

# 2022 ANNUAL REPORT AND 2023 ANNUAL PLAN

Supplier Diversity Report to the  
California Public Utilities Commission

March 1, 2023



SAN DIEGO  
**COMMUNITY  
POWER**

## TABLE OF CONTENTS

|   |    |
|---|----|
| Introduction .....  | 3  |
| Section 9.1.1 Description of Supplier Diversity Program Activities During the Previous Calendar Year .....  | 4  |
| Section 9.1.2 Supplier Diversity Results of Goods and Services (non-power purchases) if Procured .....      | 6  |
| Section 9.1.2 Description of Diverse Suppliers with Majority Workforce in California .....                  | 8  |
| Section 9.1.3 Supplier Diversity Program Expense .....  | 8  |
| Section 9.1.5 Description of Prime Contractors Utilization of Diverse Subcontractors .....                  | 8  |
| Section 9.1.6 List of Supplier Diversity Complaints Received and Current Status .....                       | 9  |
| Section 9.1.9 Description of Supplier Diversity Activities and Progress in Power (Energy) Procurement.....  | 9  |
| Section 9.1.9 Supplier Diversity Results in Power (Energy) Procurement.....                                 | 10 |
| Section 10.2 Description of Supplier Diversity Program Activities Planned for the Next Calendar Year .....  | 12 |
| Section 10.2 Plans to Encourage Prime Contractors to Subcontract Small, Local, and Diverse Businesses ..... | 12 |
| Small and Local Business Procurement.....   | 13 |



## Introduction

San Diego Community Power's (SDCP) mission as community-owned organization is to provide affordable clean energy and invest in the community to create an equitable and sustainable future for the San Diego region. Our vision is to become a global leader inspiring innovative solutions to climate change by powering our communities with 100 percent clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.

SDCP is a community choice aggregator (CCA) serving the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego. By summer 2023, service will be extended to residents and businesses residing in the city of National City and the unincorporated communities of San Diego County. As the state's second-largest CCA and the first to have codified the goal of reaching 100 percent renewable energy by 2035 or sooner in its Joint Powers Authority (JPA) Agreement, SDCP recognizes the important role it has in shaping California's energy future all while supporting efforts to uplift disadvantaged communities along the way.

SDCP is governed by a Board of Directors that is comprised of elected officials who represent each of the seven member agencies of SDCP, and decisions are made before the public with opportunity for public input. The Board also utilizes input from a Community Advisory Committee (CAC), which provides advice on matters of importance to the various communities of SDCP.

Established in October 2019, SDCP continues to grow as a CCA that is focused on being financially sound, increasing its brand recognition in the region, and ensuring long term success in delivering upon its mission. As a public agency, SDCP will continue to improve its supplier diversity program within the limitations of Proposition 209, which prohibits government agencies like CCAs from giving preferential treatment based on race, sex, color, ethnicity, or national origin in hiring or contracting.



*Karin Burns, SDCP's CEO (middle) with our 2023 Board of Directors*

## Section 9.1.1 Description of Supplier Diversity Program Activities During the Previous Calendar Year

### Internal Strategies and Activities

In 2022, SDCP continued building its staff by hiring in several departments across the agency and created several more internal processes to improve efficiency, as well as continued to increase its brand presence throughout the region.

Specifically, the Public Affairs department added several positions focusing on marketing and communications, public outreach, and strategic partnerships. This allowed the team to extend its strategic outreach, share contracting opportunities with more organizations, as well as ensure that the SDCP brand is recognized by more people than ever.

Moreover, given the limitations of Proposition 209, SDCP developed creative solutions for increasing its supplier diversity and amended its procurement policy for non-power contracts to provide preferential treatment to small businesses, persons with disabilities, disabled veterans, and local business enterprises. Specifically, bidders may apply for two out of the four categories when submitting their proposals as outlined in the procurement policy.



*Example ad in Spanish for the CPP community listening sessions*

## External Strategies and Activities

SDCP sought to gather extensive feedback from community members on the development of its Community Power Plan (CPP) in 2022. The CPP, once completed in Spring 2023, will serve as SDCP's strategic roadmap when building out programmatic offerings for the following five years. SDCP conducted a community needs assessment to properly understand the diverse needs and priorities of SDCP's communities via community listening sessions, virtual workshops, pop-up engagement, and a survey. This was done to equitably engage and solicit input from as many community members as possible, with a focus on the region's communities of concern and those that have been historically disadvantaged or underrepresented. This type of outreach helped increase awareness of SDCP's brand across its diverse communities. This increased brand recognition will help inform future suppliers of the agency's contracting opportunities.



