

Supplier diversity
Investing in our communities and our future



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2015 SDG&E DBE annual report

Letter from SDG&E Chairman, President & CEO Jeff Martin

“Building a better business”

I am honored to report that in 2015, San Diego Gas & Electric® (SDG&E®) posted another exceptional year of purchasing goods and services with diverse suppliers. SDG&E purchased nearly 43% percent or over \$497 million of goods and services from diverse suppliers.

As the energy industry continues to evolve, strengthening the partnerships with our diverse businesses is a vital component to diversifying our supply chain. This alliance is not only good for our business, but also good for the economy as a whole.

I want to commend the efforts from our employees, our suppliers and our community organizations in helping us achieve our goals in producing improved safety and operating results.

Our diverse suppliers help us achieve measurable results by developing value-added products and services, modernizing business practices and identifying creative solutions. These areas of focus help SDG&E build a better business model.

In 2015, SDG&E's goals were to: 1) strengthen our base of diverse suppliers in key commodities and 2) increase the number of diverse suppliers to compete for prime positions. As a result, we grew the number of diverse business enterprises (DBEs) in prime positions by 8 percent, resulting in over \$343 million in direct spend. Our company created a new goal to support smaller businesses under \$5 million in revenue with the SCORE (Small Contractor Opportunity Realization Effort) program. SCORE exceeded expectations and we increased spend in this area by over 50 percent from 2014.

Another notable achievement for SDG&E was enhancing our technical assistance to include a series of workshops that better prepared our diverse suppliers to bid and win projects.

In 2015, SDG&E was the first utility in California to procure over 33 percent of renewable energy for our customers. This was accomplished five years ahead of our target date. For the fourth consecutive year, SDG&E exceeded the California Public Utilities Commission's (CPUC) General Order (GO) 156 goal in electric and fuel procurement, reporting 25.8 percent. SDG&E also purchased over \$104 million, or 45 percent, of natural gas with diverse businesses.

Just as the energy industry is transforming, so too is SDG&E's supplier diversity program. As we look forward to 2016, we will create new relationships with our suppliers based upon feedback, information and collaboration. We believe that doing business with SDG&E needs to be more than just another transaction. We are seeking a stronger connection with our suppliers, customers, stakeholders and the communities we serve. In so doing, SDG&E's new energy partnership with our diverse suppliers is a critical component to achieving success in the transforming energy industry.

Sincerely,



Jeff Martin

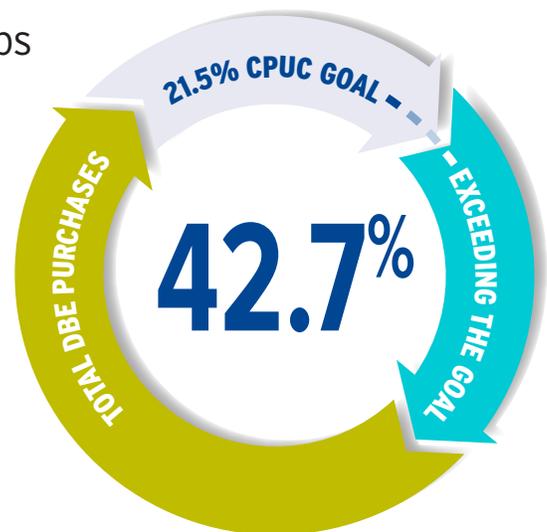
SDG&E Chairman, President & CEO



Executive summary

San Diego Gas & Electric (SDG&E) maintained strong supplier diversity spending results in 2015 with **42.7 percent**, or over **\$497million**, of all spending going to diverse business enterprises (DBE), once again exceeding the General Order 156 California Public Utilities Commission's (CPUC) goal of 21.5 percent.

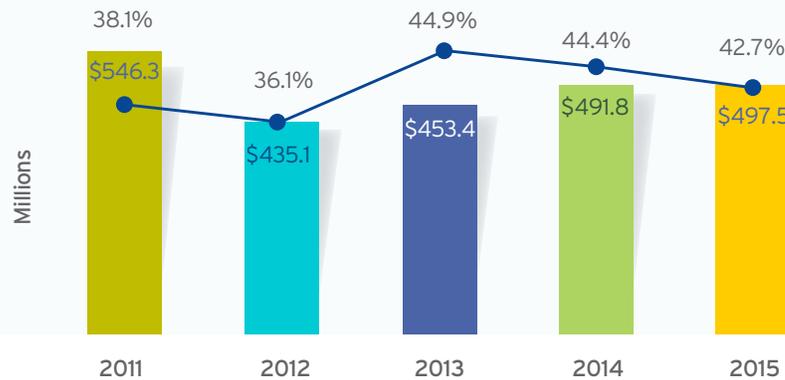
Our 2015 results were driven by high DBE spend in core business areas, such as Electric Distribution Operations, Operations Support and Electric Transmission and System Engineering. Because the spend in these core areas is significant, it is important that we foster these relationships with DBE suppliers, which contributed over 46 percent, or \$332.1 million.



Strong DBE participation in two new major projects in 2015 provided significant levels of diverse business spend. The Fire Risk Mitigation Project (FiRM) improves reliability and integrity of the electric system in fire-prone areas. FiRM posted \$53.1 million in DBE spend or 74.8 percent. SDG&E's South Bay Substation Relocation Project (Bay Blvd.) addresses the current and future transmission and distribution needs for the South Bay area. Bay Blvd. also posted exceptional results of 69 percent, or \$25.4 million in DBE spend.

The ongoing Pipeline Safety Enhancement Plan (PSEP) program, which pressure tests pipeline sections and upgrades, replaces or retrofits pipe and valves as needed, continues to advance opportunities for diverse suppliers and achieved 42.8 percent, or \$37 million in DBE spend.

2011-2015 DBE SPEND (\$ AND %)



Leadership Conversation: **Denita Willoughby**,
SDG&E Vice President, Supply Management & Logistics

“Connecting with our customers”

Q: How does supplier diversity impact SDG&E's bottom line?

A: Our commitment to diversity closely connects us to our customers and the communities where we do business. Working for a diverse and inclusive company helps us gain and maintain a competitive edge in the workforce, marketplace and community. Our supplier diversity programs are helping to develop and incorporate a strong pool of suppliers to ensure SDG&E provides customers with safe, reliable and cost-effective services while strengthening the communities we serve.

Q: The last few years SDG&E has surpassed supplier diversity goals by achieving over 40 percent. How do you plan to sustain this performance?

A: Surpassing milestones and goals has been an ongoing tradition at SDG&E. Although it is important to maintain a strong diverse supplier base, it is equally important to discover and develop new smaller diverse suppliers. Just this past year, our leadership developed a new goal to help grow our smaller businesses (under \$5 million in revenues). By leveraging our existing SCORE (Small Contractor Opportunity Realization Effort) program, SDG&E had a target to increase spend with SCORE suppliers by 10 percent. I am proud that SDG&E exceeded this goal and increased spend by over 50 percent, helping 24 diverse businesses increase their revenue to \$10.6 million. Successful programs like SCORE will continue to help us increase our pool of new and qualified suppliers to bid on larger scale contracts.

Key spending and accomplishments contributing to 2015 supplier diversity success

Direct spend - increased more than \$42 million, from \$301.6 million to \$343.6 million, representing 29.5 percent in DBE spend.

\$343.6
Million

Subcontracting - totaled nearly \$153.8 million for both core business and capital projects, representing 13.2 percent in DBE spend.

\$153.8
Million

Category highlights

Minority Business Enterprise (MBE)

Spending was \$306.5 million or 26.3 percent.

\$306.5
Million

Women Business Enterprise (WBE)

Spending was \$163.4 million or 14 percent.

\$163.4
Million

Minority Women Business Enterprise (MWBE)

Spending was \$53.8 million or 4.6 percent.

\$53.8
Million

Service-Disabled Veteran Business Enterprise (SDVBE)

Spending was \$27.6 million or 2.4 percent.

\$27.6
Million

2015 GOALS	2015 NOTABLE ACHIEVEMENTS	2016 PLANS
<ul style="list-style-type: none"> ❖ Achieve 40 percent in spending with DBEs 	<ul style="list-style-type: none"> ❖ Achieved a 42.7 percent purchases with DBEs for goods and services 	<ul style="list-style-type: none"> ❖ Achieve 40 percent in spending with DBEs
<ul style="list-style-type: none"> ❖ Achieve a new SCORE (Small Contractor Opportunity Realization Effort) spend goal and Increase annual spend by 10 percent over previous year annual spend 	<ul style="list-style-type: none"> ❖ Achieved \$10.7 million in spend with SCORE suppliers or exceeded goal by 52.8 percent 	<ul style="list-style-type: none"> ❖ Achieve a 20 percent increase in SCORE spend
<ul style="list-style-type: none"> ❖ Expand our internal DBE Champions and Ambassadors program to include more employees to advocate for diverse suppliers 	<ul style="list-style-type: none"> ❖ Prepared and trained 70 internal Champions and Ambassadors 	<ul style="list-style-type: none"> ❖ Extend DBE Champions and Ambassadors program to include advocates within our community based organizations
<ul style="list-style-type: none"> ❖ Implement a robust supplier Access to Capital Program 	<ul style="list-style-type: none"> ❖ Piloted Financial Capability Series Workshops (41 DBE suppliers in attendance) ❖ Hosted Capital and Contracting Forum (100 DBE suppliers in attendance) ❖ Partnered with six financial institutions ❖ Achieved a 27 percent loan approval funding rate 	<ul style="list-style-type: none"> ❖ Expand Financial Capability Series and successfully achieve a loan approval funding rate of 30 percent for diverse businesses
<ul style="list-style-type: none"> ❖ Launch SDG&E's Supplier Quick Pay Program (SQPP) to pay suppliers faster through accelerated payment terms 	<ul style="list-style-type: none"> ❖ Implemented Phase 1 SQPP SDG&E SCORE suppliers new term of net 15, 0 discount ❖ Implemented Phase 2 to expand to additional suppliers 	<ul style="list-style-type: none"> ❖ Continue efforts with SQPP and extend program to small businesses
<ul style="list-style-type: none"> ❖ SDG&E supports and welcomes the extension of General Order 156 WMDVBE provision to LGBT organizations to recruit qualified suppliers 	<ul style="list-style-type: none"> ❖ Collaborated with several CA utilities to develop a strategy that will incorporate LGBTBE in utility procurement supply chain ❖ Attended NGLCC conference and networked with over 100 suppliers 	<ul style="list-style-type: none"> ❖ Continue to support the relationship with the LGBT community and help identify new certified suppliers

Internal activities

Executive support

Supplier diversity is a priority at SDG&E. Our executives, directors and managers are fully committed to supplier diversity and are diligent in their efforts to achieve the company's DBE goals. Executives support and routinely participate in diversity events such as the Annual Championing Diversity Awards, where we recognize employees who help SDG&E achieve our supplier diversity goals.

SDG&E internal DBE Champions and Ambassadors team

Since its formation in 2013, our DBE Champions and Ambassadors team has grown to over 70 members, representing a broad range of SDG&E departments. Our ambassadors help identify opportunities to include diverse suppliers and regularly participate in matchmaking and outreach events.



Leadership Conversation: **Linda Brown**
SDG&E Senior Director Supply Management & DBE

“If you follow your passion, success will follow”

Q: What does supplier diversity mean to you?

A: Supplier diversity is not just about reaching a number. It is about companies that bring value to the organization through competition, cost savings, community empowerment, and different perspectives. I have personally seen that many of our diverse suppliers are energetic and passionate about building strong partnerships with SDG&E. As a result of these partnerships, our company continues to achieve phenomenal results while strengthening our community.

Q: What encouraging words can you offer to a new supplier?

A: I believe one of the most fundamental lessons in life is to follow your passion. If you follow your passion, success will follow. There will be times you will experience challenges or setbacks, but stay focused and committed to your passion. In other words, continue to work hard, solicit feedback, be forward thinking and persevere.

