

# Exhibit to Agenda Item #5

Provide the Board with a preview of SMUD's 2024 Proposed Budget.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, October 17, 2023, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium



# Agenda

- 2024 proposed budget preview
- Budget alignment with Board direction
- SMUD's priorities for 2024
- New initiatives & spending
- 2024 budget & next steps

# Priorities driving the 2024 Budget



**Zero Carbon Plan**



**Infrastructure Investment**



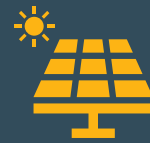
**Community Impact**



# Zero Carbon Plan progress



**\$51 million** for Solano 4 Wind Project construction



**\$48 million** for Country Acres solar and storage project: land acquisitions, permit mitigation, switchyard construction and interconnection, including agrivoltaic demonstration



**\$15 million** for long-duration battery energy storage at SMUD's Hedge facility



**Increased borrowing** to fund investments that will help SMUD achieve State of California mandates

# Zero Carbon Plan progress (continued)



**\$37 million** for building electrification



**\$14 million** for customer electric vehicles



**\$6 million** for SMUD electric vehicle fleet and charging infrastructure



**\$8 million** for load flexibility programs such as Virtual Power Plant



**\$250,000** electrification of SMUD's tools issued



**\$250,000** in community solar partnerships with schools

# Maintaining world class reliability



**\$61 million** for substation capital spending: \$32 million Station H substation, \$13 million Elverta substation upgrades, \$7 million University of California Davis Medical Center



**\$25 million** for cable replacement



**\$14 million** thermal plants overhauls to maintain reliable operations



**\$4 million** dam safety compliance activities



**\$11 million** Outage Management System (OMS) replacement



**\$6 million** Power Control Center building project



# Continued investment in our community



**SMUD**

## Community Impact Plan

*This strategy addresses SMUD's commitment to making meaningful investments in under-resourced communities to ensure their participation in a clean energy future.*

