



June 19, 2020

GM 20-125

Anne Stausboll, Chair
Mayors' Commission on Climate Change
980 Ninth Street, Suite 1700
Sacramento, CA 95814

Re: SMUD Support of Mayors' Commission on Climate Change Recommendations

Dear Chair Stausboll and Members of the Commission,

I have been honored to serve as member of the Mayors' Commission on Climate Change. SMUD appreciates and supports the efforts of the Commission and the recommendations in its most recent report, "Achieving Carbon Zero in Sacramento and West Sacramento by 2045." The goals in the plan are ambitious but achievable if our region works cooperatively to attain carbon zero. SMUD commits to expanding our partnerships with cities, counties, local agencies, community partners and the business community on opportunities to realize the greatest climate benefits to all residents.

SMUD has long been a leader in carbon reduction, adopting progressive policies and making significant investments in new technologies that resulted in a 50% reduction in greenhouse gas emissions from 1990 levels by 2018. Our power mix is, on average, over 50% carbon-free. We have adopted an investment strategy which will have our power mix, on average, over 80% carbon-free by 2030.

Two years ago, SMUD's Board of Directors adopted SMUD's 2040 Energy Plan, which serves as the roadmap for how SMUD will achieve net-zero greenhouse gas emissions by 2040. Significantly, our Plan is focused not only on reducing SMUD's carbon footprint but also reducing our region's carbon emissions. Under the Plan, greenhouse gas emissions in Sacramento County will be reduced by 64%. The Plan calls for nearly \$7 billion in investments over the next 20 years, including the procurement of significantly more zero-emission generation resources and support for the transition of buildings and transportation to clean, renewable electricity. The Plan recognizes the adverse effects of climate change disproportionately impact those who live in underserved communities. In response to this imbalance, we created our Sustainable Communities Initiative, through which we can increase the impact of our investments in carbon reduction by engaging our community partners to target and maximize the benefits to neighborhoods most in need.

Specifically, SMUD is committed to:

- Investing \$1.5 billion by 2025 and \$6.7 billion by 2040 in new solar, wind, batteries, electric transportation and building electrification.
- Investing \$1.7 billion in electric transportation and building electrification, reducing emissions in these sectors by over 3 million tonnes by 2040.
- Continuing to provide incentives for building electrification, including support for customer electrical panel upgrades.
- Shifting our annual efficiency and electrification customer program portfolio to measure carbon savings as its overarching metric of success.
- Developing and scaling offerings for low-income customers that result in proportional benefits from electrification to the broader population.
- Expanding of our shade tree program to support enhanced tree canopy, with a focus on Sustainable Communities tree-deficient neighborhoods.
- Investing up to \$15 million in the California Mobility Center, which will create jobs in electric mobility and advanced manufacturing, attract investment, create businesses and establish our region as a leader in clean mobility technology development.
- Continuing to look for new ways to accelerate regional carbon reduction, such as projects involving natural refrigerants and land-based carbon capture that can be collocated with our existing infrastructure.

The Mayors' Commission on Climate Change has catalyzed momentum on this critical issue, and we look forward to ongoing regional collaboration to achieve the Commission's goals.

Thank you,



Arlen Orchard
Chief Executive Officer & General Manager