Conversation with our Supplier Diversity Team



Erica Leigh Beal

"Discovering new suppliers"

Q: How should potential suppliers prepare for an introduction with SDG&E representatives?

A: We advise suppliers to give SDG&E representatives a "reason to do business with you." Do your homework. Research the industry and understand the requirements and supplemental qualifications needed (through resources such as SDG&E's website, working with DBE professionals and reviewing the SDG&E DBE Annual Report). We want our suppliers to have a clearly defined business proposition that brings value to SDG&E.



Bruce Mayberry

"Developing a strong foundation"

Q: What is a fast-track approach to acquiring a contract?

A: We have experienced that it takes time to get a contract with many of the California utilities. A number of our suppliers find a shorter path to success by partnering with other suppliers that have existing contracts. SDG&E helps to facilitate these partnerships by hosting networking forums throughout the year. These forums provide suppliers opportunities to connect with other businesses and prime suppliers. There are many benefits to developing these new partnerships, including mentoring, sharing resources and exchanging best practices.



Jaymee Lomax

"Growing your business"

Q: What is the value of participating in SDG&E's technical assistance programs?

A: We provide a wide variety of technical assistance programs that focus on many concentrated areas, such as strategic growth planning, access to capital, human resource management, financial acumen, safety, marketing and advanced technology management. This investment in our suppliers helps SDG&E build a strong base of established and prequalified suppliers prepared to compete on larger contracts.



Sydney Furbush

"Sustaining for the future"

Q: How do you prepare your business to sustain in a dynamic environment? What recommendations do you have for suppliers with existing contracts to strengthen their partnership with the company?

A: Our industry is rapidly changing and we are looking for innovative businesses that create new products and services to meet the evolving needs of this fast-paced environment. Suppliers should continue to reinvent their businesses and ensure that their products and services are aligned with SDG&E's strategic priorities: safety, reliability and customer service. They should also ensure that they are prepared for changes in regulations, policies and technology. We are looking for suppliers that offer solutions to minimize our risk in areas such as customer privacy, cyber security, financial exposure and system reliability.

INTERNAL EVENTS

Recognition events held throughout the year brought employees together to raise awareness and celebrate the achievements of our supplier diversity program. 2015 events included:

Summit and Awards Luncheon

The 2015 Sempra Energy Diversity & Inclusion Summit and Championing Diversity Awards Luncheon were memorable events held on the Queen Mary. Employees from the Sempra Energy family of companies, as well as diverse suppliers and guests, attended a day of breakout sessions, keynote speakers and an awards ceremony. Employees were honored with awards for outstanding performance and commitment to supplier and workplace diversity.

Champions and Ambassadors Seminar

Over 70 DBE Champions and Ambassadors met in early 2015 to advocate for increasing diverse spend within their respective organizations. Vice President of Supply Management & Logistics Denita Willoughby shared SDG&E's executive commitment. This seminar provided the Champions and Ambassadors with a solid background and context for SDG&E's supplier diversity program. Roles, responsibilities and expectations were shared and discussed. We recognized employees for their significant achievements in 2014.

External activities

Our supplier diversity team uses networking events to promote supplier diversity and develop a more robust, diverse supply chain for SDG&E. Our close relationships with community organizations allow us to maximize our time and resources and create positive returns for our programs. Several of our supplier diversity professionals serve on executive and advisory boards, which provides them an opportunity to communicate the specific needs of utilities to our community organizations and strengthen ongoing partnerships. Throughout the year, the team also participates in regional and national conferences, such as the CPUC Small Business EXPOs and the National Minority Supplier Diversity Council Conference.

Leadership Conversation: **Joe Pierzina**

SDG&E Federal Accounts Turnkey Manager & DBE Ambassador

"Provide the best value and highest quality"

Q: What should be the top priority of SDG&E's supplier diversity program?

A: I believe the top priority is to provide the best value and highest quality suppliers to the company. In my experience, diverse suppliers bring innovation and help us implement efficient systems and safer equipment, which in return makes us a better company to serve our community.

Q: How did the SDG&E supplier diversity Champions and Ambassadors program change your perception?

A: The program didn't change my perception, it just reinforced it. Throughout my career at SDG&E - first as a Portfolio Manager in Supply Management and now as the Federal Accounts Turnkey Manager - I've always viewed the supplier diversity initiative as an opportunity to bring innovative ideas to the company through new and diverse suppliers. The Champions and Ambassadors program gives us the opportunity to leverage and share the company's successes and best practices. In addition, I have been introduced to many new, qualified suppliers that have proven to be valued, cost effective suppliers.



Conversations with our community based organizations



Tracy Stanhoff, *President, American Indian Chamber of Commerce of California (AICC)*

“Building and keeping partnerships”

Q: How would you describe your organization in 2015?

A: In 2015, we celebrated AICCC’s 20th anniversary during which we focused on capacity-building, training and access to procurement opportunities by reaching out to more of Indian Country suppliers than ever. We held meetings and workshops as far north as Crescent City and as far south as San Diego County. One of our greatest strengths is our ability to maintain laser-like focus on our mission - building and keeping partnerships and relationships that assist in our advocacy.

Wendy Urushima-Conn, *President & CEO, Asian Business Association, San Diego (ABA-SD)*

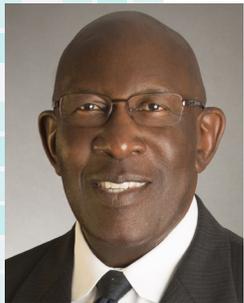


“Uniting and empowering”

Q: How would you describe your organization in 2015?

A: 2015 saw increased advocacy and activity by the ABA’s Government Affairs Committee to achieve our mission to unite and empower the Asian Pacific American business community. We were successful in creating opportunities for professional development and economic growth in San Diego and provided a strong voice on business, cultural and political issues of interest to San Diego’s Asian and Pacific Islander community. New participants in the Programs Committee have brought enthusiasm, and a renewed focus to new programs for helping small businesses. The success of these programs will increase membership as well as strengthen the political influence of ABA.

Jerry Robinson, *President, Central San Diego Black Chamber of Commerce (CSDBCC)*



“Self-determination, economic growth and prosperity”

Q: How would you describe your organization in 2015?

A: This past year was very exciting for the Central San Diego Black Chamber of Commerce. We added new members to our executive board and launched new initiatives to help our members gain access to business opportunities with local corporations. In 2015, one of these initiatives, our “Talk Series”, highlighted several national industry leaders interested in partnering with diverse businesses for sourcing opportunities. Moving forward, we are committed to promoting self-determination, economic growth and prosperity for communities of color.

Conversations with our community based organizations



Bob Multz, *National Chairman, Elite Service-Disabled Veteran-Owned Business Network (SDVOB)*

“Helping veterans help themselves”

Q: How would you describe your organization in 2015?

A: The Elite Service-Disabled Veteran-Owned Business (SDVOB) Network is an all-volunteer grassroots organization, and the commitment level and integrity of those volunteers are our greatest strengths. We truly believe in helping other vets help themselves. We are committed to expanding opportunities for service-disabled veterans throughout the nation. We continue to focus efforts on ensuring that veterans are prepared to transition into the civilian workforce. Additionally, we work with service-disabled veterans to create and promote entrepreneurship. Our goal is to continue to strengthen our partnership with local corporations like SDG&E and ensure that our mission is aligned with the utility of the future.



Mindy Bortness, *President, National Association of Women Business Owners, San Diego (NAWBO)*

“Women of action”

Q: How would you describe your organization in 2015?

A: NAWBO-San Diego’s membership consists of women of action! These bright, successful, established leaders are fearless and generous. Our sponsors are jumping in and supporting us well beyond monetary contributions. I am humbled and it is my pleasure to lead this functional, professional team of women. This organization promotes women empowerment through networking sessions, volunteerism and redefining public policy. It is important that when one of our NAWBO members leaves an event, they are inspired and reenergized to strengthen their business and impact their community. Personal growth, fun experiences and tackling challenges side-by-side are all positive takeaways for our members.



Dr. Pamela Williamson, *President & CEO, Women's Business Enterprise Council-West (WBEC-West)*

“It is not about the destiny, but the road you take”

Q: How would you describe your organization in 2015?

A: In 2015, WBEC-West identified three target areas of concentration: increasing the connection opportunities between our certified women business enterprises (WBEs) and corporations for possible procurement opportunities, improving WBE to WBE connections, and ensuring that newly certified WBEs are mentored by successful WBEs. We know some of our greatest strengths are the ability to stand still long enough to listen to our constituents and being flexible enough to pivot and make changes that are right for our corporate members and our certified WBEs. Sometimes, it is not about the destiny, but the road you take.

SUPPLIER DEVELOPMENT AND TECHNICAL ASSISTANCE

SDG&E provides targeted opportunities for diverse suppliers to obtain the knowledge and skills needed to take their business to the next level and adjust to challenges facing the utility industry.

Mastering Business Growth (MBG)

In 2015, SDG&E and Infinity Business Solutions, a diverse supplier, offered 64 attendees from 45 small businesses a unique training opportunity to build new strategies and apply new metrics for growing their businesses. MBG provides small businesses with a toolkit of real-time applications and resources that address business challenges and/or opportunities.

SDG&E solicited local community based organizations (Elite SDVOB Network, DVBE Alliance, Council for Supplier Diversity, Asian Business Association, Central San Diego Black Chamber of Commerce, Women's Business Enterprise Council - West, National Association of Women Business Owners, Hispanic Chamber of Commerce, and American Indian Chamber of Commerce of California, among others) to identify qualified business owners who could benefit from our MBG classes.

The program culminated with SDG&E conducting a matchmaking event between participants, SDG&E procurement agents and business stakeholders. Classes covered a full range of business topics from business planning and writing proposals to finance and marketing.

Small Contractor Opportunity Realization Effort (SCORE)

SCORE plays an important role in helping suppliers increase skills and capacity through a combination of short-term contracts, mentoring, technical assistance and a variety of workshops. This initiative creates opportunities for DBEs to demonstrate their abilities to work with utilities and other large businesses. Additionally, it increases SDG&E's pool of qualified diverse suppliers for a specific scope of work. In 2015, 24 DBE companies took advantage of this program resulting in a 52 percent increase in SCORE spend over 2014.

ACCESS TO CAPITAL

The supplier diversity team initiated an access to capital program in 2015, which included the Financial Capability Series technical assistance program, Supplier Quick Pay Program and Diverse Supplier Capital Initiative.

Financial Capability Series (FCS)

This technical assistance series is designed for existing and potential suppliers who want to strengthen their financial capacity and improve supplier's capital accessibility. Suppliers receive a self-generated guided action plan/financial roadmap to 1) identify capital needs, 2) strengthen banking relationships, 3) understand the different types of financial product/services. In 2015, we provided this training to over 45 businesses.

Supplier Quick Pay Program (SQPP)

This program pays small businesses within 15 days, rather than the standard 45 days, which boosts their access to working capital. When these small businesses get paid faster they are able to run their businesses better. SQPP helps provide resources to grow their business and hire additional employees. In 2015, SDG&E enrolled 30 new suppliers.

Diverse Supplier Capital Initiative (DSCI)

This initiative financially prepares diverse suppliers to secure larger contracts, identifies and evaluates suppliers' readiness to successfully access capital, and helps forecast suppliers' financial needs to minimize risk within the supply chain.

Key results and economic impact

In 2015, as a result of our FCS technical assistance program and the DSCI program, 12 diverse suppliers obtained bank funding for over \$1.8 million; additionally, several other suppliers have pending bank loans in progress.