**Our focus**

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

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



**\$14 million** for Community Impact Plan

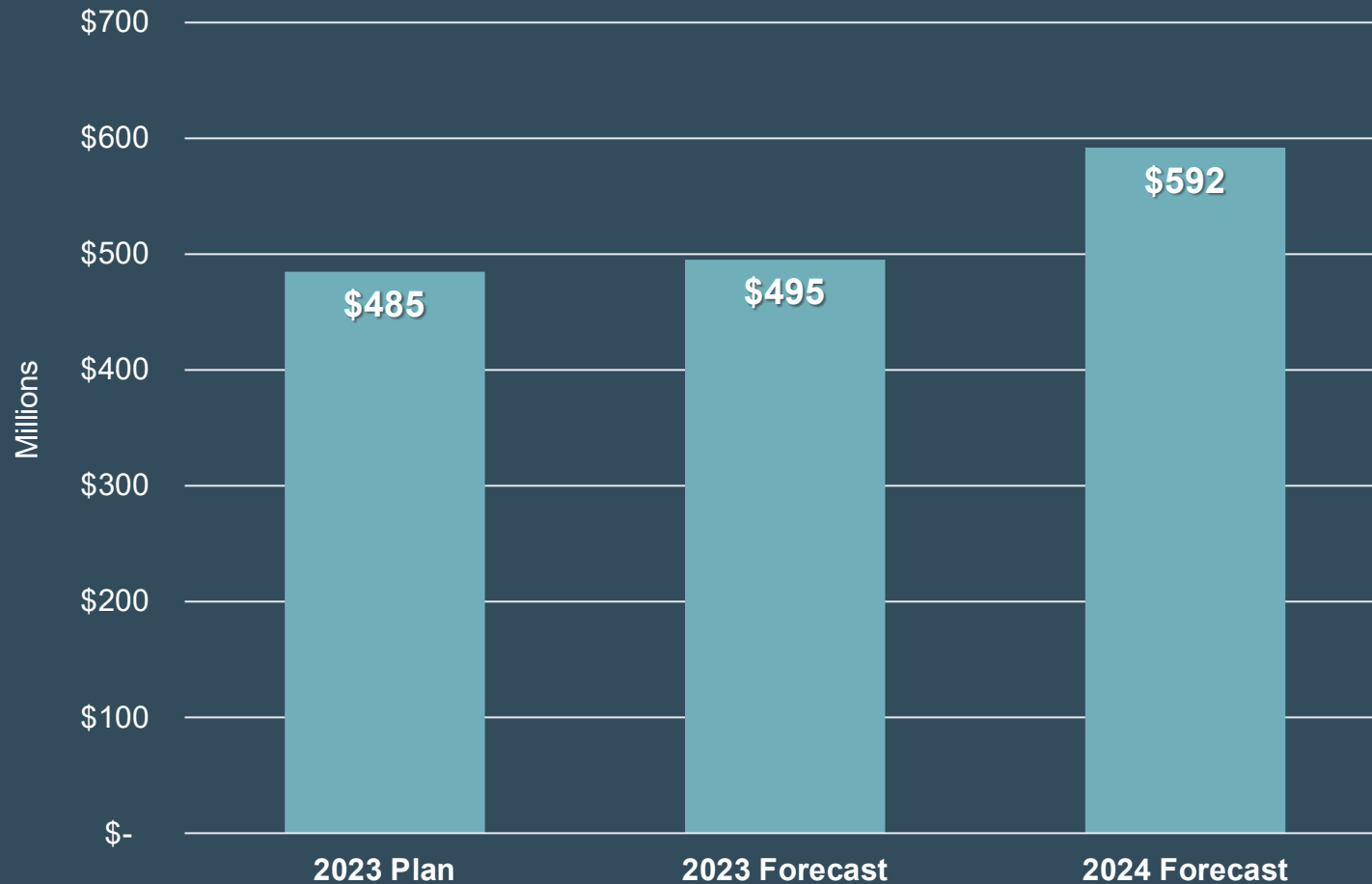


**\$1 million** investment in regional workforce development



**\$4 million** in electric vehicle research and infrastructure grants

# Commodity costs



**2024** commodity costs increase



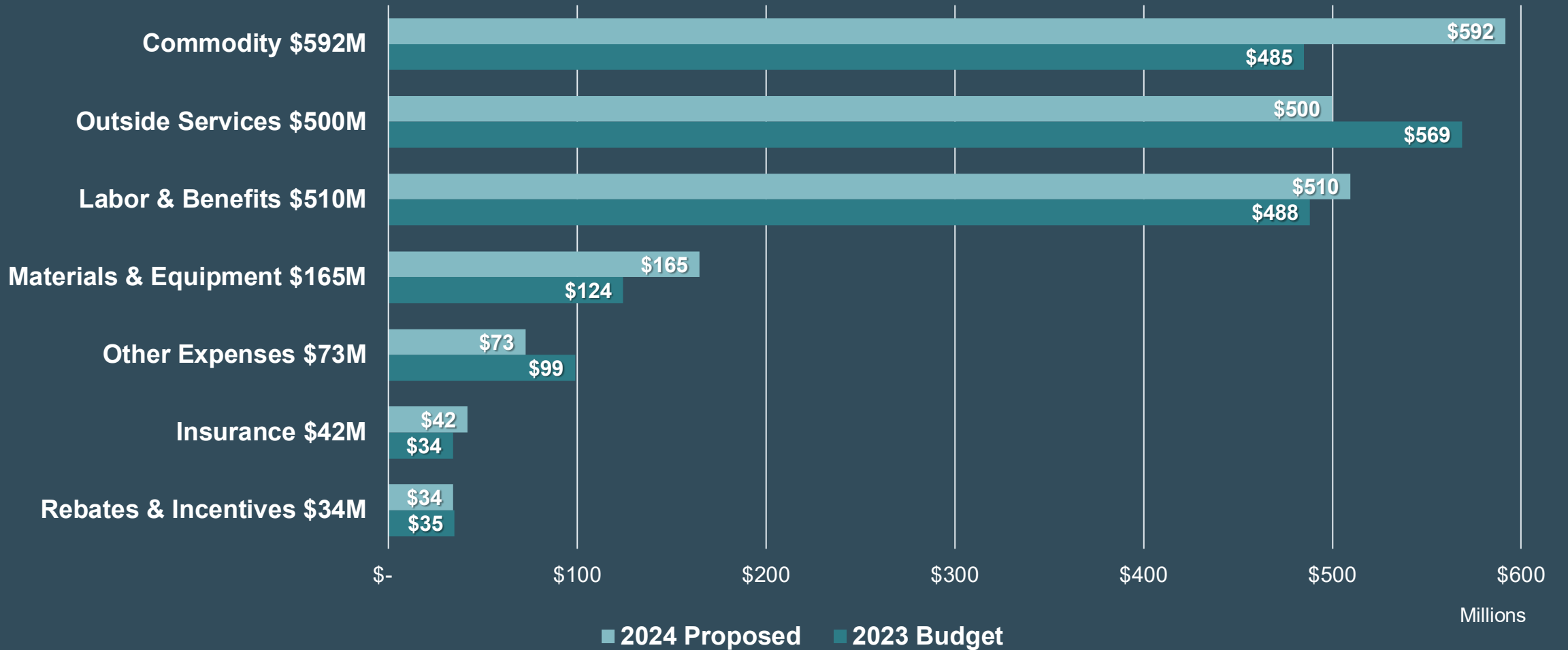
**\$33 million** for clean energy



**\$566 million to \$592 million** current estimate; will be finalized before budget completed



# 2024 proposed spending compared to 2023 budget

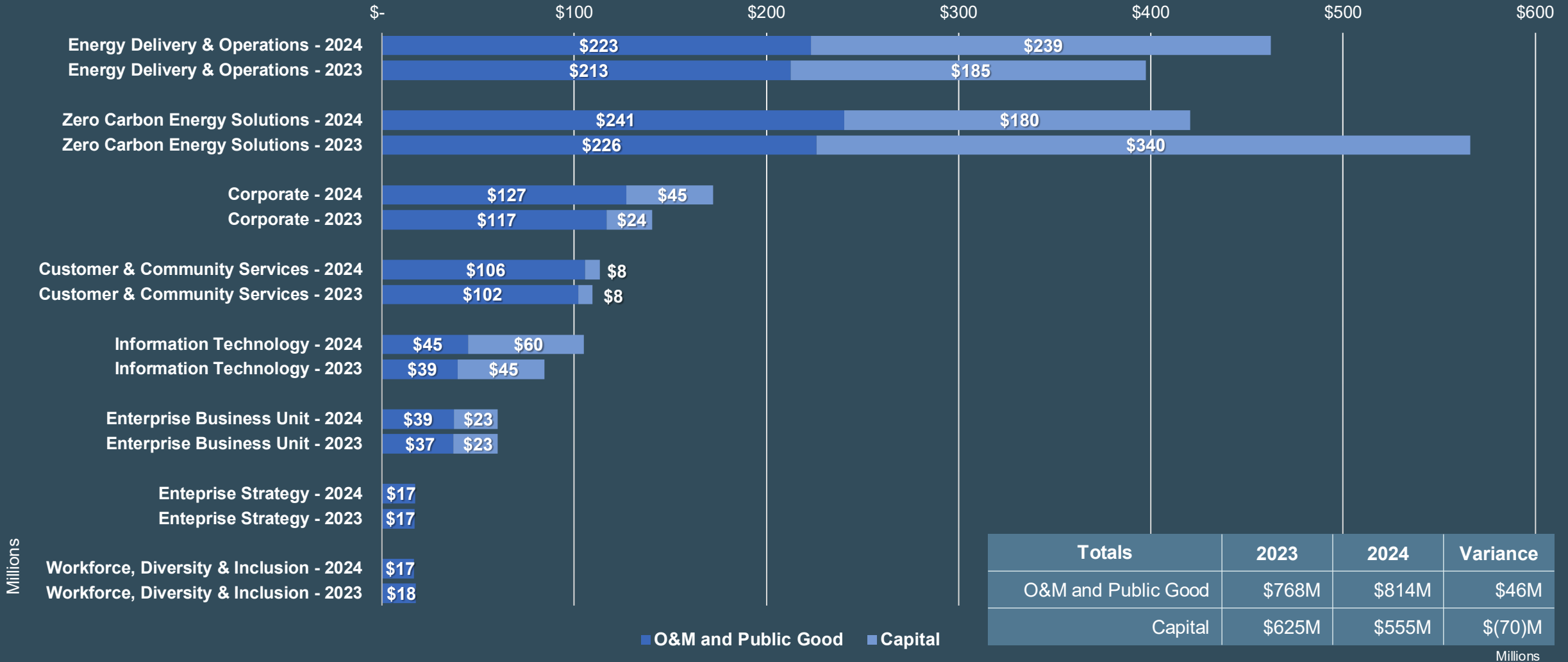


# SMUD Business units

Customer & Community Services	Energy Delivery & Operations	Zero Carbon Energy Solutions	Enterprise Strategy	Information Technology	Workforce, Diversity & Inclusion	Corporate / Enterprise
