

**SMUD BOARD POLICY**

Category: <b>Strategic Direction</b>	Title: <b>Resource Planning</b>
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It is a core value of SMUD to provide its customer-owners with a sustainable power supply through the use of an integrated resource planning process. A sustainable power supply is defined as one that reduces SMUD's net long-term greenhouse gas (GHG) emissions to serve retail customer load to 350,000 tonnes (10% of its 1990 carbon dioxide emission levels) by 2050, while assuring reliability of the system, minimizing environmental impacts on land, habitat, water quality, and air quality, and maintaining a competitive position relative to other California electricity providers. In reducing its net GHG emissions, SMUD will utilize energy efficiency, renewable and net carbon free resources, including large hydroelectric resources and biogas. SMUD may also use offsets to support these goals to the extent their use is cost effective and beneficial to SMUD customers and the region.

To guide SMUD in its resource evaluation and investment, the Board sets the following interim goals:<sup>1</sup>

<b>Year</b>	<b>Net Greenhouse Gas Emissions (metric tonnes)</b>
2012	2,608,000
2020	2,318,000

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

- a) SMUD’s goal is to achieve Energy Efficiency equal to 15% of retail load by 2023.

To do this, SMUD will acquire as much cost effective and reliable energy efficiency as feasible through programs that optimize value across all customers. SMUD shall support additional energy efficiency acquisition by targeting one percent (1%) of retail revenues for above market costs associated with education, market transformation, and programs for hard to reach or higher cost customer segments. The market value of energy efficiency will include environmental attributes, local capacity value and other customer costs reduced by an efficiency measure.

<u>Year</u>	<u>Gigawatt Hours</u>	<u>Megawatts</u>
2014	172	24.6
2015	175	25.0
2016	178	25.4
2017	180	25.7
2018	182	26.0
2019	184	26.3
2020	186	26.6
2021	187	26.7
2022	189	27.0
2023	191	27.3
Total	1824	260.6

- b) Provide dependable renewable resources to meet 20% of SMUD’s load by 2010, and 33% of its load by 2020, excluding additional renewable energy acquired for certain customer programs. In acquiring renewable resources, SMUD shall emphasize local and regional environmental benefits.
- c) Promote cost effective, clean distributed generation through SMUD programs.

**Monitoring Method: GM Report**  
**Frequency: Annual**

<sup>1</sup> Note: These goals do not take into account the potential impacts of the electrification of transportation.