communicate them in the form of policy.
(Number & Title)

Benefits: Enables Board Members to review the policy with the opportunity to make corrections, additions, or changes if necessary.

Cost/Budgeted: N/A

Alternatives: Maintain the existing policy.

Affected Parties: Board of Directors, SMUD, Community

Coordination: Board Office, Executive Office, Legal

Presenter: President Sanborn

Additional Links:

| | |
|---|-------------------------------|
| SUBJECT Proposed Revisions to Strategic Direction SD-9, Resource Planning | ITEM NO. (FOR LEGAL USE ONLY) |
|---|-------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY

Category: Strategic Direction
Policy No.: SD-9
Title: Resource Planning

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD’s greenhouse gas (GHG) emissions to serve retail customer load to Zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, including Tribal and other cultural impacts, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

| Year | Greenhouse Gas Emissions (metric tons) |
|---------------|---|
| 2020 | 2,318,000 |
| 2030 - beyond | 0 |

In keeping with this policy, SMUD shall also achieve the following:

- a) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- b) Procure renewable resources to meet or exceed the state’s mandate of 33% of SMUD’s retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- c) In meeting GHG reduction goals, SMUD shall:
 - i) Emphasize local and regional benefits.
 - ii) Improve equity for under-served communities.

- d) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- e) Promote cost effective, clean distributed generation through SMUD programs.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

| | | |
|--------------------------|--------------------------------|---|
| May 6, 2004 | Resolution No. 04-05-11 | Date of Adoption. |
| May 6, 2004 | Resolution No. 04-05-12 | Date of Revision. |
| September 15, 2004 | Resolution No. 04-09-11 | Date of Revision. |
| May 17, 2007 | Resolution No. 07-05-10 | Date of Revision. |
| December 18, 2008 | Resolution No. 08-12-15 | Date of Revision. |
| December 19, 2009 | Resolution No. 09-11-08 | Date of Revision. |
| May 6, 2010 | Resolution No. 10-05-03 | Date of Revision. |
| May 19, 2011 | Resolution No. 11-05-05 | Date of Revision. |
| December 20, 2012 | Resolution No. 12-12-12 | Date of Revision. |
| October 3, 2013 | Resolution No. 13-10-09 | Date of Revision. |
| September 17, 2015 | Resolution No. 15-09-11 | Date of Revision. |
| October 20, 2016 | Resolution No. 16-10-14 | Date of Revision. |
| October 18, 2018 | Resolution No. 18-10-11 | Date of Revision. |
| January 16, 2020 | Resolution No. 20-01-06 | Date of Revision. |
| April 15, 2021 | Resolution No. 21-04-04 | Date of Revision. |
| September 21, 2023 | Resolution No. 23-09-02 | Date of Revision. [Current Policy] |
| <u>November 16, 2023</u> | <u>Resolution No. 23-11-##</u> | <u>Date of Revision. [Current Policy]</u> |

SMUD BOARD POLICY

Category: Strategic Direction
Policy No.: SD-9
Title: Resource Planning

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD's greenhouse gas (GHG) emissions to serve retail customer load to Zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, including Tribal and other cultural impacts, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

| Year | Greenhouse Gas Emissions (metric tons) |
|---------------|---|
| 2020 | 2,318,000 |
| 2030 - beyond | 0 |

In keeping with this policy, SMUD shall also achieve the following:

- a) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- b) Procure renewable resources to meet or exceed the state's mandate of 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- c) In meeting GHG reduction goals, SMUD shall:
 - i) Emphasize local and regional benefits.
 - ii) Improve equity for under-served communities.

- d) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- e) Promote cost effective, clean distributed generation through SMUD programs.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

| | | |
|--------------------|-------------------------|------------------------------------|
| May 6, 2004 | Resolution No. 04-05-11 | Date of Adoption. |
| May 6, 2004 | Resolution No. 04-05-12 | Date of Revision. |
| September 15, 2004 | Resolution No. 04-09-11 | Date of Revision. |
| May 17, 2007 | Resolution No. 07-05-10 | Date of Revision. |
| December 18, 2008 | Resolution No. 08-12-15 | Date of Revision. |
| December 19, 2009 | Resolution No. 09-11-08 | Date of Revision. |
| May 6, 2010 | Resolution No. 10-05-03 | Date of Revision. |
| May 19, 2011 | Resolution No. 11-05-05 | Date of Revision. |
| December 20, 2012 | Resolution No. 12-12-12 | Date of Revision. |
| October 3, 2013 | Resolution No. 13-10-09 | Date of Revision. |
| September 17, 2015 | Resolution No. 15-09-11 | Date of Revision. |
| October 20, 2016 | Resolution No. 16-10-14 | Date of Revision. |
| October 18, 2018 | Resolution No. 18-10-11 | Date of Revision. |
| January 16, 2020 | Resolution No. 20-01-06 | Date of Revision. |
| April 15, 2021 | Resolution No. 21-04-04 | Date of Revision. |
| September 21, 2023 | Resolution No. 23-09-02 | Date of Revision. |
| November 16, 2023 | Resolution No. 23-11-## | Date of Revision. [Current Policy] |

SSS No. LEG 2023-0123

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

| |
|--|
| Committee Meeting & Date Finance & Audit – 11/14/23 |
| Board Meeting Date November 16, 2023 |
| |

| | | | | | | | |
|---------------------------|--|------------------------------------|--|-------------------|-------------------------------------|---|---|
| TO | | | | TO | | | |
| 1. | Ellias van Ekelenburg | 6. | Scott Martin | | | | |
| 2. | Bryan Swann | 7. | Jose Bodipo-Memba | | | | |
| 3. | Frankie McDermott | 8. | | | | | |
| 4. | Jennifer Davidson | 9. | Legal | | | | |
| 5. | Lora Anguay | 10. | CEO & General Manager | | | | |
| Consent Calendar | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <i>If no, schedule a dry run presentation.</i> | Budgeted | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <i>(If no, explain in Cost/Budgeted section.)</i> |
| FROM (IPR) Laura Lewis | | DEPARTMENT Executive Office | | MAIL STOP B308 | EXT. 6123 | DATE SENT 10/19/23 | |

NARRATIVE:

Requested Action: Approve proposed revisions to **Strategic Direction SD-7, Environmental Leadership.**

Summary: The Board conducted a review of Strategic Direction SD-7, Environmental Leadership (SD-7) facilitated by Board consultant, Eric Douglas, during its retreat on August 21, 2023, and identified proposed revisions that would ensure SMUD minimizes its environmental impacts on “cultural resources.” Because the term “cultural resources” has not been used in environmental contexts to include Tribal cultural resources, the Policy Committee proposed broadening the language to “Tribal and other cultural impacts.” Staff recommends amending SD-7 to incorporate that phrase into SD-7 to both protect Tribal and other cultural resources but also to maximize inclusion.