2015 NOTABLE ACHIEVEMENTS

12 LOANS FUNDED



2 NEW OFFICES
ADDED

47 NEW JOBS



2 NEW ACCOUNTING
SYSTEMS IMPLEMENTED

3 NEWLY ADDED
PRODUCTS/SERVICES



3 IMPLEMENTED FINANCIAL
PERFORMANCE INDICATORS



1 UNCOVERED
EMBEZZLEMENT

3 NEW CPAS HIRED
4 NEW BOOKKEEPERS

5 IMPROVED PERSONAL
CREDIT SCORES



3 BUSINESS
ACQUISITIONS



DBE Conversation: **Anne Musgrove**, Vice President, M.C. Land Construction
www.mclandcon.com

“MBG Program: Precise, detailed, usable and user-friendly”

Q: What has been the overall benefit of attending the Mastering Business Growth (MBG) technical assistance program?

A: The MBG program is a top-notch, down-to-brass tacks program that gave us the necessary tools to measure our company and visualize how to get to the next level. Precise, detailed, usable and user-friendly. The instruction was easy to follow and really made me think.

Q: What major business improvements have you been able to make as a result of your participation in the MBG program?

A: One of the key takeaways in the marketing session was the need to master our 60-second presentation (“elevator speech”) and have a good web presence.

2015 awards

National Elite Disabled Veteran Business Enterprise Network

Leadership Award

Asian Business Association, San Diego

CEO's Choice Award

Women Business Enterprise Council - West, California Forum

Corporate Appreciation Award

Council for Supplier Diversity, San Diego

Corporation of the Year Award

Council for Supplier Diversity, San Diego

Community Outreach Award

American Indian Chamber of Commerce of California

Thunderbird Award

National Association of Women Business Owners, San Diego

Special Recognition of the Loyal and Dedicated Support of NAWBO to Propel Women Entrepreneurs

Women's Business Enterprise Council - West, California Forum

Corporate Influence and Impact

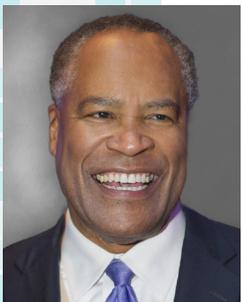
Leadership Conversation: **Jessie Knight Jr.,**

Former Executive Vice President of External Affairs for Sempra Energy and Chairman of SoCalGas and SDG&E

"Diversity of people brings diversity of thought"

Q: You recently received the Lifetime Achievement Award from the Central San Diego Black Chamber of Commerce. In your opinion, what does it take to be a successful leader?

A: Empathy is a trait I believe defines a good leader. Empathy means that you really understand what the other person is going through. It doesn't necessarily mean that you are going to agree, but you are open to having an appreciation for a different viewpoint. When it comes to diversity, I think back to those earlier days when people were not as empathetic. Today when we talk about diversity, we are in a room with diverse people. This gives us not only diversity of people, but diversity of thought.



Total direct/sub spending summary for 2015 vs. 2014

Our technical assistance programs, focused forums and strategic sourcing programs helped contribute to the increasing number of diverse suppliers in prime contracting roles. We continue to work closely with our prime contractors in encouraging them to expand opportunities for new and existing subcontractors.

SDG&E 2015 VS. 2014



	2015				2014			
	\$	%	# Direct Suppliers	# Sub Suppliers	\$	%	# Direct Suppliers	# Sub Suppliers
Total Spend	1,163,989,962				1,106,672,502			
Minority (MBE)	306,510,875	26.33%	216	175	330,194,236	29.84%	191	195
Women (WBE)	163,374,153	14.04%	176	147	136,546,963	12.34%	175	152
Service-Disabled Veteran (SDVBE)	27,578,689	2.37%	28	36	25,079,806	2.27%	22	43
Total WMDVBE	497,463,716	42.74%	420	358	491,821,005	44.44%	388	390

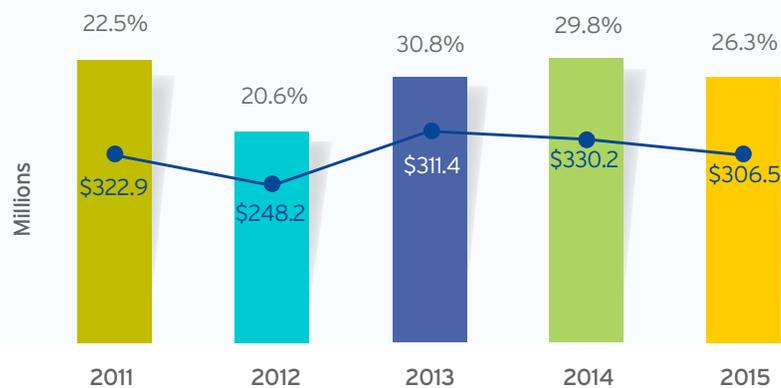
Minority Business Enterprise (MBE) procurement

Minority business enterprises (MBEs) remain the largest segment of DBE spending for SDG&E. In 2015, MBE spending exceeded \$306 million, or 26.3 percent of overall DBE results.

Highlights of MBE success in 2015:

- Spending with African American firms was \$40.1 million in 2015, or 3.4 percent, an increase from \$34.1 million in 2014. The increase is due to increased spend in our South Bay Substation Replacement and PSEP projects.
- Spending with Native American firms increased from \$27.6 million in 2014 to \$56.7 million in 2015, representing 4.9 percent of total spend. This increase is primarily in the construction area with a substantial portion related to the FiRM project, as well as IT project support.

MBE-SDG&E 2011 TO 2015 (\$ AND %)



MBE Conversation: **Kevin Narcomey**, Founder and CEO, Osceola Consulting

www.osceolac.com

“Serving our clients and our communities”

Q: What legacy would you like to leave behind with your company?

A: We, of course, are focused on our clients and partnering to achieve end results. But actually, we would like to be remembered foremost as a company committed not only to its clients, but also to the local communities where we work and our clients operate. For example, we sponsor academic scholarships to Native American students, we have invested in developing technology applications for language and culture preservation and are partnering with SDG&E to jointly sponsor fundraising programs for the American Lung Association.

Q: How does your company support the local community?

A: As a Native American-owned company, one of our biggest milestones this past year was the opening of our Technology Center on the Morongo Indian Reservation. With SDG&E’s leadership and support as one of the initial flagship clients, the center will allow us to hire locally and create jobs within an underserved community. With business and technology services delivered off-site but still nearby, the center enables us to complement onsite and offshore business models and lower overall cost of services to our clients.

Women Business Enterprise (WBE) procurement

Spending with Women Business Enterprises (WBEs) increased to 14 percent, or more than \$163.4 million, in 2015. This is the fifth year our spending with WBEs has exceeded \$100 million and the 10th year we have exceeded the CPUC goal of 5 percent.

Highlights of WBE success in 2015:

- WBE spend in new major projects in 2015, FiRM and South Bay Substation Relocation Project, contributed nearly \$6.3 million and \$12.4 million, respectively.
- Direct spend with a WBE engineering firm increased by more than \$4.1 million.
- The majority of the increase in WBE spending was in construction services subcontracting.

WBE-SDG&E 2011 TO 2015 (\$ AND %)



WBE Conversation: **Sondra Kissinger**, Managing Partner, Kissinger Group
kissingergroup.com

“Building a deliberate plan to win”

Q: In less than a year, Kissinger Group has expanded from one initial consulting engagement to 10 different projects across the SDG&E organization. How have you been able to develop your business across so many different areas?

A: SDG&E executives make a lot of internal referrals when you do good work. So we've been very lucky that word has spread about Kissinger Group. We've also asked our sponsoring executives for introductions and insight, and their generosity on both fronts has helped us tremendously. As our presence has grown throughout the organization, everyone has won, because working across multiple departments has broadened our knowledge. With a deeper understanding of the organization as a whole, we are able to deliver more value to SDG&E.

Q: As a small and relatively young business, you have landed a lot of large corporate accounts. To what do you attribute this success?

A: We have been very strategic about identifying companies with whom we want to work and then building a deliberate plan to win those companies over. SDG&E was high on our target list for a number of reasons, including size, reputation and strategic fit. And once we earned SDG&E's business, it gave us credibility and bragging rights that helped us add a number of other large, prominent companies to our client roster. So thanks for that!

Service-Disabled Veteran Business Enterprise (SDVBE) procurement

SDG&E continues to exceed the CPUC service-disabled veteran business enterprise (SDVBE) spending goal of 1.5 percent for the seventh year. We spent nearly \$27.6 million with service-disabled veteran firms in 2015, or 2.4 percent of our total spend. SDG&E continues to focus efforts on incorporating SDVBEs in our core business spend as well as emerging projects.

Highlights of SDVBE success in 2015:

- Direct and subcontracting total spend rose to almost \$27.6 million in 2015 compared to \$25.1 million in 2014.
- The percentage of spend with SDVBEs rose from 2.3 percent in 2014 to 2.4 percent in 2015.

SDVBE-SDG&E 2011 TO 2015 (\$ AND %)



SDVBE Conversation: **Paul Loska**, President & CEO, Icon Building Supplies
IconBuildingSupplies.com

“Doing things right the first time”

Q: Icon Building Supplies is a new company that has grown very quickly. To what do you attribute such rapid growth?

A: The SDG&E SCORE program has been a great benefit to Icon. It has allowed our staff to directly interact with, and be mentored by, several key members of the project management teams at SDG&E. This has given us the opportunity to showcase our company’s abilities and demonstrate to SDG&E that we can provide excellent services and products on time and under budget. Our team members continue to exceed expectations and they all share our passion for customer service and getting it right.

Q: What past experiences have helped you get to where you are now and how do you utilize those experiences to help your business and others?

A: As an artillery surveyor in the Marines, I quickly realized that we had a very important job, and if done incorrectly, the mission, as well as the lives of my fellow Marines and countless others, would be jeopardized. The structure of the Marine Corps gave me unique knowledge and experiences that I bring to Icon, enabling us to build a similar culture of doing things right the first time. Last year, I was fortunate to help start the San Diego Chapter of the Post Traumatic Stress Disorder (PTSD) Foundation of America. We give our time and provide monetary support to help veterans struggling with PTSD by providing access to an established program and live-in facility where these veterans can focus on healing while surrounded by other veterans dealing with the same types of issues. San Diego has one of the highest concentrations of veterans and the program is definitely needed here.

Minority Women Business Enterprise (MWBE) procurement

Spending with minority women business enterprises (MWBEs) was \$53.8 million in 2015. This represents a significant reduction in spend from 2014 that can be attributed to changes in SDG&E's business processes. This is an important segment of diverse suppliers and SDG&E will continue to make a concerted effort to help grow and nurture minority women-owned businesses through a variety of outreach activities.

Highlights of MWBE success in 2015:

- Two Hispanic American environmental firms increased spend by \$3 million in 2015.
- An Asian Pacific American construction firm, who is also a SCORE participant, increased spend by \$600 thousand.

MINORITY WOMEN-SDG&E 2011 TO 2015 (\$ AND %)



MWBE Conversation: **Maria Bastian Thompson**, Founder & CEO, Agile Sourcing
AgileSourcingPartners.com

“Trusted Partner. Caring Professionals. Innovation That Creates Value.”

Q: You are coming up to your 10-year anniversary and have grown a tremendous amount. What key success areas would you point to for creating a sustainable business?

A: I am able to keep the business strong by investing in my team, process and technology. I pride myself on learning something new every day and soliciting feedback during and after work is complete. Our leaders are encouraged to lead by example and I have instituted goals for my employees to give back and/or volunteer with their personal charities. Developing new relationships and strengthening existing partnerships is the core of success.

Q: You have an interesting tag line in your email and on your marketing materials - “Trusted Partner. Caring Professionals. Innovation That Creates Value.” How do you ensure this statement is true to who you are?

A: I believe in creating a culture that reflects teamwork, innovation and trust. In my opinion, a collaborative and respectful culture creates value. We strive to work internally with caring professionals, but also externally with our customers and suppliers who share the same views. We are committed to continuous improvement and driving collaborative value. We hire employees who share these same commitments and continue to develop them through training and mentoring. We are proud of who we are and we embrace our differences.