Customer Experience Delivery	Transmission Planning & Operations	Power Generation	Resource Strategy	Enterprise Systems, Strategy & Governance	People Services & Strategies	Governance
Customer Operations	Distribution Planning & Operations	Advanced Energy Solutions	Revenue Strategy	Infrastructure Platform Services	Diversity, Equity & Inclusion	Finance
Community Energy Services	Line Assets	Commodity, Procurement & Sales	Customer & Grid Strategy	Enterprise Solutions, Engineering & Emerging Technology	Sustainable Communities	Legal, Gov't Affairs & Reliability Compliance
Commercial Dev. & Solutions	Substation, Telecom, Network & Metering	Research & New Business Development	Enterprise Prioritization	Customer & Grid Operations Technology Center		Facilities, Security & Emergency Operations
Business Performance & Optimization	Strategic Services & Operations PMO			Cybersecurity		Procurement, Warehouse & Fleet
	Environmental, Safety & Real Estate Services			Comms. Marketing & Community Relations		
	Operational Excellence			Enterprise Affairs		

*SMUD's budget is planned by business unit processes, which in some cases differs from the organizational/functional reporting structure*

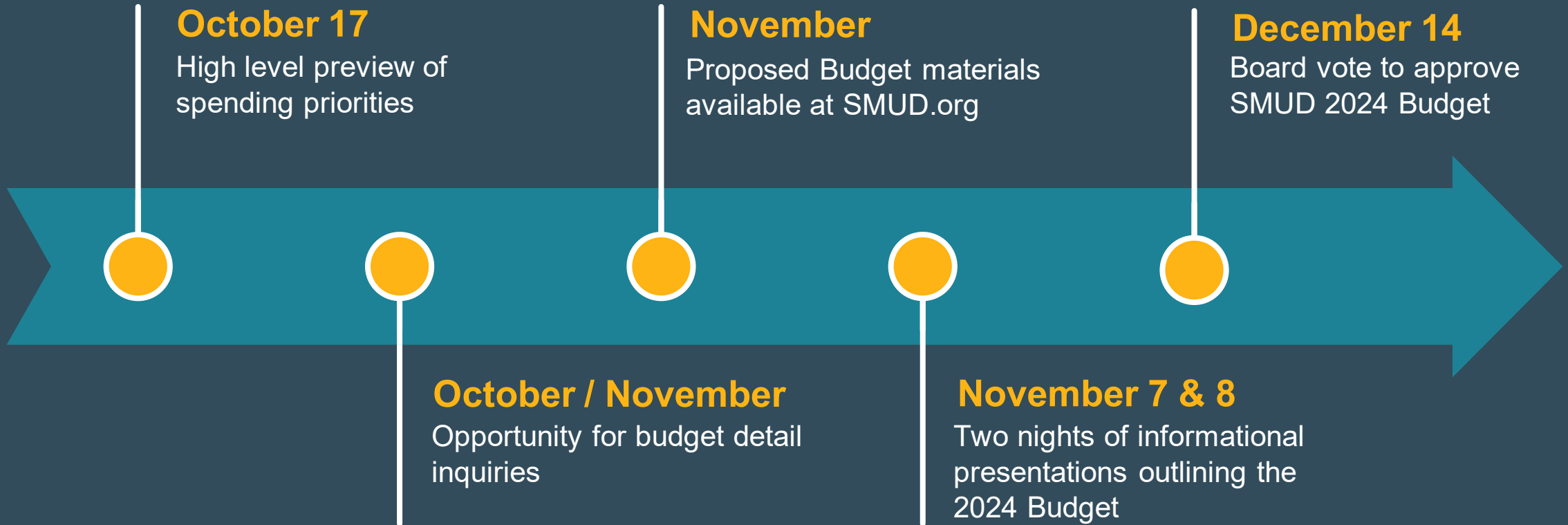
# 2024 Proposed O&M and Capital compared to 2023 plan



Millions

Millions

# Next Steps





# Key messages



## Community involvement

Investment for a clean energy future in the Sacramento region and increased support for our community



## Infrastructure investment

Strong investment in infrastructure for maintaining a reliable grid today and in the future



## Prudent financial management

Focus on alignment of key priorities while meeting key financial metrics



## Executing SMUD's vision

Reliable, affordable and equitable energy