Board Policy: Governance Process GP-1, Purpose of Board – Subsection a) Identify and define the purpose, values, and vision of SMUD...and communicate them in the form of policy.
(Number & Title)

Benefits: Enables Board Members to review the policy with the opportunity to make corrections, additions, or changes if necessary.

Cost/Budgeted: N/A

Alternatives: Maintain the existing policy.

Affected Parties: Board of Directors, SMUD, Community

Coordination: Board Office, Executive Office, Legal

Presenter: President Sanborn

Additional Links:

| | |
|--|-------------------------------|
| SUBJECT Proposed Revisions to Strategic Direction SD-7, Environmental Leadership | ITEM NO. (FOR LEGAL USE ONLY) |
|--|-------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY

Category: Strategic Direction
Policy No.: SD-7
Title: Environmental Leadership

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a) Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, and promoting equity within SMUD’s diverse communities.
- b) Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c) Promote the efficient use of energy by our customers.
- d) Advance the electrification of vehicles, buildings and equipment.
- e) Attract and build partnerships with customers, communities, policy makers, the private sector and other stakeholders.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

| | | |
|--------------------|-------------------------|------------------------------------|
| August 21, 2003 | Resolution No. 03-08-13 | Date of Adoption. |
| October 16, 2003 | Resolution No. 03-10-14 | Date of Revision. |
| July 21, 2005 | Resolution No. 05-07-10 | Date of Revision. |
| December 18, 2008 | Resolution No. 08-12-14 | Date of Revision. |
| April 15, 2021 | Resolution No. 21-04-04 | Date of Revision. |
| September 21, 2023 | Resolution No. 23-09-02 | Date of Revision. |
| November 16, 2023 | Resolution No. 23-11-## | Date of Revision. [Current Policy] |

SMUD BOARD POLICY

Category: Strategic Direction
Policy No.: SD-7
Title: Environmental Leadership

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a) Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, and promoting equity within SMUD's diverse communities.
- b) Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c) Promote the efficient use of energy by our customers.
- d) Advance the electrification of vehicles, buildings and equipment.
- e) Attract and build partnerships with customers, communities, policy makers, the private sector and other stakeholders.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

| | | |
|--------------------|-------------------------|------------------------------------|
| August 21, 2003 | Resolution No. 03-08-13 | Date of Adoption. |
| October 16, 2003 | Resolution No. 03-10-14 | Date of Revision. |
| July 21, 2005 | Resolution No. 05-07-10 | Date of Revision. |
| December 18, 2008 | Resolution No. 08-12-14 | Date of Revision. |
| April 15, 2021 | Resolution No. 21-04-04 | Date of Revision. |
| September 21, 2023 | Resolution No. 23-09-02 | Date of Revision. |
| November 16, 2023 | Resolution No. 23-11-## | Date of Revision. [Current Policy] |

SSS No. CFO 23-014

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit
November 14, 2023
Board Meeting Date
N/A

| TO | | TO | |
|----|-------------------|-----|----------------------------------|
| 1. | Jennifer Davidson | 6. | |
| 2. | Jose Bodipo-Memba | 7. | |
| 3. | Lora Anguay | 8. | |
| 4. | Scott Martin | 9. | Legal |
| 5. | | 10. | CEO & General Manager |

| Consent Calendar | Yes | No <i>If no, schedule a dry run presentation.</i> | Budgeted | Yes | No <i>(If no, explain in Cost/Budgeted section.)</i> |
|--------------------------------|-----|---|---|-----|--|
| FROM (IPR) Jennifer Restivo | | | DEPARTMENT Planning & Enterprise Performance | | MAIL STOP B356 EXT. 5193 DATE SENT 10/31/23 |

NARRATIVE:

Requested Action: 2024 Proposed SMUD Budget presentation follow up questions.

Summary: Follow up questions from the Board of Directors regarding the 2024 Proposed SMUD Budget presented on November 7th and 8th, 2023 at the Finance and Audit Committee meetings.

Board Policy: GP-3 – Board Job Description.
(Number & Title)

Benefits: Provide an opportunity to Board members to ask questions and receive additional information.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Board of Directors

Coordination: N/A

Presenter: Jennifer Restivo

Additional Links:

| | | |
|---------|---|--------------------------------------|
| SUBJECT | 2024 Proposed SMUD Budget Follow Up Questions | ITEM NO. <i>(FOR LEGAL USE ONLY)</i> |
|---------|---|--------------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
CFO 22-021

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

| |
|---|
| Committee Meeting & Date Finance & Audit, 2023 |
| Board Meeting Date N/A |
| |

| | | | | | | | |
|----------------------------|-------------------|--------------------------|--|-------------------|--------------|-------------------------|---|
| TO | | | | TO | | | |
| 1. | Jennifer Davidson | 6. | | | | | |
| 2. | Lora Anguay | 7. | | | | | |
| 3. | Scott Martin | 8. | | | | | |
| 4. | Jose Bodipo-Memba | 9. | Legal | | | | |
| 5. | | 10. | CEO & General Manager | | | | |
| Consent Calendar | Yes | No | <i>If no, schedule a dry run presentation.</i> | Budgeted | Yes | No | <i>(If no, explain in Cost/Budgeted section.)</i> |
| FROM (IPR) Lisa Limcaco | | DEPARTMENT Accounting | | MAIL STOP B352 | EXT. 7045 | DATE SENT 12/27/2022 | |

NARRATIVE:

Requested Action: Provide the Board with SMUD’s financial results for the year-to-date period and a summary of SMUD’s current Power Supply Costs.

Summary: Staff will present SMUD’s financial results for the year-to-date period and a summary of SMUD’s current Power Supply Costs to the Board of Directors.