9.1.3 ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES

Expenses Category	Cost (In thousands)
Wages	\$596
Program Expense	\$320
Consultants	\$7
Total	\$923

Expenses for the 2015 supplier diversity program include items such as collateral development, networking events, technical assistance, capacity building, CPUC Supplier Clearinghouse payments, office support services and other program expenses.

9.1.4 SDG&E EXCEEDS ALL WMDVLGBTBE CATEGORY GOALS SET BY THE CPUC

Through carefully managed programs and the full support of SDG&E management, SDG&E continues to exceed CPUC percentage of spend goals in every category.

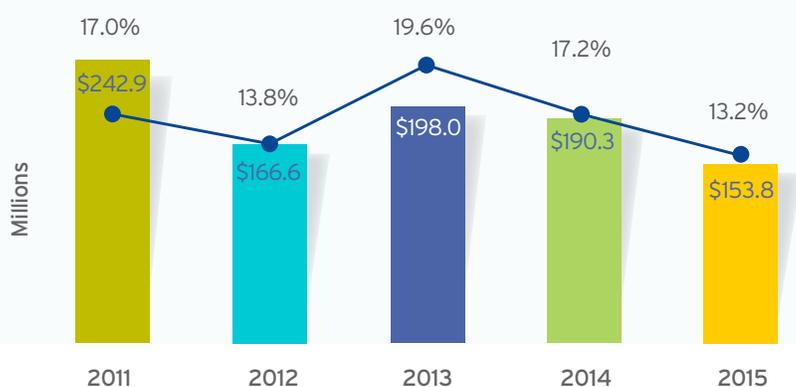
Business Category	2015 Goals	2015 Actual
Minority (MBE)	15.0%	26.3%
Women (WBE)	5.0%	14.0%
Service-Disabled Veteran (SDVBE)	1.5%	2.4%
Total	21.5%	42.7%

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS

DBE Subcontracting - SDG&E 2011 to 2015

Subcontracting by our prime contractors continues to be strong with over 13.2 percent of total spend being generated by DBE subcontractors.

SUBCONTRACTING-SDG&E 2011 TO 2015 (\$ AND %)



2015 SDG&E	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Total (WMDVBE)
Direct \$	211,642,494	28,674,353	240,316,847	93,498,642	333,815,489	9,834,392	343,649,881
Subcontracting \$	41,055,170	25,138,858	66,194,028	69,875,511	136,069,539	17,744,297	153,813,836
Total \$	252,697,664	53,813,211	306,510,875	163,374,153	469,885,028	27,578,689	497,463,717
Direct %	18.2%	2.5%	20.6%	8.0%	28.7%	0.8%	29.5%
Subcontracting %	3.5%	2.2%	5.7%	6.0%	11.7%	1.5%	13.2%
Total %	21.7%	4.6%	26.3%	14.0%	40.4%	2.4%	42.7%
Total Procurement	1,163,989,962						



DVBE Conversation: **Mike Pagano**, Founder and CEO, VetSource Inc.

VetSourceInc.com

“Veterans create a strong work force”

Q. What strategies are you implementing to make your business more sustainable?

A. I value the contracts with SDG&E and I also believe it's important to diversify my portfolio beyond the utility industry. I have a strong and safe workforce and our growth will allow me to hire more veterans. Historically, it's been proven that companies that hire veterans create a strong work force. It is my goal to give many veterans a good opportunity for work and a good living wage. By joining forces with ARB in the SDG&E DBE Mentorship Program, we have been able to leverage each other through resources and mentoring. This gives my company a more well-rounded experience and ongoing insight and growth.



SDG&E is bringing opportunities for diverse suppliers through our Vehicle Grid Integration pilot. This is a proposal to install thousands of electric vehicle charging stations throughout SDG&E's service territory within the next five years.

9.1.6 LIST OF WMDVLGBTBE COMPLAINTS

There were no formal complaints filed against SDG&E with the CPUC or lawsuits filed in 2015 in relation to its supplier diversity program.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

The General Order 156 Ruling on November 14, 2003 ended exclusions, resulting in specific categories no longer being deducted from the fundamental procurement amount.

9.1.8 DESCRIPTION OF EFFORTS IN UNDERUTILIZED AREAS

SDG&E continues to focus on increasing the number of diverse suppliers as well as the spend in low utilization categories. In the financial services area, \$1 million was spent with diverse firms in 2015 for 7.3 percent DBE spend. In legal services area, \$2.8 million was spent with DBE law firms, or 10 percent of legal spend with DBE firms, a decrease of 1 percentage point from 2014.

FINANCE - SDG&E 2011 TO 2015 (\$ AND %)



FINANCIAL SERVICES

Expanding our use of the DBE financial services community is an important focus for SDG&E's executives and stakeholders. Diverse suppliers are actively sought out for various financial reviews or audits and were partnered with our prime contractors to explore subcontracting opportunities. SDG&E executives, directors and managers continue to participate in numerous financial networking events to identify diverse suppliers in the financial services arena.

LEGAL - SDG&E 2011 TO 2015 (\$ AND %)



LEGAL SERVICES

SDG&E recognizes the importance of working with diverse legal firms to increase spending with DBEs. In 2015 legal DBE spending was \$2.8 million, representing 10 percent of all legal spending.

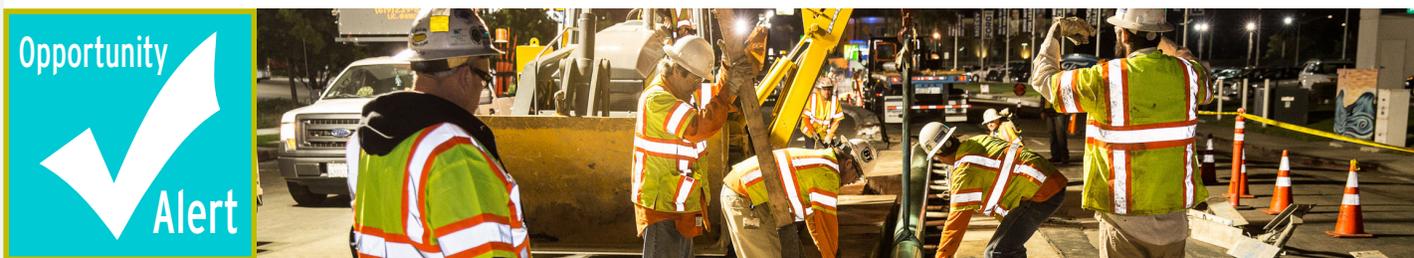
SDG&E's supplier diversity team works closely with the DBE Ambassador from legal services to identify qualified diverse firms in general law, securities, real estate, intellectual property, workers' compensation, venture capital projects, employment law and asset recovery.

SDG&E also sees the value in promoting utilization of diverse attorneys at non-diverse firms. In 2015 SDG&E spent over \$9 million with minority and female attorneys and nearly \$1 million in minority and female paralegal fees at majority-owned law firms, representing almost 51 percent of total spend at those firms.

2015 SDG&E Legal Spend: Diverse Attorney Work Within Non-DBE Legal Firms Attorney Time Billed in 2015**			Total*	2015 SDG&E Legal Spend: Diverse Paralegal Work Within Non-DBE Legal Firms Paralegal Time Billed in 2015**			Total*
Minority Men	African American		\$11,925	Minority Men	African American		\$8,618
	Asian Pacific American		\$158,936		Asian Pacific American		\$0
	Hispanic American		\$613,749		Hispanic American		\$14,430
	Native American		\$0		Native American		\$0
	Other		\$1,469,779		Other		\$12,256
	Total Minority Men		\$2,254,389		Total Minority Men		\$35,304
Minority Women	African American		\$77,851	Minority Women	African American		\$0
	Asian Pacific American		\$204,488		Asian Pacific American		\$0
	Hispanic American		\$117,808		Hispanic American		\$1,505
	Native American		\$0		Native American		\$0
	Other		\$26,078		Other		\$29,405
	Total Minority Women		\$426,225		Total Minority Women		\$30,910
	Total Minority		\$2,680,614		Total Minority		\$66,214
	Women		\$6,436,049		Women		\$933,227
	Service-Disabled Veteran		\$0		Service-Disabled Veteran		\$0
	Non-DBE		\$9,039,658		Non-DBE		\$399,110
	Grand Total: All DBE/Non-DBE		\$18,156,321		Grand Total: All DBE/Non-DBE		\$1,398,551

*Note: Figures are estimated.

**Note: This spend is not included in our WMDVLGBTBE results.



SDG&E is committed to incorporating diverse suppliers for the Pipeline Safety Enhancement Plan (PSEP). PSEP promotes the continued safety and integrity of our natural gas transmission pipeline. We have identified opportunities in areas of construction, inspection services, engineering and design.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E preserves all documents and data related to its DBE annual report for (a) three years or (b) the timeframe that is in compliance with SDG&E's internal document retention policy, whichever comes later. SDG&E will provide these documents and data to the CPUC upon request.

9.1.10 SUMMARY OF PURCHASES IN PRODUCT AND SERVICE IN ADDITIONAL CATEGORIES

Per General Order 156 this section is to report the summary of purchases in product and service categories that include renewable and non-renewable energy, wireless communications, broadband, smart grid and rail projects, in addition to their current reporting categories. For our renewable energy-related projects, we have outlined some of our accomplishments below.

- In 2015, SDG&E was the first utility in California - five years ahead of target - to procure over 33 percent of renewable energy for our customers.
- In the area of smart grid, SDG&E reported 28.2 percent DBE spend in 2015, once again surpassing our goal of 15 percent. We continue to utilize innovation to include diverse suppliers in major projects.

2016 DBE annual plan

10.1.1 GOALS

SDG&E is committed to a 40 percent targeted supplier diversity spend goal in 2016. In order to achieve this goal, we will focus on building a sustainable business model for our diverse suppliers:

- Achieve 40 percent in spending with diverse business enterprises (DBEs).
- Achieve a 20 percent increase in SCORE spend.
- Extend SDG&E Supplier Diversity Ambassador Program to include advocates with our community based organizations.
- Expand Financial Capability Series and successfully achieve a 30 percent loan approval funding rate for diverse businesses.
- Continue efforts with SQPP and extend program to small businesses.
- Continue to support the relationship with the LGBT community and help identify new certified suppliers.

Discover: "Discovering New Suppliers"

- ❖ Identify new suppliers that align with SDG&E business needs.
- ❖ Review capabilities and prequalify DBEs.
- ❖ Participate in Technical Assistance Tier 1.
- ❖ Connect with community based organizations (CBOs).

Develop: "Developing a Strong Foundation"

For small suppliers with revenues less than \$5 million

- ❖ Participate in financial capabilities technical assistance to determine financial readiness.
- ❖ Enroll in the SCORE program.
- ❖ Qualify for Supplier Quick Pay Program.
- ❖ Participate in networking opportunities with prime contractors.

Grow: "Growing your Business"

For medium-size suppliers that are building capacity for large-scale contracts

- ❖ Participate in SDG&E's Diverse Supplier Capital Initiative to access capital readiness.
- ❖ Participate in Technical Assistance Tier 2.
- ❖ Focus on expanding capacity and increasing revenue.

Sustain: "Sustaining for the Future"

For medium to large size suppliers focused on maintaining consistent growth and revenue

- ❖ Participate in SDG&E's Diverse Supplier Capital Initiative to access capital readiness.
- ❖ Participate in Technical Assistance Tier 3.
- ❖ Mentor and identify diverse suppliers for subcontracting opportunities.

Leadership Conversation: **Sydney Furbush**,
SDG&E Manager of Supplier Diversity

"Develop and grow a sustainable business model"

Q: What challenges may diverse suppliers face in doing business with SDG&E?