*SDCP with Wave FC President, Jill Ellis*

Outside of the CPP, SDCP also sought to engage in strategic partnerships with several known brands in the San Diego region via its [Power100 Champions program](#). Businesses that join the program receive the benefits of having their name, location, and business description listed publicly on the SDCP website. Those brands now include the San Diego Padres, Illumina, Sharp Healthcare, as well as the San Diego Wave FC.

SDCP also participated in the California Public Utilities Commission's (CPUC) virtual "Doing Business with Community Choice Aggregators" event on November 10, 2022. This gave SDCP an opportunity demonstrate early efforts as a young agency that is growing and expanding its vendor base. SDCP was joined by Clean Power Alliance, Marin Clean Energy, and Valley Clean Energy.

## SDCP's Supplier Diversity Program

San Diego Community Power has a dedicated webpage for its supplier diversity program. That webpage can be found at <https://sdcommunitypower.org/supplier-diversity/> and any questions can be sent to Lee Friedman, Senior Manager of Strategic Partnerships, at [contracting@sdcommunitypower.org](mailto:contracting@sdcommunitypower.org) or 1-888-382-0169.



|  |           |                |       |           |           |       |
|--|-----------|----------------|-------|-----------|-----------|-------|
| <b>Total Supplier Diversity Spend</b>                        | \$465,988 | \$465,988      | 6.81% | \$465,988 | \$465,988 | 6.81% |
| Net Procurement**  |           | \$6,841,147.14 |       |           |           |       |
| Net Product Procurement                                      |           | \$223,418      |       |           |           |       |
| Net Service Procurement                                      |           | \$6,617,729    |       |           |           |       |
| Total Number of Diverse Suppliers that Received Direct Spend |           |                | 6     |           |           |       |

**NOTES:**

<sup>1</sup> Excludes purchases from the California Independent System Operator (CAISO), utilities, federal entities, state entities, municipalities and cooperatives.

<sup>2</sup> % - Percentage of Net Procurement.

<sup>3</sup> Includes Direct Power Purchases and Direct Fuels for Generation. Direct - Means Direct Procurement: when a CCA directly procures from a supplier.

<sup>4</sup> Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a CCA, procures from a subcontractor to fulfill its contractual obligation(s).

<sup>5</sup> "Total" does not include pre-commercial development (COD) subcontracting values.

<sup>6</sup> 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).



## Section 9.1.2 Description of Diverse Suppliers with Majority Workforce in California

This information was not available at the time this report was written. SDCP will, however, aim to develop processes that will ensure this information is properly collected for future iterations of this reports.

## Section 9.1.3 Supplier Diversity Program Expense

| Expense Category        | 2022     |
|-------------------------|----------|
| Wages                   | \$40,000 |
| Other Employee Expenses | -        |
| Program Expenses        | -        |
| Reporting Expenses      | -        |
| Training Expenses       | -        |
| Consultant Expenses     | -        |
| Other Expenses          | -        |
| <b>Total</b>            | -        |

## Section 9.1.5 Description of Prime Contractors Utilization of Diverse Subcontractors

In its first year of having a supplier diversity program, SDCP focused on increasing its brand presence in the region in order to attract better customer retention as well as more vendors to apply for procurement opportunities. As it relates to encouraging prime contractors to increase their utilization of diverse subcontractors, SDCP has done the following. First, prospective contractors are asked to review SDCP's [Inclusive and Sustainable Workforce Policy](#), which furthers SDCP's priorities of (1) demonstrating quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) supporting a stable, skilled, and trained

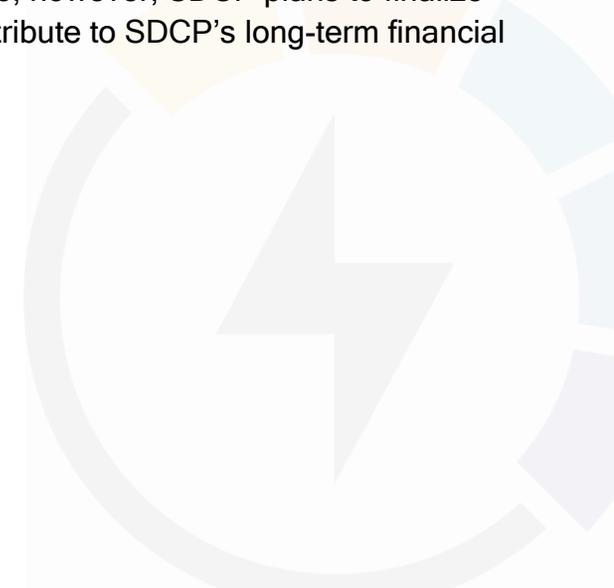
workforce; and (3) promoting supplier and workforce diversity including returning veterans and those from communities of concern. Moreover, SDCP's request for proposals (RFP) template was updated to include information about General Order 156 and SDCP's encouragement to use diverse suppliers within the limits of Proposition 209.