Board Policy: GP-3, Board Job Description
(Number & Title)

Benefits: Provide Board members with information regarding SMUD’s financial position and SMUD’s current power supply costs.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Accounting and SMUD

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

| | |
|--|--------------------------------------|
| SUBJECT SMUD’s Financial Results & Power Supply Costs | ITEM NO. <i>(FOR LEGAL USE ONLY)</i> |
|--|--------------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM**

TO: Distribution

DATE: October 31, 2023
ACC 23-030

FROM: Kathy Ketchum / Lisa Limcaco

SUBJECT: SEPTEMBER 2023 FINANCIAL RESULTS AND OPERATIONS DATA

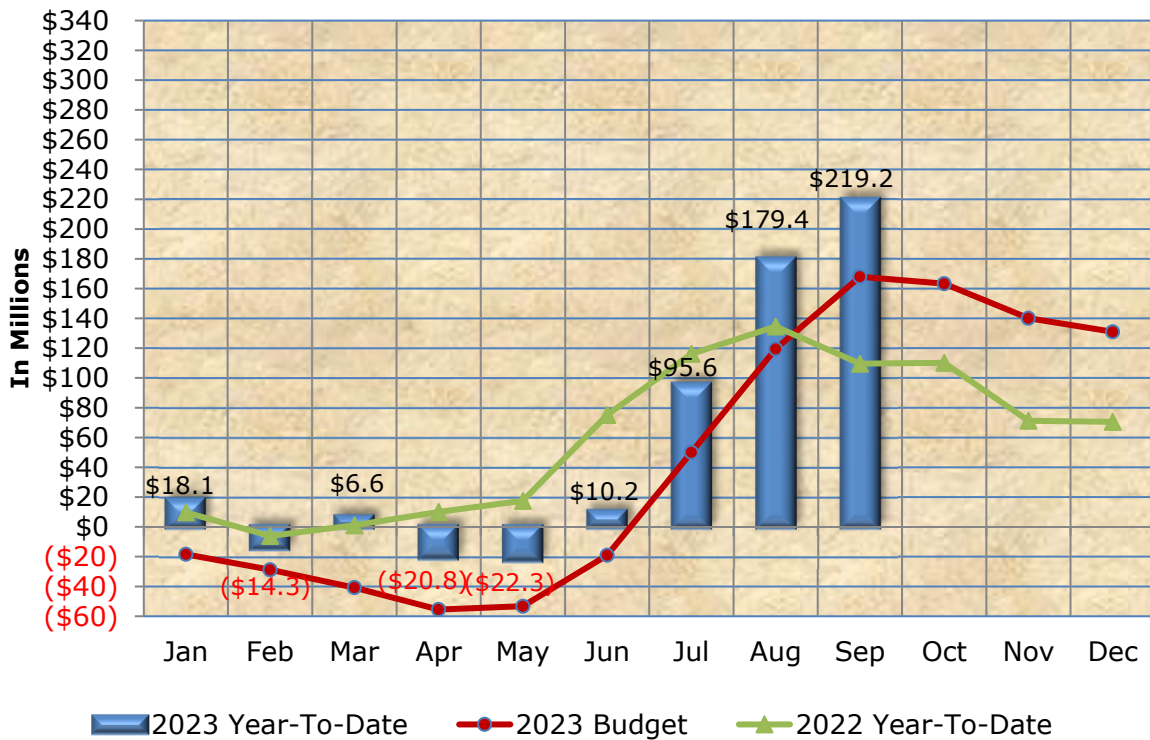
We are attaching the financial and operating reports for the nine months of 2023. They include sales and generation statistics and other selected data.

The change in net position is a increase of \$219.2 million compared to a budgeted increase of \$168.0 million, resulting in a favorable variance of \$51.2 million.

We prepared these statements on the accrual basis of accounting, and they conform to generally accepted accounting principles. The bases for the budget amounts are:

- 1) Budgeted electric revenues are based on the Forecast of Revenues by the Pricing Department, adjusted for unbilled revenues; and
- 2) Budgeted operating expenses reflect the 2023 Budget approved by the Board of Directors on December 8, 2022.

Change in Net Position Year To Date



**SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Nine Months Ended September 30, 2023**

Net Position

- The change in net position is an increase of \$219.2 million compared to a budgeted increase of \$168.0 million, resulting in a favorable variance of \$51.2 million.

Revenues

- Revenues from sales to customers were \$1,272.2 million, which was \$18.5 million lower than planned. The decrease is primarily due to:
 - Lower commercial customer revenue of \$24.6 million primarily due to lower customer usage.
 - Lower provision for uncollectible accounts of \$8.2 million.
- Revenues under the California Global Warming Solutions Act Assembly Bill – 32 (AB-32) were \$18.7 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$5.0 million due to LCFS credit sales.
- Other electric revenues were higher by \$11.1 million primarily due to higher Procter & Gamble Power Plant steam sales than planned.
- Non-cash revenues transferred to the rate stabilization fund were \$89.9 million, of which \$65.4 million was for the annual Hydro Generation Adjustment, \$19.4 million was for AB-32 and \$5.1 million was for LCFS. AB-32 and LCFS funds are deferred until SMUD has qualified program expenses (projects that reduce carbon emissions or electric vehicle programs) to recognize revenue.
- Non-cash revenues transferred from the rate stabilization fund were \$39.1 million, which is \$17.7 million higher than plan. The increase is primarily due to \$27.7 million of revenue recognized for AB-32, offset by lower revenue recognized for the Community Impact Plan of \$5.4 million and lower revenue recognized from LCFS electric vehicle programs expenses of \$4.6 million.

Commodities, Purchased Power, and Production

- SMUD's generation was higher by 329 GWh (6.1 percent); JPA and other generation was lower by 429 GWh (11.1 percent); and Hydro generation was higher by 758 GWh (50.2 percent).
- Purchased power expense of \$353.4 million, less surplus power sales of \$153.9 million, was \$199.5 million, which was \$18.5 million lower than planned. Load increased due to warmer July and August but is still down overall due to the loss of datacenter accounts and a cooler September. Hydro generation is still higher than planned due to higher precipitation levels earlier in the year and inflows from snow melt. In addition, surplus power is being sold and market purchases are being purchased at a lower price than plan due to abundant hydro generation driving market prices down.
- Production operations cost of \$248.0 million, less surplus gas sales of \$85.4 million, was \$162.6 million, which was \$14.2 million lower than planned.
 - Fuel costs of \$157.2 million less surplus gas sales of \$85.4 million, was \$71.8 million, which was \$10.3 million lower than planned. This is primarily due to lower usage and lower prices.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$905.3 million, which was \$9.4 million higher than planned. The power margin as a percentage of sales to customers was 71.2 percent, which was 1.7 percent higher than planned. This is due to lower sales to customers, lower thermal generation, and lower purchased power.

Other Operating Expenses

- All other operating expenses were \$716.5 million, which was \$8.7 million lower than planned.
 - Customer Service and Information expenses were down \$9.6 million primarily due to supply chain issues causing equipment delivery delays and, in turn, switch installation delays in the NextGen ACLM program and charger installation delays in transportation electrification. Additionally, the delay in the launch of the Partner+ program in Storage Virtual Power Plant and lower rebate activity in the transportation electrification programs are driving costs down.
 - Administrative & General expenses were down \$11.5 million primarily due to a difference in accounting and budgeting for the other postemployment benefits (OPEB) normal cost.
 - Public Good expenses were down \$10.0 million primarily due to project delays in building electrification and energy efficiency CIP program initiatives. Additionally, research and development project delays in

Electric Transportation, ChargeReady Community Grant, ESS battery storage and other projects being moved to 2024.