A: One of the primary challenges is access to capital. Some of those capital needs include purchasing new and updated equipment, hiring additional staff, updating product lines and expanding facilities. To help these suppliers meet these financial challenges, SDG&E initiated a multi-level approach, which incorporates financial acumen training, accelerated payment terms and access to financial institutions for low-cost loans. Ultimately, the goal is to provide a variety of financial tools and training to help suppliers grow and develop a sustainable business model. In 2016, we plan to expand the Diverse Supplier Capital Initiative by offering additional financial workshops and technical assistance programs as well as expanding our Supplier Quick Pay Program. As a result SDG&E should help increase suppliers' readiness to be price competitive, provide a higher quality of work and bring new solutions.



Diverse supplier annual short-, mid-, and long-term goals by product and service categories by percentage of spend

The SDG&E supplier diversity goal is to exceed the requirements of General Order 156, in our short-, mid-, and long-term goals. Since the makeup of our diverse suppliers is ever changing, we have not established specific goals within each sub-category.

Products

Short-Term (2016)					Mid-Term (2018)					Long-Term (2020)				
Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)
Men	Women				Men	Women				Men	Women			
13	2	15	5	1.5	13	2	15	5	1.5	13	2	15	5	1.5

Services

Short-Term (2016)					Mid-Term (2018)					Long-Term (2020)				
Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)
Men	Women				Men	Women				Men	Women			
13	2	15	5	1.5	13	2	15	5	1.5	13	2	15	5	1.5

Products and Services Total

Short-Term (2016)					Mid-Term (2018)					Long-Term (2020)				
13	2	15	5	1.5	13	2	15	5	1.5	13	2	15	5	1.5
				21.5					21.5					21.5

Short-Term	Mid-Term	Long-Term
40%	40%	40%

10.1.2 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES

INTERNAL

SDG&E will review and augment the internal activities detailed in Section 9.1.1 of this report to build upon the success of our program, with continued focus on working capital accessibility. We are identifying strategies to increase DBE participation for each portfolio, major project and department.

EXTERNAL

SDG&E will continue to build upon the successful external strategies described in Section 9.1.1 of this report. Because the SCORE program was so successful at developing new DBEs, we will continue to offer additional opportunities to small suppliers under our SCORE program. The success of SDG&E's technical assistance efforts will continue in 2016 through the efforts of our staff and community partners.

10.1.3 PLANS FOR RECRUITING WMDVLGBTBE WHERE WMDVLGBTBE UTILIZATION HAS BEEN LOW

In legal and financial services, we plan to continue our outreach and mentoring activities with the goal of engaging our legal and financial teams early in the process to promote inclusion.

10.1.4 PLANS FOR RECRUITING WMDVLGBTBE IN ANY EXCLUDED CATEGORY

SDG&E has eliminated all excludable items in compliance with General Order 156.

10.1.5 SUBCONTRACTING ACTIVITIES

Expanding on our past success in having prime contractors engage diverse subcontractors, we will continue to enhance activities outlined in Section 9.1.5 of this report. We will continue to improve upon processes for tracking and comparing subcontracting commitments to actual prime contractor subcontracting spend.

SDG&E assigns a supplier diversity professional to every major prime contractor with a subcontracting commitment. These efforts enable the Supplier Diversity team to better manage the prime contractors' performance and identify opportunities for continuous improvements.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.



2015 DBE
*Power procurement
annual report*

Executive summary

SDG&E continues as a leader in procuring electric and fuel resources with diverse suppliers, spending \$105 million with diverse businesses in 2015. This spend equates to 25.9 percent of electric and gas purchases, exceeding the California Public Utility Commission (CPUC) General Order 156 goal of 21.5 percent. This achievement was possible because of the strong vision from our leadership and passion and commitment from our power procurement team. The organization has developed a culture of teamwork and collaboration.

In 2015, SDG&E was the first utility in California to procure over 33% of renewable energy for our customers which was accomplished five years ahead of target. For the fourth consecutive year, SDG&E has exceeded the CPUC goal in electric and fuel procurement reporting, 25.9%. SDG&E also purchased over \$104 million or 45% of natural gas with diverse businesses.

2015 NOTABLE ACHIEVEMENTS

- ❖ A 20-megawatt facility with a Native American firm in Imperial Valley came online.
- ❖ Transacted with two new DBEs for gas procurement.
- ❖ Co-hosted a Joint Utility Power Procurement Matchmaking Event.
- ❖ Partnered with SCE and PG&E for the Supplier Diversity Roundtable.
- ❖ Hosted DBE workshops and networking events throughout the year.

SDG&E's technical assistance, mentoring and program development are some of the key reasons for our success. We will continue to strive to increase our DBE percentage in electric and fuel procurement through one-on-one mentoring, cultivating relationships between prime contractors and DBEs, and providing DBEs greater access to the Western Systems Power Pool (WSPP). This goal-oriented approach and our teams' consistent enthusiasm and focus provide the intangible edge that will make our ongoing programs successful.



9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES



Leadership Conversation: **Emily Shults**,
Vice President, Electric and Fuel Procurement

“Intrapreneurship, the heart of innovation”

Q: You bring a vast level of experience working throughout the Sempra Energy families; what lessons have you learned that you can apply to your current role as Vice President of Electric & Fuel Procurement?

A: I encourage my team to respect and value new ideas to help procure power for our department. Entrepreneur magazine recently published an article that really spoke to me. In this piece Anka Wittenberg, who is the SVP and Chief Diversity & Inclusion Officer at SAP, was discussing ways to embrace diversity for workplace success. One of the most important things she discusses, I believe, is the benefit of learning to think like an “intrapreneur”. Intrapreneurship is all about disrupting internal processes or cultural norms. It’s at the heart of innovation. I love that it’s so simplistic, yet it can be very difficult for employees to embrace. My desire is to ensure the E&FP team knows they have my support when it comes to driving change, even if it means having a conversation about disrupting the norm in order to build a better business. Diverse employees that bring diverse perspectives will help excite DBE innovation.

Q: As the utility industry continues to change, how do you foresee electric and fuel procurement supporting supplier diversity?

A: As a company we should strive harder than ever to be mindful of what the utility of the future looks like. We will continue to focus on the various goals and mandates around the procurement of renewables, energy storage and other clean energy innovations to keep the grid running smoothly and efficiently. SDG&E is the first utility to supply 33 percent of renewable energy for our customers which was accomplished five years ahead of the target date. Many diverse suppliers have helped SDG&E achieve this significant goal. Through open dialogues and feedback from match making forums, I believe we are engaging our diverse suppliers to help us create solutions for the future.

INTERNAL ACTIVITIES

Executive support and DBE commitment

The Electric and Fuel Procurement and the supplier diversity teams have forged strong alliances that have helped them surpass many DBE goals. The teams continue to find new ways to enhance the DBE program and expand the DBE pool. They meet monthly to analyze upcoming procurement needs and discuss inclusion opportunities for DBEs. In 2015, Emily Shults assumed the leadership role as Vice President for Electric & Fuel Procurement. Her passion and leadership helped SDG&E exceed the previous goal and achieve 25.9 percent spend with diverse businesses.

Champions and Ambassadors

This past year, our Champions and Ambassadors worked closely with the supplier diversity team by promoting creativity, developing strategic proposals and participating in matchmaking events. The role of a Champion and Ambassador includes decision-making, advocacy and being agents for change.

EXTERNAL/OUTREACH ACTIVITIES

Commission briefings

In September, SDG&E along with Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) met with the CPUC to discuss challenges and advances within power procurement from a DBE perspective. The joint meeting was successful and included discussion on ways to incorporate the new LGBT requirements and options to simplify reporting.

Supplier diversity roundtable

The three California investor-owned utilities (PG&E, SCE and SDG&E) hosted a roundtable to discuss unique challenges and best practices with DBEs in power procurement. A panel titled "Power Supply Chain Perspectives: Taking Supplier Diversity in Power to the Next Level" was moderated by a CPUC representative. Feedback from key generators, power marketers and developers was collected and SDG&E identified opportunities to help the DBEs increase market share.

2015 Pre-bidder's workshop

SDG&E hosted pre-bidder's workshops and conference calls throughout the year to share the requirements for participation needed for SDG&E Requests for Offers (RFOs). We provided extensive background information and presentations on resource eligibility, project capacity, location/site control, interconnection, deliverability studies, PPA terms and evaluation criteria. We received positive feedback from many diverse businesses to continue these workshops.

Mentoring

SDG&E values mentoring DBEs in the power procurement commodity and believes these efforts are essential for DBE success. In 2015, SDG&E enhanced its training modules to incorporate feedback responses. We received feedback from many of our DBEs regarding the need for access to capital. In 2016, we will coordinate with financial institutions to provide technical assistance programs to help DBEs assess their readiness and achieve additional sources of capital.

Joint utility matchmaking event

In the last quarter of 2015, PG&E, SCE and SDG&E joined forces and orchestrated a Joint Utilities Power Procurement Matchmaking Event in Irvine to further help DBEs enter the challenging new market of electric procurement. The event provided an opportunity for representatives from 40 women, minority, service-disabled veteran and LGBT-owned businesses to meet developers, CPUC and utility representatives in order to explore subcontracting opportunities, exchange ideas and develop new partnerships.

Some of the results included new subcontracting services and teaming agreements. This event exemplified a successful collaboration among the regulated California electric utilities.

Noah Albers, Sapphos Environmental, inc.; Sharon Evans, BRG; Sue Garcia, SDG&E



Natural gas

SDG&E remains committed to creating opportunities to work with diverse natural gas suppliers and posted another successful year in 2015 by purchasing \$104.3 million in natural gas from diverse suppliers. We also trained, mentored, and transacted with two new diverse suppliers for gas procurement.

Resource Adequacy (RA) deals

SDG&E transacted with two diverse businesses in 2015 for Resource Adequacy deals.

Renewable contracts online

- Seville

A 20-megawatt facility with a Native American firm in Imperial Valley came online.

- Calipatria

SDG&E and the Calipatria project executed a PPA in December 2012 to construct a 20-megawatt solar project in the Imperial Valley. The parties had agreed to a covenant whereby the project would procure at least 50 percent of construction costs during the pre-development phase (Pre-COD) from CPUC-certified or approved DBEs as defined in General Order 156. The Calipatria project not only met, but exceeded this procurement goal and provided significant opportunities for both new and established DBEs.



Conversation: **Robin Anliker**,
Project Manager, Solar Frontier

Q: Was it challenging to include DBEs for subcontracting opportunities?

A: First, we were very surprised at the number of DBE firms we currently had relationships with before seeking out other qualified DBE candidates. These businesses all provided quality products and services and helped us partially meet our procurement goal. Second, while expanding our DBE relationships, we discovered that using the CPUC website to search for products and services substantially reduced our search time. The businesses we ultimately selected were competitively priced and provided the expertise we required to insure that the Calipatria project met its 20-year commitment to SDG&E.

Q: Did you mentor your DBEs?

A: We mentored the smaller companies and developed a more personal relationship. Although we knew they were qualified to perform the work, we spent time reviewing expectations to ensure they were prepared and could confidently apply their skills to constructing our solar facility. The trust that ensued provided us with a better product and provided these DBEs with greater future opportunity to work with us, or other solar developers.

9.1.3 *ITEMIZATION OF WMDVLGBTBE EXPENSES*

Program expenses are included in Section 9.1.3 in the 2015 Diverse Business Enterprises Product and Services Section.

9.1.4 *GOAL PROGRESS*

SDG&E achieved the goal set by the CPUC with a successful 25.9 percent DBE spend in energy products for 2015. In procuring natural gas for our electric generation plants, SDG&E purchased \$104 million, or 45 percent, of all of its natural gas from DBEs in 2015.

9.1.5 *SUBCONTRACTORS*

SDG&E reported nearly \$32,000 on the 2015 Annual Energy Product of post-commercial subcontracting spend in 2015.

In addition, SDG&E encourages partnering and teaming arrangements between developers and DBEs. In 2015, almost \$25 million was spent with DBEs during pre-commercial development and construction phases. The pre-commercial development spend cannot be counted towards General Order 156 requirements. SDG&E will continue to identify significant opportunities for DBE participation for subcontracting spend in electric power plant construction.