## **Section 9.1.6 List of Supplier Diversity Complaints Received and Current Status**

SDCP has received no complaints.

## **Section 9.1.9 Description of Supplier Diversity Activities and Progress in Power (Energy) Procurement**

As previously mentioned, SDCP asks prospective contractors to review SDCP's Inclusive and Sustainable Workforce Policy and to be aware of SDCP's intent, within the limits of Proposition 209, to increase the diversity of its suppliers. In 2022, there was a historic heat wave that impacted California, which resulted in prices fluctuating in response to supply chain issues. Given this reality and SDCP's focus on being financially stable for long-term success, as well as the power industry's low level of minority providers, SDCP's efforts to recruit diverse suppliers in the power procurement space were minimal but acknowledged. For 2023, however, SDCP plans to finalize an Energy Bid Criteria that will further improve SDCP's efforts to hire diverse suppliers and will contribute to SDCP's long-term financial success while delivering on its renewable energy mandates and goals.





|    |  |   |   |   |   |   |   |   |                      |
|----|--|---|---|---|---|---|---|---|----------------------|
| 16 | 8(a) <sup>6</sup>                        | - | - | - | - | - | - | - | -                    |
| 17 | <b>Total Supplier Diversity</b>          | - | - | - | - | - | - | - | -                    |
| 18 | <b>Net Power Procurement</b>             |   |   |   |   |   |   |   | <b>\$604,929,740</b> |
| 19 | <b>Net Direct Power Purchases</b>        |   |   |   |   |   |   |   | <b>\$604,929,740</b> |
| 20 | <b>Net Direct Fuels for Generation</b>   |   |   |   |   |   |   |   | -                    |
| 21 | <b>Total Number of Diverse Suppliers</b> |   |   |   |   |   |   |   | <b>0</b>             |

**NOTES:**

<sup>1</sup> Excludes purchases from the California Independent System Operator (CAISO), utilities, federal entities, state entities, municipalities and cooperatives.

<sup>2</sup> % - Percentage of Net Procurement.

<sup>3</sup> Includes Direct Power Purchases and Direct Fuels for Generation. Direct - Means Direct Procurement: when a CCA directly procures from a supplier.

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## **Section 10.2 Description of Supplier Diversity Program Activities Planned for the Next Calendar Year**

For 2023, SDCP intends to finalize its Energy Bid Evaluation Criteria, which will help the agency be informed of the type of power proposals that are submitted and whether those align with the values of SDCP all while maintaining financial viability and compliance with renewable energy mandates and goals.

SDCP will also continue to build out its brand as it enrolls customers in the city of National City and the unincorporated communities of San Diego County. In doing so, more visibility will be created, and new vendors will become aware of SDCP's procurement opportunities. With a more robust public affairs department, SDCP aims to continue to build out its supplier diversity program that may include partnerships with chambers of commerce for promotional purposes, as well as educational presentations. Lastly, SDCP plans to provide annual trainings to staff as was done this previous year on the agency's procurement practices and how these practices relate to General Order 156.

## **Section 10.2 Plans to Encourage Prime Contractors to Subcontract Small, Local, and Diverse Businesses**

While SDCP does not have authority over prime contractors' subcontracting activities, SDCP will continue to educate any prospective supplier of the agency's supplier diversity program, General Order 156 efforts, and its Inclusive and Sustainable Workforce Policy.



## Small and Local Business Procurement

|           | Small Business Procurement (\$) | # of Suppliers | Local Business Procurement (\$) | # of Suppliers | Small & Local Combined Spend (\$) | Small & Local Combined Spend (%) |
|-----------|---------------------------------|----------------|---------------------------------|----------------|-----------------------------------|----------------------------------|
| All       | \$1,242,611                     | 4              | \$896,670                       | 20             | \$2,139,281                       | 31%                              |
| Non-Power | \$1,242,611                     | 4              | \$896,670                       | 20             | \$2,139,281                       | 31%                              |
| Power     | -                               | -              | -                               | -              | -                                 | -                                |

|  |               |
|--|---------------|
| <b>Net Non-Power Procurement**</b>       | \$6,841,147   |
| <b>Net Power Procurement</b>             | \$604,929,740 |
| <b>Net Power + Non-Power Procurement</b> | \$611,770,887 |

Companies that are both certified small and local are not double counted.

All certified small businesses hold either a Small Business or Small Business (micro) certification from the DGS.

In 2022, 31 percent of SDCP's non-power procurement came from a combination of small and local businesses. SDCP defines local businesses as those headquartered in San Diego County. Meanwhile, small is defined as those registered as either small or small (micro) with the California Department of General Services. SDCP looks forward to continuing to build this momentum as it grows its vendors base and impact in the wider San Diego and California community.