- Production maintenance expenses were \$4.7 million lower than planned primarily due to supply chain issues for planned major maintenance at the Procter & Gamble Power Plant and shifting of maintenance timelines for Cosumnes Power Plant.
- Transmission and distribution maintenance expenses were \$15.7 million higher than planned. This is primarily due to higher costs related to the storm response.
- Non-cash depreciation and amortization is higher by \$12.4 million primarily due to unplanned amortization of lease assets.

Non-operating Revenues and Expenses

- Other revenue, net, was \$60.7 million higher than planned primarily due to gain on sale of the Solano property of \$27.3 million, an insurance recovery payment of \$13.6 million related to Cosumnes Power Plant, and higher interest income.
- Interest charges were \$5.1 million lower than planned primarily due to budgeted interest expense continuing for bonds refunded in June and a new swap agreement that reduces interest expense.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended September 30, 2023
(thousands of dollars)

| | Actual | Budget | Over (Under) | Percent of Increase (Decrease) |
|--|------------------|------------------|-------------------|--------------------------------------|
| OPERATING REVENUES | | | | |
| Sales to customers | \$ 157,062 | \$ 170,019 | \$ (12,957) | (7.6) % |
| Sales of surplus power | 14,505 | 34,245 | (19,740) | (57.6) |
| Sales of surplus gas | 6,916 | - | 6,916 | * |
| SB-1 revenue (deferral)/recognition, net | 65 | - | 65 | * |
| Other electric revenue | 3,938 | 2,472 | 1,466 | 59.3 |
| Revenue from rate stabilization fund | 1,387 | 3,285 | (1,898) | (57.8) |
| Total operating revenues | 183,873 | 210,021 | (26,148) | (12.5) |
| OPERATING EXPENSES | | | | |
| Operations | | | | |
| Purchased power | 37,977 | 47,963 | (9,986) | (20.8) |
| Production | 22,731 | 24,476 | (1,745) | (7.1) |
| Transmission and distribution | 6,289 | 7,254 | (965) | (13.3) |
| Customer accounts | 4,726 | 4,951 | (225) | (4.5) |
| Customer service and information | 6,296 | 8,075 | (1,779) | (22.0) |
| Administrative and general | 16,133 | 17,325 | (1,192) | (6.9) |
| Public good | 6,926 | 6,941 | (15) | (0.2) |
| Total operations | 101,078 | 116,985 | (15,907) | (13.6) |
| Maintenance | | | | |
| Production | 5,491 | 3,415 | 2,076 | 60.8 |
| Transmission and distribution | 9,144 | 11,222 | (2,078) | (18.5) |
| Total maintenance | 14,635 | 14,637 | (2) | (0.0) |
| Depreciation and amortization | | | | |
| Depreciation and amortization | 21,609 | 20,615 | 994 | 4.8 |
| Amortization of regulatory asset | 3,099 | 3,445 | (346) | (10.0) |
| Total depreciation and amortization | 24,708 | 24,060 | 648 | 2.7 |
| Total operating expenses | 140,421 | 155,682 | (15,261) | (9.8) |
| OPERATING INCOME | 43,452 | 54,339 | (10,887) | (20.0) |
| NON-OPERATING REVENUES AND EXPENSES | | | | |
| Other revenues/(expenses) | | | | |
| Interest income | 3,051 | 1,058 | 1,993 | 188.4 |
| Investment revenue (expense) | (1,806) | (41) | (1,765) | * |
| Other income (expense) - net | 1,118 | 775 | 343 | 44.3 |
| Unrealized holding gains (losses) | 657 | - | 657 | * |
| Revenue - CIAC | 1,617 | 1,252 | 365 | 29.2 |
| Total other revenues | 4,637 | 3,044 | 1,593 | 52.3 |
| Interest charges | | | | |
| Interest on long-term debt | 8,076 | 8,736 | (660) | (7.6) |
| Interest on commercial paper | 284 | 86 | 198 | 230.2 |
| Total interest charges | 8,360 | 8,822 | (462) | (5.2) |
| CHANGE IN NET POSITION | \$ 39,729 | \$ 48,561 | \$ (8,832) | (18.2) % |

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Nine Months Ended September 30, 2023
(thousands of dollars)