9.1.6 *COMPLAINTS*

There were no formal complaints filed in 2015.

9.1.7 *SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES*

For gas procurement, SDG&E no longer reduces the procurement base with Canadian and offshore volumes per the CPUC's decision to end excludable categories.

For electric procurement, purchases excluded from reporting are: physical or financial purchase transactions with the California Independent System Operator (CAISO), other IOUs, utilities, federal entities, state entities, municipalities and cooperatives.

9.1.8 *DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS*

The electric commodity market is an underutilized area for DBE participation, but through SDG&E's efforts (outlined in Section 9.1.1 to inform and educate DBEs about potential opportunities), the number of suppliers is on the rise.

9.1.9 *RETENTION OF ALL DOCUMENTS/DATA*

SDG&E will comply with all regulations.

9.1.10(A) *PARTICIPATION RESULTS BY FUEL CATEGORY*

Please see chart in Section 9.1.2 for the summary of results by fuel category.

9.1.10(B) *MARKET CONDITIONS AND OUTREACH*

SDG&E has an obligation to procure least cost, best-fit electricity from suppliers. Suppliers must also meet SDG&E's credit requirements to manage risk exposure. Some diverse suppliers have limited access to credit and have difficulties competing with large electric generators financed by investment firms or commercial banks. To address this challenge, SDG&E continues to work with individual DBEs on credit requirements in order to foster their participation in the electricity market.

SDG&E and other utility buyers utilize the Funds Transfer Agency Agreement, a specialized credit instrument to assist small suppliers in short term procurement opportunities. This tool allows for diverse suppliers to gain entry into a capital-intensive portion of our power procurement process, without having to utilize their available lines of credit.

2016 DBE power procurement annual plan

10.1.1 GOALS

Category	2016-2019 Goals
Minority Owned (MBE)	15.0%
Women Owned (WBE)	5.0%
Service-Disabled Veteran (SDVBE)	1.5%
Total	21.5%

10.1.2 DESCRIPTIONS OF WMDVLGBTBE PROGRAM ACTIVITIES

In 2016, SDG&E plans to continue its successful program for including diverse suppliers in gas procurement and in the electric commodity market as outlined in Section 9.1.1.

AREAS OF FOCUS FOR 2016

Mentoring

Mentoring has been very successful for our diverse suppliers in power procurement. In 2016, we will continue these efforts and also provide online workshops. These workshops will share requirements needed for upcoming RFOs.

Training

SDG&E will incorporate DBEs within the power commodity to participate in our technical assistance programs that offer specific, related training to overcome the barriers identified such as access to capital and financial acumen. This training will help DBEs identify supplier readiness to successfully access capital.

Subcontracting

SDG&E strongly encourages our developers to incorporate DBEs for subcontracting opportunities. We will continue to track the progress and introduce new DBEs to our developers for pre-COD opportunities.

Collaborating

SDG&E will continue to participate in joint utility meetings to discuss strategies for DBEs to enter and sustain in the power commodity. We will exchange best practices and lessons learned to enable a broader base of DBEs.

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN UNDERUTILIZED AREAS

Refer to Sections 9.1.10(B) and 10.1.2 of this report for analysis and corresponding planned activities to recruit suppliers in all of the areas considered underutilized.

10.1.4 PLANS FOR RECRUITING WMDVLGBTBES IN ANY EXCLUDED CATEGORY

Due to the nature of the excluded categories mentioned in Section 9.1.7, SDG&E will not plan any specific activities for these excluded categories.

10.1.5 SUBCONTRACTING ACTIVITIES

SDG&E will work together with other market participants to help expand the interpretation of General Order 156 for electric procurement such that all related costs will become opportunities for DBEs. SDG&E will work closely with the other utilities and the CPUC to incorporate DBEs prior to the COD of a project as this represents significant opportunities with fewer barriers to entry. SDG&E will work with developers and their engineering, procurement and construction (EPC) contractors to utilize DBEs in the development phase of a project.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.

Organizations & events

American Association of Blacks in Energy

- National Conference

Asian Business Association Orange County (ABA-OC)

- 20th Annual Recognition and Achievement Awards Gala, celebrating 24 years
- Orange County's 2015 Procurement & Opportunities Conference

Asian Business Association San Diego (ABA-SD)

- Annual Lunar New Year Celebration
- Rice Club Luncheons

American Indian Chamber of Commerce, California (AICC)

- Annual Scholarship & Awards Luncheon
- Annual Native American Heritage Luncheon
- Annual Conference Business Expo

Black Business Association (BBA)

- Awards Dinner in Recognition of African American Heritage
- Awards Dinner Gala
- Salute to Black Women Business Conference & Awards Luncheon
- Procurement Exchange Summit

Black Chamber of Orange County

- The Power of Community Connection Gala

Cal Asian Chamber of Commerce

- California Asian Business Summit

California Black Chamber of Commerce (CBCC)

- Legislative "Welcome" Reception and Capital Policy Luncheon
- Foundation Youth Scholarship
- Ron Brown Summit and Conference

California DVBE Alliance (CADVBE)

- Keeping the Promise Business Expo
- Salute to Veterans Day Breakfast

California Hispanic Chamber of Commerce (CAHCC)

- Annual Conference

Central San Diego Black Chamber of Commerce (CSDBCC)

- Knight to Remember Gala
- Underrepresented contractors
- Talk Series

Chinese American Construction Professionals

- Business Luncheon
- Networking mixers

Diversity Professional Connect

- Diversity Forum & Sharing of Best Practice

Edison Electric Institute (EEI)

- 32nd Annual Supplier Diversity Conference

Elite Service Disabled Veteran Owned Business (SDVOB)

- 12th Annual National Convention of Service Disabled Veterans & Small Businesses Conference
- Sponsorship & Appreciation Luncheon

Greater LA African American Chamber of Commerce (GLAAACC)

- Economic Awards Dinner Budget Banquet

Greenlining

- Annual Economic Summit
- Greenlining Annual Report Card

Multi-Culture Group

- 10 Year Anniversary and Mixer

National Association of Women Business Owners-LA (NAWBO-LA)

- NAWBO Awards Luncheon

National Association of Women Business Owners-SD (NAWBO-SD)

- NAWBO-SD Bravo Awards
- Networking Conference

National Gay & Lesbian Chamber of Commerce

- Business Builder Summit
- International Business & Leadership Conference

National Minority Supplier Development Council (NMSDC)

- National Council Conference and Business Opportunity Fair

Southern California Minority Business Development Council (SCMBDC)

- Minority Business Opportunity Day
- Supplier of The Year (SOTY) Awards Gala
- Leadership Excellence Awards Dinner

Women's Business Enterprise Council - West (WBEC-WEST)

- Secrets to Preparing for Business Growth
- San Diego Corporate Connection Dine Around
- Procurement Opportunity Conference and Awards Platinum Supplier Program

Women's Business Enterprise National Council (WBENC)

- National Conference

SDG&E WMDVLGBTBE annual results by ethnicity

		Direct \$	Sub \$	Total \$	%
Minority Men	African American	17,604,460	13,860,216	31,464,675	2.70%
	Asian Pacific American	35,107,027	7,522,820	42,629,847	3.66%
	Hispanic American	105,134,342	17,733,228	122,867,570	10.56%
	Native American	53,796,666	1,938,906	55,735,572	4.79%
	Other	-	-	-	0.00%
	Total Minority Men	211,642,494	41,055,170	252,697,664	21.71%
Minority Women	African American	7,899,661	720,301	8,619,962	0.74%
	Asian Pacific American	9,989,671	6,285,830	16,275,501	1.40%
	Hispanic American	10,783,276	17,150,857	27,934,132	2.40%
	Native American	1,746	981,870	983,616	0.08%
	Other	-	-	-	0.00%
	Total Minority Women	28,674,353	25,138,858	53,813,211	4.62%
Total Minority Business Enterprise (MBE)		240,316,847	66,194,028	306,510,875	26.33%
Women Business Enterprise (WBE)		93,498,642	69,875,511	163,374,153	14.04%
Subtotal Women, Minority Business Enterprise (WMBE)		333,815,489	136,069,538	469,885,028	40.37%
Service Disabled Veteran Business Enterprise (SDVBE)		9,834,392	17,744,297	27,578,689	2.37%
TOTAL WMDVBE		343,649,881	153,813,835	497,463,716	42.74%
Total Procurement \$		1,163,989,962			

SDG&E WMDVLGBTBE procurement by product and service categories - direct

			Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	Direct	4,197,486	1.43%	13,406,973	1.54%	17,604,460	1.51%
	Asian Pacific American	Direct	5,530,182	1.88%	29,576,845	3.40%	35,107,027	3.02%
	Hispanic American	Direct	43,830,726	14.93%	61,303,615	7.04%	105,134,342	9.03%
	Native American	Direct	11,236	0.00%	53,785,430	6.18%	53,796,666	4.62%
	Other	Direct	-	0.00%	-	0.00%	-	0.00%
	Total Minority Men	Direct	53,569,631	18.25%	158,072,863	18.16%	211,642,494	18.18%
Minority Women	African American	Direct	2,237	0.00%	7,897,424	0.91%	7,899,661	0.68%
	Asian Pacific American	Direct	5,357,344	1.83%	4,632,327	0.53%	9,989,671	0.86%
	Hispanic American	Direct	4,838,467	1.65%	5,944,808	0.68%	10,783,276	0.93%
	Native American	Direct	-	0.00%	1,746	0.00%	1,746	0.00%
	Other	Direct	-	0.00%	-	0.00%	-	0.00%
	Total Minority Women	Direct	10,198,049	3.47%	18,476,304	2.12%	28,674,353	2.46%
Total Minority Business Enterprise (MBE)		Direct	63,767,680	21.73%	176,549,168	20.28%	240,316,847	20.65%
Women Business Enterprise (WBE)		Direct	15,783,223	5.38%	77,715,419	8.93%	93,498,642	8.03%
Subtotal Women, Minority Business Enterprise (WMBE)		Direct	79,550,903	27.10%	254,264,586	29.21%	333,815,489	28.68%
Service Disabled Veteran Business Enterprise (SDVBE)		Direct	1,322,708	0.45%	8,511,684	0.98%	9,834,392	0.84%
Total WMDVBE		Direct	80,873,611	27.56%	262,776,270	30.19%	343,649,881	29.52%
Total Products Procurement \$			293,495,000					
Total Services Procurement \$			870,494,962					
Total Procurement \$			1,163,989,962					

SDG&E WMDVLGBTBE procurement by product and service categories - subcontracting

			Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	Sub	5,530,725	1.88%	8,329,490	0.96%	13,860,216	1.19%
	Asian Pacific American	Sub	3,174,845	1.08%	4,347,974	0.50%	7,522,820	0.65%
	Hispanic American	Sub	5,394,688	1.84%	12,338,540	1.42%	17,733,228	1.52%
	Native American	Sub	1,383,345	0.47%	555,561	0.06%	1,938,906	0.17%
	Other	Sub	-	0.00%	-	0.00%	-	0.00%
	Total Minority Men	Sub	15,483,604	5.28%	25,571,566	2.94%	41,055,170	3.53%
Minority Women	African American	Sub	-	0.00%	720,301	0.08%	720,301	0.06%
	Asian Pacific American	Sub	851,658	0.29%	5,434,172	0.62%	6,285,830	0.54%
	Hispanic American	Sub	7,975,092	2.72%	9,175,764	1.05%	17,150,857	1.47%
	Native American	Sub	0	0.00%	981,870	0.11%	981,870	0.08%
	Other	Sub	-	0.00%	-	0.00%	-	0.00%
	Total Minority Women	Sub	8,826,751	3.01%	16,312,107	1.87%	25,138,858	2.16%
Total Minority Business Enterprise (MBE)		Sub	24,310,354	8.28%	41,883,673	4.81%	66,194,028	5.69%
Women Business Enterprise (WBE)		Sub	11,061,637	3.77%	58,813,874	6.76%	69,875,511	6.00%
Subtotal Women, Minority Business Enterprise (WMBE)		Sub	35,371,991	12.05%	100,697,547	11.57%	136,069,538	11.69%
Service Disabled Veteran Business Enterprise (SDVBE)		Sub	1,416,227	0.48%	16,328,069	1.88%	17,744,297	1.52%
Total WMDVBE		Sub	36,788,218	12.53%	117,025,617	13.44%	153,813,835	13.21%
Total Products Procurement \$			293,495,000					
Total Services Procurement \$					870,494,962			
Total Procurement \$			1,163,989,962					

