



CAC Item C8
Staff Report Item 16

TO: East Bay Community Energy Board of Directors
FROM: Vanessa Gerber, Strategic Operations Analyst
SUBJECT: Supplier Diversity Overview & 2020 Report (Informational)
DATE: March 17, 2021

Recommendation

Receive an overview of the California Public Utilities Commission General Order 156 requirements and Supplier Diversity Program, and review of EBCE's first report results, planned activities, and challenges.

Background

The purpose of CPUC General Order 156 (GO 156), originally adopted in April 1988, is to promote and increase contracting opportunities for diverse suppliers with California utilities. GO 156 defines the Utility Supplier Diversity Program, its definitions, objectives, and reporting requirements. GO 156 requires utilities to "submit annual detailed and verifiable plans for increasing women-owned, minority-owned, disabled veteran-owned, and LGBT-owned business enterprises' (WMDVLGBTBEs) procurement in all categories." Until the 2020 reporting year, utilities with gross annual revenues exceeding \$25,000,000 were the only ones required to report. Now, pursuant to California Senate Bill 255 (2019, Bradford), Community Choice Aggregators (CCAs) are explicitly required to report to the California Public Utilities Commission on their procurements with certified diverse suppliers. The 2020 Annual Report and 2021 Annual Plan filing was due and submitted to the CPUC on March 1, 2021.

Analysis & Discussion

Prop 209

As a California local government entity bound by California Prop 209 (1996), EBCE is prohibited from considering race, sex, color, ethnicity, or national origin in its contracting. Accordingly, and in contrast to California's electrical corporations, EBCE does not consider Supplier Clearinghouse certification status nor eligibility in procurement decisions of any kind, nor does EBCE set supplier diversity targets or goals. On the November 2020 ballot, Prop 16 could have overturned Prop 209, but failed. As Prop 16 did not pass, Prop 209 will continue to restrict EBCE from expressing or exhibiting preference to diverse suppliers.

To comply with GO 156 and promote the statewide Supplier Diversity program, EBCE is approaching our Supplier Diversity activities in an innovative way that drives the program forward, while staying within the legal bounds that constrain CCAs from setting targets and expressing preference for diverse suppliers. Staff engaged with numerous other CCAs in preparation for the inaugural report to ensure alignment on reporting requirements and narrative language surrounding the Prop 209 limitations. Staff also discussed opportunities to collaborate with other CCAs on programmatic outreach and education efforts on GO 156.

Local Procurement

EBCE holds a strong commitment to investing directly in our service territory to the greatest degree possible. This takes the form of maximizing our direct purchasing from companies and organizations based in Alameda County and/or the City of Tracy, as well as in the form of deploying clean energy assets and customer programs that create local jobs and provide economic benefit to our customers. These are the types of actions CCAs can directly take relative to GO 156 objectives and were highlighted in EBCE's report.

2020 Results

In calendar year 2020, EBCE made procurements from seven certified suppliers for a total of \$303,763. Given CCAs' total procurement landscapes being heavily weighted to power procurement and supplier selection never considering diverse supplier status, our diverse supplier spend is only a small portion of our annual net procurement¹. EBCE's total procurement with certified vendors captures spend with small and local business services within our community and bespoke technical consulting services utilized to support our innovative new clean energy programs and power portfolio management. Their certification status is coincidental and is realized after contracting. All seven certified vendors supported in 2020 are California-based businesses. Three are based in EBCE's service territory, an additional three are located in other Bay Area counties, and the final vendor is located in Santa Cruz County.

2021 Plan and Next Steps

EBCE's 2021 Annual Plan highlights continued commitment to local procurement, grants and sponsorships, and workforce development, as well as details expanded

¹ Net procurement number as defined by the CPUC GO 156 table templates (i.e., includes purchase order, non-purchase, order, and credit card dollars) and CPUC guidance not to include staff salaries, staff benefits, or Director's Fees.

supplier outreach and education efforts. EBCE's report will be made public on the CPUC Utility Supplier Diversity Program website (<https://www.cpuc.ca.gov/supplierdiversity/>) for full details. Staff will also be coming back to the Board over coming months to further discuss local spend in the context of our budget.

Financial Impact

There is no financial impact associated with this item.

Attachments

- A. Supplier Diversity Overview & 2020 Report to CPUC Presentation