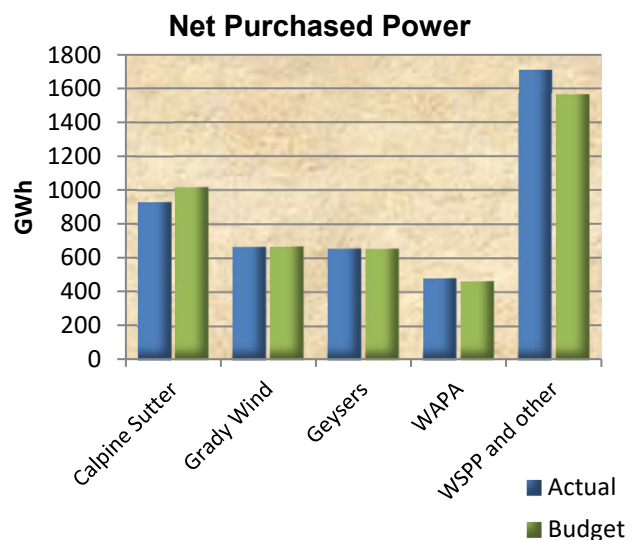
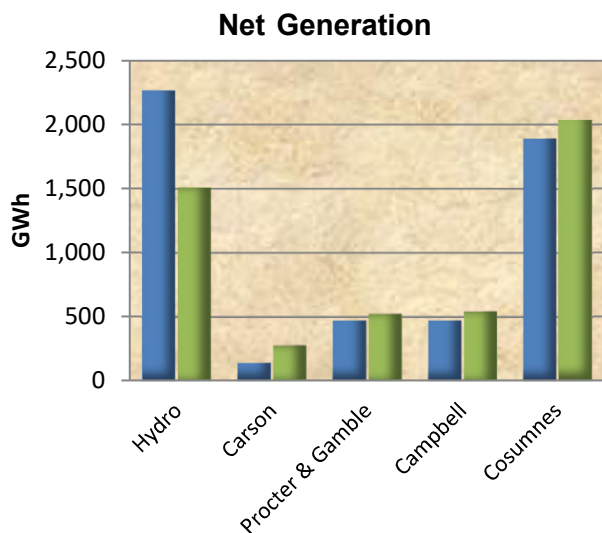
| | <u>Actual</u> | <u>Budget</u> | <u>Over (Under)</u> | <u>Percent of Increase (Decrease)</u> |
|--|-------------------|-------------------|-------------------------|---|
| OPERATING REVENUES | | | | |
| Sales to customers | \$ 1,272,176 | \$ 1,290,650 | \$ (18,474) | (1.4) % |
| Sales of surplus power | 153,869 | 221,356 | (67,487) | (30.5) |
| Sales of surplus gas | 85,408 | - | 85,408 | * |
| SB-1 revenue (deferral)/recognition, net | 435 | - | 435 | * |
| AB32 revenue | 18,676 | - | 18,676 | * |
| LCFS revenue | 5,018 | - | 5,018 | * |
| Other electric revenue | 35,244 | 24,167 | 11,077 | 45.8 |
| Revenue to rate stabilization fund | (89,918) | - | (89,918) | * |
| Revenue from rate stabilization fund | 39,085 | 21,373 | 17,712 | 82.9 |
| Total operating revenues | 1,519,993 | 1,557,546 | (37,553) | (2.4) |
| OPERATING EXPENSES | | | | |
| Operations | | | | |
| Purchased power | 353,350 | 439,349 | (85,999) | (19.6) |
| Production | 247,978 | 176,810 | 71,168 | 40.3 |
| Transmission and distribution | 65,077 | 64,659 | 418 | 0.6 |
| Customer accounts | 43,320 | 41,983 | 1,337 | 3.2 |
| Customer service and information | 54,732 | 64,305 | (9,573) | (14.9) |
| Administrative and general | 148,364 | 159,842 | (11,478) | (7.2) |
| Public good | 43,369 | 53,321 | (9,952) | (18.7) |
| Total operations | 956,190 | 1,000,269 | (44,079) | (4.4) |
| Maintenance | | | | |
| Production | 30,645 | 35,313 | (4,668) | (13.2) |
| Transmission and distribution | 107,914 | 92,248 | 15,666 | 17.0 |
| Total maintenance | 138,559 | 127,561 | 10,998 | 8.6 |
| Depreciation and amortization | | | | |
| Depreciation and amortization | 194,844 | 182,493 | 12,351 | 6.8 |
| Amortization of regulatory asset | 28,215 | 31,002 | (2,787) | (9.0) |
| Total depreciation and amortization | 223,059 | 213,495 | 9,564 | 4.5 |
| Total operating expenses | 1,317,808 | 1,341,325 | (23,517) | (1.8) |
| OPERATING INCOME | 202,185 | 216,221 | (14,036) | (6.5) |
| NON-OPERATING REVENUES AND EXPENSES | | | | |
| Other revenues/(expenses) | | | | |
| Interest income | 27,816 | 9,606 | 18,210 | 189.6 |
| Investment revenue (expense) | (4,980) | (456) | (4,524) | (992.1) |
| Other income (expense) - net | 54,399 | 11,048 | 43,351 | 392.4 |
| Unrealized holding gains (losses) | 563 | - | 563 | * |
| Revenue - CIAC | 14,334 | 11,247 | 3,087 | 27.4 |
| Total other revenues | 92,132 | 31,445 | 60,687 | 193.0 |
| Interest charges | | | | |
| Interest on long-term debt | 71,648 | 76,707 | (5,059) | (6.6) |
| Interest on commercial paper | 3,496 | 2,944 | 552 | 18.8 |
| Total interest charges | 75,144 | 79,651 | (4,507) | (5.7) |
| CHANGE IN NET POSITION | \$ 219,173 | \$ 168,015 | \$ 51,158 | 30.4 % |

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended September 30, 2023**

| Sources of Energy (GWh) | Month | | Increase | Year to Date | | Increase |
|--|--------------|--------------|--------------------------|---------------|---------------|--------------------------|
| | Actual | Budget | (Decrease) Percentage | Actual | Budget | (Decrease) Percentage |
| Net Generated | | | | | | |
| Hydro | 169 | 136 | 24.3 | 2,268 | 1,510 | 50.2 |
| Carson Power Plant | 5 | 46 | (89.1) | 142 | 274 | (48.2) |
| Procter & Gamble Power Plant | 44 | 81 | (45.7) | 471 | 522 | (9.8) |
| Campbell Power Plant | 17 | 41 | (58.5) | 471 | 540 | (12.8) |
| Cosumnes Power Plant | 343 | 372 | (7.8) | 1,891 | 2,039 | (7.3) |
| Other | 56 | 59 | (5.1) | 475 | 504 | (5.8) |
| Total net generation | 634 | 735 | (13.7) | 5,718 | 5,389 | 6.1 |
| Purchased Power less transmission losses: | | | | | | |
| CalEnergy | 21 | 18 | 16.7 | 164 | 167 | (1.8) |
| Calpine Sutter | 146 | 179 | (18.4) | 931 | 1,016 | (8.4) |
| Drew Solar | 26 | 26 | 0.0 | 237 | 244 | (2.9) |
| Feed in Tariff | 19 | 20 | (5.0) | 171 | 178 | (3.9) |
| Geysers | 72 | 72 | 0.0 | 656 | 655 | 0.2 |
| Grady Wind | 63 | 70 | (10.0) | 665 | 667 | (0.3) |
| Rancho Seco PV II | 14 | 27 | (48.1) | 150 | 233 | (35.6) |
| WAPA | 49 | 56 | (12.5) | 482 | 463 | 4.1 |
| WSPP and other | 172 | 49 | 251.0 | 1,711 | 1,563 | 9.5 |
| Other long term power | 51 | 54 | (5.6) | 434 | 505 | (14.1) |
| Total net purchases | 633 | 571 | 10.9 | 5,601 | 5,691 | (1.6) |
| Total sources of energy | 1,267 | 1,306 | (3.0) | 11,319 | 11,080 | 2.2 |
| Uses of energy: | | | | | | |
| SMUD electric sales and usage | 857 | 961 | (10.8) | 7,756 | 8,007 | (3.1) |
| Surplus power sales | 389 | 343 | 13.4 | 3,308 | 2,744 | 20.6 |
| System losses | 21 | 2 | 950.0 | 255 | 329 | (22.5) |
| Total uses of energy | 1,267 | 1,306 | (3.0) % | 11,319 | 11,080 | 2.2 % |

* Change equals 1000% or more.



Net generation is higher than planned for the nine-month period.

- Hydro generation is higher than planned (50.2 percent).
- JPA generation is lower than planned (11.9 percent).