SDG&E WMDVLGBTBE procurement by product category summary

Products	Total Expenditures
14 - Mining & Quarrying Of Nonmetallic Minerals	\$ 5,718,358
23 - Apparel & Oth Finished Prods Made From Fabric	\$ 294,555
24 - Lumber & Wood Prods, Exc Furniture	\$ 1,420,749
25 - Furniture & Fixtures	\$ 573,405
26 - Paper & Allied Prods	\$ 109,453
28 - Chemicals & Allied Prods	\$ 1,394,170
29 - Petroleum Refining & Related Industries	\$ 1,334,974
30 - Rubber & Misc Plastics Prods	\$ 811,663
32 - Stone, Clay, Glass & Concrete Prods	\$ 2,354,964
33 - Primary Metal Industries	\$ 5,741,035
34 - Fabricated Metal Prods, Exc Machinery	\$ 21,686,314
35 - Industrial & Commercial Machinery & Computer Equip	\$ 10,550,805
36 - Electronic & Oth Elec Equip & Components	\$ 107,617,309
37 - Transportation Equip	\$ 2,907,408
38 - Measuring, Analyzing & Controlling Instruments	\$ 13,656,388
39 - Misc Manufacturing Industries	\$ 392,680
50 - Wholesale Trade; Durable Goods	\$ 92,571,238
51 - Wholesale Trade; Nondurable Goods	\$ 16,797,637
52 - Bldg Matls, Hardware, Garden Supply	\$ 1,092,928
55 - Automotive Dlrs & Gasoline Service Stations	\$ 3,106,973
57 - Home Furniture, Furnishings & Equip Stores	\$ 1,252,771
58 - Eating & Drinking Places	\$ 1,750,323
59 - Misc Retail	\$ 358,900
Total Products Procurement	\$ 293,495,000

APPENDIX F IN FOLD-OUT ▶

SDG&E WMDVLGBTBE procurement by product category detail

Products	African American		Asian American		Hispanic American		Native American	
	Men	Women	Men	Women	Men	Women	Men	Women
14 - Mining & Quarrying Of Nonmetallic Minerals	5,398,610	-	-	-	-	-	-	-
	94.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23 - Apparel & Oth Finished Prods Made From Fabric	-	-	93,740	-	-	-	-	-
	0.00%	0.00%	31.82%	0.00%	0.00%	0.00%	0.00%	0.00%
24 - Lumber & Wood Prods, Exc Furniture	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25 - Furniture & Fixtures	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26 - Paper & Allied Prods	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28 - Chemicals & Allied Prods	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29 - Petroleum Refining & Related Industries	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 - Rubber & Misc Plastics Prods	-	-	17,638	-	-	-	-	-
	0.00%	0.00%	2.17%	0.00%	0.00%	0.00%	0.00%	0.00%
32 - Stone, Clay, Glass & Concrete Prods	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33 - Primary Metal Industries	-	-	2,052,641	-	20,328	-	-	-
	0.00%	0.00%	35.75%	0.00%	0.35%	0.00%	0.00%	0.00%
34 - Fabricated Metal Prods, Exc Machinery	-	-	313,095	445,798	1,685,840	0	370,970	-
	0.00%	0.00%	1.44%	2.06%	7.77%	0.00%	1.71%	0.00%
35 - Industrial & Commercial Machinery & Computer Equip	1,391,374	-	-	-	616,601	628,758	-	-
	13.19%	0.00%	0.00%	0.00%	5.84%	5.96%	0.00%	0.00%
36 - Electronic & Oth Elec Equip & Components	2,201,562	-	5,833,676	-	1,518,044	-	517,280	-
	2.05%	0.00%	5.42%	0.00%	1.41%	0.00%	0.48%	0.00%
37 - Transportation Equip	-	-	-	232,039	5,985	-	11,236	-
	0.00%	0.00%	0.00%	7.98%	0.21%	0.00%	0.39%	0.00%
38 - Measuring, Analyzing & Controlling Instruments	-	-	32,612	592	3,296	-	-	-
	0.00%	0.00%	0.24%	0.00%	0.02%	0.00%	0.00%	0.00%
39 - Misc Manufacturing Industries	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50 - Wholesale Trade; Durable Goods	413,285	2,237	361,625	5,454,383	44,219,584	12,184,802	495,018	0
	0.45%	0.00%	0.39%	5.89%	47.77%	13.16%	0.53%	0.00%
51 - Wholesale Trade; Nondurable Goods	22,768	-	-	22,517	386,422	-	-	-
	0.14%	0.00%	0.00%	0.13%	2.30%	0.00%	0.00%	0.00%
52 - Bldg Matls, Hardware, Garden Supply	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 - Automotive Dlrs & Gasoline Service Stations	300,613	-	-	-	736,951	-	77	-
	9.68%	0.00%	0.00%	0.00%	23.72%	0.00%	0.00%	0.00%
57 - Home Furniture, Furnishings & Equip Stores	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
58 - Eating & Drinking Places	-	-	-	53,673	30,704	-	-	-
	0.00%	0.00%	0.00%	3.07%	1.75%	0.00%	0.00%	0.00%
59 - Misc Retail	-	-	-	-	1,660	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.46%	0.00%	0.00%	0.00%
Total Products Procurement	9,728,212	2,237	8,705,027	6,209,002	49,225,415	12,813,560	1,394,581	0
	3.31%	0.00%	2.97%	2.12%	16.77%	4.37%	0.48%	0.00%

Other		Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Total WMDVBE	Total
Men	Women	Men	Women						
-	-	5,398,610	-	5,398,610	-	5,398,610	-	5,398,610	5,718,358
0.00%	0.00%	94.41%	0.00%	94.41%	0.00%	94.41%	0.00%	94.41%	
-	-	93,740	-	93,740	57,479	151,219	-	151,219	294,555
0.00%	0.00%	31.82%	0.00%	31.82%	19.51%	51.34%	0.00%	51.34%	
-	-	-	-	-	146,603	146,603	-	146,603	1,420,749
0.00%	0.00%	0.00%	0.00%	0.00%	10.32%	10.32%	0.00%	10.32%	
-	-	-	-	-	-	-	-	-	573,405
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	-	-	-	32,421	32,421	2,900	35,321	109,453
0.00%	0.00%	0.00%	0.00%	0.00%	29.62%	29.62%	2.65%	32.27%	
-	-	-	-	-	18,795	18,795	-	18,795	1,394,170
0.00%	0.00%	0.00%	0.00%	0.00%	1.35%	1.35%	0.00%	1.35%	
-	-	-	-	-	991,101	991,101	231,942	1,223,044	1,334,974
0.00%	0.00%	0.00%	0.00%	0.00%	74.24%	74.24%	17.37%	91.62%	
-	-	17,638	-	17,638	407	18,045	7,268	25,313	811,663
0.00%	0.00%	2.17%	0.00%	2.17%	0.05%	2.22%	0.90%	3.12%	
-	-	-	-	-	-	-	-	-	2,354,964
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	2,072,969	-	2,072,969	-	2,072,969	-	2,072,969	5,741,035
0.00%	0.00%	36.11%	0.00%	36.11%	0.00%	36.11%	0.00%	36.11%	
-	-	2,369,904	445,798	2,815,703	488,188	3,303,891	-	3,303,891	21,686,314
0.00%	0.00%	10.93%	2.06%	12.98%	2.25%	15.23%	0.00%	15.23%	
-	-	2,007,975	628,758	2,636,733	413,321	3,050,054	-	3,050,054	10,550,805
0.00%	0.00%	19.03%	5.96%	24.99%	3.92%	28.91%	0.00%	28.91%	
-	-	10,070,562	-	10,070,562	3,190,004	13,260,566	60,803	13,321,369	107,617,309
0.00%	0.00%	9.36%	0.00%	9.36%	2.96%	12.32%	0.06%	12.38%	
-	-	17,221	232,039	249,260	188,359	437,620	-	437,620	2,907,408
0.00%	0.00%	0.59%	7.98%	8.57%	6.48%	15.05%	0.00%	15.05%	
-	-	35,908	592	36,500	769,240	805,740	-	805,740	13,656,388
0.00%	0.00%	0.26%	0.00%	0.27%	5.63%	5.90%	0.00%	5.90%	
-	-	-	-	-	-	-	-	-	392,680
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	45,489,511	17,641,422	63,130,933	7,391,607	70,522,540	1,006,624	71,529,164	92,571,238
0.00%	0.00%	49.14%	19.06%	68.20%	7.98%	76.18%	1.09%	77.27%	
-	-	409,190	22,517	431,707	12,993,609	13,425,316	1,422,316	14,847,632	16,797,637
0.00%	0.00%	2.44%	0.13%	2.57%	77.35%	79.92%	8.47%	88.39%	
-	-	-	-	-	14,769	14,769	-	14,769	1,092,928
0.00%	0.00%	0.00%	0.00%	0.00%	1.35%	1.35%	0.00%	1.35%	
-	-	1,037,641	-	1,037,641	11,129	1,048,770	-	1,048,770	3,106,973
0.00%	0.00%	33.40%	0.00%	33.40%	0.36%	33.76%	0.00%	33.76%	
-	-	-	-	-	1,896	1,896	-	1,896	1,252,771
0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.15%	0.00%	0.15%	
-	-	30,704	53,673	84,377	112,169	196,546	-	196,546	1,750,323
0.00%	0.00%	1.75%	3.07%	4.82%	6.41%	11.23%	0.00%	11.23%	
-	-	1,660	-	1,660	23,761	25,421	7,083	32,504	358,900
0.00%	0.00%	0.46%	0.00%	0.46%	6.62%	7.08%	1.97%	9.06%	
-	-	69,053,235	19,024,799	88,078,034	26,844,860	114,922,894	2,738,935	117,661,829	293,495,000
0.00%	0.00%	23.53%	6.48%	30.01%	9.15%	39.16%	0.93%	40.09%	

SDG&E WMDVLGBTBE procurement by service category summary

Services	Total Expenditures
07 - Agricultural Svcs	\$ 28,902,952
13 - Oil & Gas Extraction	\$ 1,013,778
15 - Bldg Const-General Contractors	\$ 23,752,863
16 - Heavy Const Oth Than Bldg Construction	\$ 205,996,008
17 - Const-Special Trade Contractors	\$ 199,024,915
27 - Printing, Publishing & Allied Industries	\$ 1,404,512
42 - Motor Freight Transportation & Warehousing	\$ 11,335,224
45 - Transportation By Air	\$ 1,300,943
46 - Pipelines, Exc Natural Gas	\$ 689,495
47 - Transportation Svcs	\$ 1,523,443
48 - Communications	\$ 1,158,964
49 - Electric, Gas & Sanitary Svcs	\$ 3,259,296
60 - Depository Institutions	\$ 1,563,577
61 - Nondepository Credit Institutions	\$ 41,620
62 - Security & Commodity Brokers, Dirs, Exchanges	\$ 5,169,441
63 - Insurance Carriers	\$ 21,205
64 - Insurance Agents, Brokers & Svcs	\$ 819,780
65 - Real Estate	\$ 1,550,717
72 - Personal Svcs	\$ 673,789
73 - Business Svcs	\$ 128,835,915
75 - Automotive Repair, Svcs & Parking	\$ 2,374,807
76 - Misc Repair Svcs	\$ 2,231,858
78 - Motion Pictures	\$ 214,907
80 - Health Svcs	\$ 715,505
81 - Legal Svcs	\$ 28,507,019
82 - Educational Svcs	\$ 2,238,185
83 - Social Svcs	\$ 1,069,250
87 - Engrg, Accounting, Research, Mgmt	\$ 192,523,489
89 - Svcs, Not Elsewhere Classified	\$ 20,185,673
99 - Nonclassifiable Establishments	\$ 2,395,833
Total Services Procurement	\$ 870,494,962

