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## 1990s: Moving into leadership on green energy, conservation

The various measures SMUD took in the 1970s and '80s began to pay off in the '90s. The opening of the Energy Management Center allowed SMUD to make its own minute-by-minute decisions on buying power and managing energy resources.

To replace nuclear power, the SMUD Board moved away from the concept of a large central plant toward diverse power sources, such as cogeneration plants, wind power, low-cost purchased power from the Pacific Northwest and Canada, and research and development of renewable resources and advanced technologies like solar, fuel cells, gas turbines and biomass.

SMUD cut costs in almost every area, allowing the number of employees to drift down through attrition to 2,000 from a high of almost 2,400. The utility used technology to improve customer service without adding more employees, trimmed resources that were not beneficial to customers, and invested in field inspections and preventive maintenance to improve reliability further.

By the mid-1990s, SMUD was on solid footing. The major investment rating agencies had upgraded its bond rating to A and A-. Rates remained stable throughout the decade and SMUD continued to build up its rate stabilization fund. Customer outage time was among the lowest in the nation. It built three cogeneration plants, expanded its generation capacity at its existing power plants in the Upper American River Project and in town, and bumped up the capabilities of the transmission and distribution system.

And SMUD tightened its focus on customers, investing in surveys and focus groups to better understand customers' needs and wants and reengineering its organization to better meet customer needs. Major customers were assigned to a key account manager, the sole point of contact for all their concerns. In 1999, the utility's customers jumped past 500,000 and peak electricity usage reached 2,759 megawatts for the first time ever.

As the decade drew to a close, a new idea cropped up from regulators, and no one knew what to expect from it: Deregulation.

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