Purchased power, less surplus power sales, is lower than plan (22.2 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
September 30, 2023 and 2022
(thousands of dollars)

ASSETS

Total

| | SMUD | SFA | NCEA | NCGA #1 | Intercompany Eliminations | 2023 | 2022 |
|--|---------------------|-------------------|-------------------|-------------------|------------------------------|---------------------|---------------------|
| ELECTRIC UTILITY PLANT | | | | | | | |
| Plant in service, original cost | \$ 6,189,861 | \$ 963,826 | \$ - | \$ - | \$ (4,578) | \$ 7,149,109 | \$ 6,916,686 |
| Less accumulated depreciation | 2,980,503 | 703,411 | - | - | (740) | 3,683,174 | 3,471,961 |
| Plant in service - net | 3,209,358 | 260,415 | - | - | (3,838) | 3,465,935 | 3,444,725 |
| Construction work in progress | 535,577 | 32,820 | - | - | - | 568,397 | 512,874 |
| Investment in Joint Power Agencies | 315,422 | - | - | - | (282,856) | 32,566 | 26,932 |
| Total electric utility plant - net | 4,060,357 | 293,235 | - | - | (286,694) | 4,066,898 | 3,984,531 |
| RESTRICTED ASSETS | | | | | | | |
| Revenue bond reserves | 1,027 | - | - | - | - | 1,027 | 2,004 |
| Restricted for payment of debt service | 30,275 | - | - | - | - | 30,275 | 32,374 |
| JPA funds | - | 5,855 | 10,511 | 7,466 | - | 23,832 | 20,869 |
| Nuclear decommissioning trust fund | 9,298 | - | - | - | - | 9,298 | 8,915 |
| Rate stabilization fund | 206,848 | - | - | - | - | 206,848 | 182,625 |
| Net pension asset | - | - | - | - | - | - | 61,942 |
| Net OPEB asset | - | - | - | - | - | - | 34,223 |
| Other funds | 32,643 | - | 3,061 | 1 | - | 35,705 | 32,169 |
| Due (to) from unrestricted funds (decommissioning) | (6,684) | - | - | - | - | (6,684) | (6,684) |
| Due (to) from restricted funds (decommissioning) | 6,684 | - | - | - | - | 6,684 | 6,684 |
| Less current portion | (42,092) | (5,855) | (13,573) | (7,467) | - | (68,987) | (64,232) |
| Total restricted assets | 237,999 | - | (1) | - | - | 237,998 | 310,889 |
| CURRENT ASSETS | | | | | | | |
| Cash, cash equivalents and investments | | | | | | | |
| Unrestricted | 535,389 | 22,287 | - | - | - | 557,676 | 594,868 |
| Restricted | 42,092 | 5,855 | 13,573 | 7,467 | - | 68,987 | 64,232 |
| Accounts receivable - net | 321,917 | 42,923 | 2,526 | 2,449 | (57,502) | 312,313 | 315,712 |
| Lease receivable | 831 | - | - | - | (209) | 622 | 360 |
| Energy efficiency loans due within one year | 139 | - | - | - | - | 139 | 201 |
| Interest receivable | 4,330 | 152 | - | 6 | - | 4,488 | 2,623 |
| Lease interest receivable | 105 | - | - | - | (38) | 67 | 66 |
| Regulatory costs to be recovered within one year | 61,112 | 104 | - | 105 | - | 61,321 | 35,292 |
| Derivative financial instruments maturing within in one year | 26,675 | - | - | - | - | 26,675 | 83,116 |
| Inventories | 124,942 | 17,484 | - | - | - | 142,426 | 107,913 |
| Prepaid gas to be delivered within one year | - | - | 10,624 | 27,650 | - | 38,274 | 28,347 |
| Prepayments and other | 31,735 | 11,809 | 5 | 16 | - | 43,565 | 28,833 |
| Total current assets | 1,149,267 | 100,614 | 26,728 | 37,693 | (57,749) | 1,256,553 | 1,261,563 |
| NONCURRENT ASSETS | | | | | | | |
| Regulatory costs for future recovery | | | | | | | |
| Decommissioning | 72,086 | - | - | - | - | 72,086 | 72,318 |
| Pension | 455,953 | - | - | - | - | 455,953 | 327,774 |
| OPEB | 291,325 | - | - | - | - | 291,325 | 271,430 |
| Bond Issues | - | 600 | - | 288 | - | 888 | 1,098 |
| Derivative financial instruments | 538 | - | - | - | - | 538 | (897) |
| Derivative financial instruments | 55,738 | - | - | - | - | 55,738 | 113,772 |
| Prepaid gas | - | - | 515,543 | 91,449 | - | 606,992 | 645,265 |
| Prepaid power and capacity | 17 | - | - | - | - | 17 | 225 |
| Lease receivable | 21,268 | - | - | - | (3,742) | 17,526 | 17,162 |
| Energy efficiency loans - net | 468 | - | - | - | - | 468 | 746 |
| Other | 74,005 | 13 | - | 43 | - | 74,061 | 68,455 |
| Total noncurrent assets | 971,398 | 613 | 515,543 | 91,780 | (3,742) | 1,575,592 | 1,517,348 |
| TOTAL ASSETS | \$ 6,419,021 | \$ 394,462 | \$ 542,270 | \$ 129,473 | \$ (348,185) | \$ 7,137,041 | \$ 7,074,331 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Accumulated decrease in fair value of hedging derivatives | 40,669 | - | - | - | - | 40,669 | 17,420 |
| Deferred pension outflows | 136,536 | - | - | - | - | 136,536 | 73,052 |
| Deferred OPEB outflows | 43,356 | - | - | - | - | 43,356 | 21,953 |
| Deferred ARO outflows | - | 1,550 | - | - | - | 1,550 | 1,442 |
| Unamortized bond losses - other | 5,796 | 980 | - | - | - | 6,776 | 8,939 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 226,357 | 2,530 | - | - | - | 228,887 | 122,806 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 6,645,378 | \$ 396,992 | \$ 542,270 | \$ 129,473 | \$ (348,185) | \$ 7,365,928 | \$ 7,197,137 |

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
September 30, 2023 and 2022
(thousands of dollars)

LIABILITIES AND NET ASSETS

| | <u>Total</u> | | | | | | |
|--|---------------------|-------------------|-------------------|-------------------|------------------------------|---------------------|---------------------|
| | SMUD | SFA | NCEA | NCGA #1 | Intercompany Eliminations | 2023 | 2022 |
| LONG-TERM DEBT -NET | \$ 2,220,841 | \$ 81,038 | \$ 526,399 | \$ 94,540 | \$ - | \$ 2,922,818 | 2,898,418 |
| CURRENT LIABILITIES | | | | | | | |
| Commercial paper notes | - | - | - | - | - | - | 100,000 |
| Accounts payable | 114,614 | 7,470 | - | 47 | - | 122,131 | 125,569 |
| Purchased power payable | 85,334 | 13,373 | - | - | (57,503) | 41,204 | 113,186 |
| Credit support collateral obligation | 14,115 | - | - | 1 | - | 14,116 | 16,100 |
| Long-term debt due within one year | 84,590 | 13,115 | 14,505 | 25,530 | - | 137,740 | 135,875 |
| Accrued decommissioning | 7,549 | - | - | - | - | 7,549 | 6,889 |
| Interest payable | 23,581 | 1,099 | 5,410 | 1,340 | - | 31,430 | 29,522 |
| Accrued interest liability | 11 | 53 | - | - | (38) | 26 | 30 |
| Accrued salaries and compensated absences | 45,262 | - | - | - | - | 45,262 | 43,814 |
| Derivative financial instruments maturing within one year | 29,334 | - | - | - | - | 29,334 | 13,794 |
| Customer deposits | 1,897 | - | - | - | - | 1,897 | 1,675 |
| Lease liability | 6,841 | 289 | - | - | (209) | 6,921 | 26,061 |
| Other | 48,338 | - | - | - | - | 48,338 | 48,649 |
| Total current liabilities | 461,466 | 35,399 | 19,915 | 26,918 | (57,750) | 485,948 | 661,164 |
| NONCURRENT LIABILITIES | | | | | | | |
| Accrued decommissioning - net | 74,700 | 9,756 | - | - | - | 84,456 | 83,570 |
| Derivative financial instruments | 12,889 | - | - | - | - | 12,889 | 6,818 |
| Net pension liability | 191,014 | - | - | - | - | 191,014 | - |
| Net OPEB liability | 31,190 | - | - | - | - | 31,190 | - |
| Lease liability | 4,592 | 5,170 | - | - | (3,742) | 6,020 | 30,530 |
| Other | 83,419 | - | 208 | - | - | 83,627 | 78,910 |
| Total noncurrent liabilities | 397,804 | 14,926 | 208 | - | (3,742) | 409,196 | 199,828 |
| TOTAL LIABILITIES | 3,080,111 | 131,363 | 546,522 | 121,458 | (61,492) | 3,817,962 | 3,759,410 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Accumulated increase in fair value of hedging derivatives | 82,174 | - | - | - | - | 82,174 | 191,192 |
| Deferred pension inflows | 17,536 | - | - | - | - | 17,536 | 186,248 |
| Deferred OPEB inflows | 33,732 | - | - | - | - | 33,732 | 71,153 |
| Deferred lease inflows | 21,406 | - | - | - | (3,837) | 17,569 | 17,373 |
| Regulatory credits | 755,022 | - | - | - | - | 755,022 | 541,137 |
| Unamortized bond gains - other | 47,782 | - | - | - | - | 47,782 | 21,380 |
| Unearned revenue | 8,159 | 16 | - | - | - | 8,175 | 3,331 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 965,811 | 16 | - | - | (3,837) | 961,990 | 1,031,814 |
| NET POSITION | | | | | | | |
| Balance at beginning of year | 2,377,719 | 267,457 | (4,610) | 8,989 | (282,752) | 2,366,803 | 2,296,261 |
| Net increase (decrease) for the year | 221,737 | 23,156 | 1,411 | (369) | (26,762) | 219,173 | 109,652 |
| Member contributions (distributions) - net | - | (25,000) | (1,053) | (605) | 26,658 | - | - |
| TOTAL NET POSITION | 2,599,456 | 265,613 | (4,252) | 8,015 | (282,856) | 2,585,976 | 2,405,913 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 6,645,378 | \$ 396,992 | \$ 542,270 | \$ 129,473 | \$ (348,185) | \$ 7,365,928 | \$ 7,197,137 |

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended September 30, 2023
(thousands of dollars)

| | Month | Year to Date |
|--|------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 188,905 | \$ 1,224,086 |
| Receipts from surplus power and gas sales | 18,134 | 269,012 |
| Other receipts | 19,252 | 142,085 |
| Payments to employees - payroll and other | (37,054) | (312,225) |
| Payments for wholesale power and gas purchases | (53,286) | (547,426) |
| Payments to vendors/others | (26,844) | (458,813) |
| Net cash provided by operating activities | 109,107 | 316,719 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Repayment of debt | - | (25,185) |
| Interest on debt | - | (26,367) |
| Net cash used in noncapital financing activities | - | (51,552) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Construction expenditures | (50,813) | (287,576) |
| Proceeds from land sales | - | 45,000 |
| Contributions in aid of construction | 3,765 | 18,982 |
| Net proceeds from bond issues | - | 537,606 |
| Repayments and refundings of debt | - | (420,730) |
| Issuance of commercial paper | - | 50,000 |
| Repayments of commercial paper | - | (200,000) |
| Other receipts | 4,626 | 16,501 |
| Interest on debt | - | (102,195) |
| Lease and other payments | (2,201) | (20,340) |
| Cash received from leases | 28 | 685 |
| Net cash used in capital and related financing activities | (44,595) | (362,067) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sales and maturities of securities | 48,494 | 493,500 * |
| Purchases of securities | (96,241) | (591,400) |
| Interest and dividends received | 3,277 | 28,033 |
| Investment revenue/expenses - net | (1,334) | (4,705) |
| Net cash used in investing activities | (45,804) | (74,572) |
| Net increase (decrease) in cash and cash equivalents | 18,708 | (171,472) |
| Cash and cash equivalents at the beginning of the month and year | 199,658 * | 389,838 |
| Cash and cash equivalents at September 30, 2023 | \$ 218,366 | \$ 218,366 |
| Cash and cash equivalents included in: | | |
| Unrestricted cash and cash equivalents | \$ 180,231 | \$ 180,231 |
| Restricted and designated cash and cash equivalents | 27,127 | 27,127 |
| Restricted and designated assets (a component of the total of \$237,998 at September 30, 2023) | 11,008 | 11,008 |
| Cash and cash equivalents at September 30, 2023 | \$ 218,366 | \$ 218,366 |

*Revised Year to Date Sales and maturities of securities and Cash and cash equivalents for beginning of the month.

SSS No. IAS 2023-9

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

| |
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| Committee Meeting & Date Finance & Audit November 14, 2023 |
| Board Meeting Date N/A |
| |

| TO | TO |
|----------------------|--------------------------------------|
| 1. Jennifer Davidson | 6. |
| 2. Jose Bodipo-Memba | 7. |
| 3. Lora Anguay | 8. |
| 4. Scott Martin | 9. Legal |
| 5. | 10. CEO & General Manager |

| | | | | | | | | |
|-----------------------------|---------------------------------------|------------|--------------------------|--|-------------------|-------------------------------------|-----------------------|---|
| Consent Calendar | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No <i>If no, schedule a dry run presentation.</i> | Budgeted | <input checked="" type="checkbox"/> | Yes | No <i>(If no, explain in Cost/Budgeted section.)</i> |
| FROM (IPR) Claire Rogers | DEPARTMENT Internal Audit Services | | | | MAIL STOP B409 | EXT. 7122 | DATE SENT 10/25/23 | |

NARRATIVE:

Requested Action: Informational agenda item to provide Board Members with the opportunity to ask questions and/or discuss recent reports issued by Internal Audit Services.

Summary: Reports issued by Internal Audit Services:

| <u>Title</u> | <u>Report Number</u> |
|--------------------|----------------------|
| • Procurement..... | 28007641 |

Board Policy: Board-Staff Linkage BL-3, Board-Internal Auditor Relationship
(Number & Title)

Benefits: N/A

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: SMUD Board and Internal Auditor

Coordination: Internal Audit Services

Presenter: Claire Rogers, Director, Internal Audit Services

Additional Links:

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|---|-------------------------------|
| SUBJECT Internal Audit Services Report | ITEM NO. (FOR LEGAL USE ONLY) |
|---|-------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

Procurement

Executive Summary

Internal Audit Services (IAS) has completed a review of Procurement. The purpose of this audit was to evaluate the processes in place to select vendors through direct and sole source procurements. This audit was included in the 2023 IAS Audit Plan.

SMUD is committed to a competitive procurement process whenever practical; however, contracts may be issued without competition under specific circumstances, such as sole source and direct procurements. These procurements must include justifications that are clearly described, supported by documented and verified facts, and approved by appropriate management.

We evaluated Procurement's process for reviewing and approving sole source and direct procurement contracts, and selected two direct and four sole source contracts to determine whether they were appropriately reviewed and approved. We also reviewed the three most recent Quarterly Procurement Reports to the Board to confirm that the reported sole source and direct contract amounts were accurate.

Our review found that Procurement requires that sole source and direct procurement requests include justifications so that all reviewers have enough information to determine whether the contract is appropriate, and all of the contracts we reviewed were approved by the appropriate stakeholders. In addition, sole source and direct procurement contracts are accurately tracked and reported to SMUD's Board of Directors. We did note that the amount of direct procurement contracts that was reported to the Board in Q3 2022 was incorrect; although Procurement staff correctly calculated the total, they made a typo when they transferred the information to the board report. Procurement explained that they included the correct Q3 totals in the Q4 year-end report, and that they updated their processes to include additional review of the Quarterly Procurement Report before submitting it to the Board.

IAS commends Procurement staff for their dedication to SMUD's procurement principles. We would like to thank Procurement staff for their cooperation and support during this audit.

ERM Dashboard

Supply Chain



Internal Audit Services

Procurement

Audit Report 28007641



Procurement

Internal Audit Services Report

Background:

Internal Audit Services (IAS) has completed a review of Procurement. The purpose of this audit was to evaluate the processes in place to select vendors through direct and sole source procurements. This audit was included in the 2023 IAS Audit Plan.

The procurement of goods and services is an integral part of SMUD's operations. It is SMUD policy that procurements take place in accordance with applicable legal requirements in a fair, competitive, and inclusive manner to maximize the benefit of its customers and the economic development of the community. SMUD is committed to a competitive procurement process whenever practical; however, contracts may be issued without competition under specific circumstances, such as sole source and direct procurements. These procurements must include justifications that are clearly described, supported by documented and verified facts, and approved by appropriate management.

Scope:

The scope of this audit included all direct and sole source contracts greater than \$20,500 that were executed in 2022 or 2023, and associated documentation supporting the justification of the contract awards.

Objectives:

The objectives of this audit were to determine whether SMUD's sole source and direct procurements are appropriate, and confirm that they are accurately reported to the Board.

Summary:

AQS interviewed Procurement staff to learn about the processes related to requesting and approving sole source and direct contracts. We also reviewed all policies and procedures related to sole source and direct procurement, as well as relevant SMUD Board Policies.

We evaluated Procurement's process for reviewing and approving sole source and direct procurement contracts and found that contract requestors are required to provide sufficient information to justify the non-competitive award type. We selected two direct and four sole source contracts and reviewed all documentation associated with their request and approval, including sole source and direct procurement justifications, staffing summary sheets, and any other applicable supporting documentation. We did not evaluate the contents of the justification, but confirmed that the required information was completed and submitted for review. All of the contracts in our sample included appropriate justification and were routed to all required management and other stakeholders for review and approval.

We reviewed the three most recent Quarterly Procurement Reports to the Board to confirm that the reported sole source and direct contract amounts were accurate. Specifically, we obtained SAP contract data to calculate the quarterly totals and compared them to what was reported. Our review found that the total amounts of sole source and direct contracts calculated by Procurement each quarter was accurate; however, the amount of direct procurement contracts that was reported to the Board in Q3 2022 was incorrect. The total amount was \$7.3 million, but Procurement reported a total of \$4.6 million. We confirmed that Procurement staff correctly calculated the total, but made a typo when they transferred the information to the board report. Procurement explained that they included the correct Q3 totals in the Q4 year-end report, and that they updated their processes to include additional review of the Quarterly Procurement Report before submitting it to the Board.

Conclusion:

Procurement requires that sole source and direct procurement requests include supporting justification so that all reviewers have enough information to determine whether the contract is appropriate. All of the contracts we reviewed included supporting justification, and were reviewed and approved by the appropriate stakeholders. In addition, sole source and direct procurement contracts are accurately tracked and reported to SMUD's Board of Directors.

IAS commends Procurement staff for their dedication to SMUD's procurement principles. We would like to thank Procurement staff for their cooperation and support during this audit.

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| SSS No. BOD 2022-020 |
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BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

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|----------------------------------|
| Committee Meeting & Date 2023 |
| Board Meeting Date N/A |
| |

| | |
|----------------------|--------------------------------------|
| TO | TO |
| 1. Jennifer Davidson | 6. |
| 2. Jose Bodipo-Memba | 7. |
| 3. Scott Martin | 8. |
| 4. Lora Anguay | 9. Legal |
| 5. | 10. CEO & General Manager |

| | | | | | | | | |
|--|----------------------------|------------|-------------------------------------|--|-------------------|--------------|-----------------------|---|
| Consent Calendar | | Yes | <input checked="" type="checkbox"/> | No <i>If no, schedule a dry run presentation.</i> | Budgeted | | Yes | No <i>(If no, explain in Cost/Budgeted section.)</i> |
| FROM (IPR) Rob Kerth / Special Assistant to the Board | DEPARTMENT Board Office | | | | MAIL STOP B307 | EXT. 5079 | DATE SENT 12/27/22 | |

NARRATIVE:

Requested Action: A summary of directives provided to staff during the committee meeting.

Summary: The Board requested an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendized opportunity to summarize the Board’s requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: Included in budget

Alternatives: Not summarize the Board’s requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Special Assistant to the Board

Presenter: Rob Kerth, Finance and Audit Chair

Additional Links:

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|---|--------------------------------------|
| SUBJECT Summary Of Committee Direction – Finance and Audit | ITEM NO. <i>(FOR LEGAL USE ONLY)</i> |
|---|--------------------------------------|

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.