APPENDIX H IN FOLD-OUT ▶

SDG&E WMDVLGBTBE procurement by service category detail

Services	African American		Asian Pacific American		Hispanic American		Native American	
	Men	Women	Men	Women	Men	Women	Men	Women
07 - Agricultural Svcs	357,328	-	1,752,863	-	87,944	-	-	-
	1.24%	0.00%	6.06%	0.00%	0.30%	0.00%	0.00%	0.00%
13 - Oil & Gas Extraction	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 - Bldg Const-General Contractors	-	-	232,392	5,027,576	2,644,245	-	122	-
	0.00%	0.00%	0.98%	21.7%	11.13%	0.00%	0.00%	0.00%
16 - Heavy Const Oth Than Bldg Constuction	196,400	-	-	132,204	41,838,028	256,006	41,145,732	-
	0.10%	0.00%	0.00%	0.06%	20.31%	0.12%	19.97%	0.00%
17 - Const-Special Trade Contractors	10,727,754	-	3,305,117	521,085	7,082,570	2,760,360	499,852	-
	5.39%	0.00%	1.66%	0.26%	3.56%	1.39%	0.25%	0.00%
27 - Printing, Publishing & Allied Industries	-	-	93,324	-	4,095	1,811	-	-
	0.00%	0.00%	6.64%	0.00%	0.29%	0.13%	0.00%	0.00%
42 - Motor Freight Transportation & Warehousing	315,398	29,997	-	8,660	1,780,431	3,796,233	-	-
	2.78%	0.26%	0.00%	0.08%	15.71%	33.49%	0.00%	0.00%
45 - Transportation By Air	-	-	-	-	-	2,700	-	981,870
	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.00%	75.47%
46 - Pipelines, Exc Natural Gas	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
47 - Transportation Svcs	570	-	-	2,900	9,723	-	153,944	-
	0.04%	0.00%	0.00%	0.19%	0.64%	0.00%	10.11%	0.00%
48 - Communications	-	-	-	-	-	24,713	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	2.13%	0.00%	0.00%
49 - Electric, Gas & Sanitary Svcs	-	-	-	-	-	524,538	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	16.09%	0.00%	0.00%
60 - Depository Institutions	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
61 - Nondepository Credit Institutions	41,620	-	-	-	-	-	-	-
	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
62 - Security & Commodity Brokers, Dlrs, Exchanges	57,375	-	-	-	220,942	-	-	-
	1.11%	0.00%	0.00%	0.00%	4.27%	0.00%	0.00%	0.00%
63 - Insurance Carriers	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
64 - Insurance Agents, Brokers & Svcs	-	12,891	-	-	-	-	-	-
	0.00%	1.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
65 - Real Estate	657,457	33,604	-	-	113,528	-	-	-
	42.40%	2.17%	0.00%	0.00%	7.32%	0.00%	0.00%	0.00%
72 - Personal Svcs	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
73 - Business Svcs	7,266,167	7,342,274	4,094,893	1,858,293	2,421,380	5,168,743	324,401	1,746
	5.64%	5.70%	3.18%	1.44%	1.88%	4.01%	0.25%	0.00%
75 - Automotive Repair, Svcs & Parking	-	-	-	-	67,520	104,527	-	-
	0.00%	0.00%	0.00%	0.00%	2.84%	4.40%	0.00%	0.00%
76 - Misc Repair Svcs	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
78 - Motion Pictures	-	14,899	159,690	-	-	-	-	-
	0.00%	6.93%	74.31%	0.00%	0.00%	0.00%	0.00%	0.00%
80 - Health Svcs	-	-	-	372,501	16,110	-	-	-
	0.00%	0.00%	0.00%	52.06%	2.25%	0.00%	0.00%	0.00%
81 - Legal Svcs	2,509	-	291,466	97,035	507,607	316,652	-	-
	0.01%	0.00%	1.02%	0.34%	1.78%	1.11%	0.00%	0.00%
82 - Educational Svcs	-	-	-	1,258	-	-	-	-
	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.00%
83 - Social Svcs	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
87 - Engrg, Accounting, Research, Mgmt	2,107,896	1,080,730	23,059,688	1,346,999	16,526,011	156,812	12,176,125	-
	1.09%	0.56%	11.98%	0.70%	8.58%	0.08%	6.32%	0.00%
89 - Svcs, Not Elsewhere Classified	5,988	103,329	102,419	55,723	35	2,007,478	40,815	-
	0.03%	0.51%	0.51%	0.28%	0.00%	9.95%	0.20%	0.00%
99 - Nonclassifiable Establishments	-	-	832,968	642,265	321,988	-	-	-
	0.00%	0.00%	34.77%	26.81%	13.44%	0.00%	0.00%	0.00%
Total Services Procurement	21,736,463	8,617,724	33,924,819	10,066,499	73,642,155	15,120,573	54,340,991	983,616
	2.50%	0.99%	3.90%	1.16%	8.46%	1.74%	6.24%	0.11%

Other		Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Total WMDVBE	Total
Men	Women	Men	Women						
-	-	2,198,135	-	2,198,135	3,896,233	6,094,368	-	6,094,368	28,902,952
0.00%	0.00%	7.61%	0.00%	7.61%	13.48%	21.09%	0.00%	21.09%	
-	-	-	-	-	110,403	110,403	-	110,403	1,013,778
0.00%	0.00%	0.00%	0.00%	0.00%	10.89%	10.89%	0.00%	10.89%	
-	-	2,876,759	5,027,576	7,904,336	250,193	8,154,528	751,921	8,906,449	23,752,863
0.00%	0.00%	12.11%	21.17%	33.28%	1.05%	34.33%	3.17%	37.50%	
-	-	83,180,161	388,210	83,568,371	9,131,622	92,699,992	479,906	93,179,898	205,996,008
0.00%	0.00%	40.38%	0.19%	40.57%	4.43%	45.00%	0.23%	45.23%	
-	-	21,615,294	3,281,445	24,896,739	45,802,531	70,699,270	17,257,181	87,956,451	199,024,915
0.00%	0.00%	10.86%	1.65%	12.51%	23.01%	35.52%	8.67%	44.19%	
-	-	97,419	1,811	99,230	298,888	398,119	34,431	432,550	1,404,512
0.00%	0.00%	6.94%	0.13%	7.07%	21.28%	28.35%	2.45%	30.80%	
-	-	2,095,830	3,834,890	5,930,720	3,478,568	9,409,288	1,325,316	10,734,603	11,335,224
0.00%	0.00%	18.49%	33.83%	52.32%	30.69%	83.01%	11.69%	94.70%	
-	-	-	984,570	984,570	16,721	1,001,291	-	1,001,291	1,300,943
0.00%	0.00%	0.00%	75.68%	75.68%	1.29%	76.97%	0.00%	76.97%	
-	-	-	-	-	689,495	689,495	-	689,495	689,495
0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	0.00%	100.00%	
-	-	164,237	2,900	167,137	202,150	369,287	-	369,287	1,523,443
0.00%	0.00%	10.78%	0.19%	10.97%	13.27%	24.24%	0.00%	24.24%	
-	-	-	24,713	24,713	-	24,713	-	24,713	1,158,964
0.00%	0.00%	0.00%	2.13%	2.13%	0.00%	2.13%	0.00%	2.13%	
-	-	-	524,538	524,538	-	524,538	-	524,538	3,259,296
0.00%	0.00%	0.00%	16.09%	16.09%	0.00%	16.09%	0.00%	16.09%	
-	-	-	-	-	-	-	-	-	1,563,577
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	41,620	-	41,620	-	41,620	-	41,620	41,620
0.00%	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%	
-	-	278,317	-	278,317	-	278,317	60,848	339,165	5,169,441
0.00%	0.00%	5.38%	0.00%	5.38%	0.00%	5.38%	1.18%	6.56%	
-	-	-	-	-	-	-	-	-	21,205
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	-	12,891	12,891	96,421	109,311	-	109,311	819,780
0.00%	0.00%	0.00%	1.57%	1.57%	11.76%	13.33%	0.00%	13.33%	
-	-	770,985	33,604	804,589	-	804,589	-	804,589	1,550,717
0.00%	0.00%	49.72%	2.17%	51.88%	0.00%	51.88%	0.00%	51.88%	
-	-	-	-	-	20,390	20,390	-	20,390	673,789
0.00%	0.00%	0.00%	0.00%	0.00%	3.03%	3.03%	0.00%	3.03%	
-	-	14,106,841	14,371,056	28,477,897	29,729,280	58,207,177	2,680,441	60,887,618	128,835,915
0.00%	0.00%	10.95%	11.15%	22.10%	23.08%	45.18%	2.08%	47.26%	
-	-	67,520	104,527	172,047	20,134	192,181	-	192,181	2,374,807
0.00%	0.00%	2.84%	4.40%	7.24%	0.85%	8.09%	0.00%	8.09%	
-	-	-	-	-	151,870	151,870	-	151,870	2,231,858
0.00%	0.00%	0.00%	0.00%	0.00%	6.80%	6.80%	0.00%	6.80%	
-	-	159,690	14,899	174,589	22,945	197,534	-	197,534	214,907
0.00%	0.00%	74.31%	6.93%	81.24%	10.68%	91.92%	0.00%	91.92%	
-	-	16,110	372,501	388,610	-	388,610	-	388,610	715,505
0.00%	0.00%	2.25%	52.06%	54.31%	0.00%	54.31%	0.00%	54.31%	
-	-	801,582	413,687	1,215,269	1,633,451	2,848,719	-	2,848,719	28,507,019
0.00%	0.00%	2.81%	1.45%	4.26%	5.73%	9.99%	0.00%	9.99%	
-	-	-	1,258	1,258	2,222,883	2,224,141	-	2,224,141	2,238,185
0.00%	0.00%	0.00%	0.06%	0.06%	99.32%	99.37%	0.00%	99.37%	
-	-	-	-	-	387,142	387,142	-	387,142	1,069,250
0.00%	0.00%	0.00%	0.00%	0.00%	36.21%	36.21%	0.00%	36.21%	
-	-	53,869,720	2,584,541	56,454,261	28,929,086	85,383,347	2,137,817	87,521,164	192,523,489
0.00%	0.00%	27.98%	1.34%	29.32%	15.03%	44.35%	1.11%	45.46%	
-	-	149,257	2,166,530	2,315,786	9,438,888	11,754,674	111,892	11,866,566	20,185,673
0.00%	0.00%	0.74%	10.73%	11.47%	46.76%	58.23%	0.55%	58.79%	
-	-	1,154,955	642,265	1,797,220	-	1,797,220	-	1,797,220	2,395,833
0.00%	0.00%	48.21%	26.81%	75.01%	0.00%	75.01%	0.00%	75.01%	
-	-	183,644,429	34,788,412	218,432,841	136,529,293	354,962,134	24,839,753	379,801,887	870,494,962
0.00%	0.00%	21.10%	4.00%	25.09%	15.68%	40.78%	2.85%	43.63%	

Annual energy product results by ethnicity & WMDVLGBTBE certification

Product ¹	Unit	Results by Ethnicity & Gender														Results by WMDVLGBTBE Certification				
		Asian-Pacific		African-American		Latino		Native American		Other Minority ⁵		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Subcontracting Total	Total WMDVLGBTBE Procurement Spend ³	Total Procurement Spend		
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total	Total	Total	Total	Total	Total	Total		
Renewable Power Products Direct	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Non-Renewable Power Products Direct	\$2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Diesel Direct	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Nuclear Direct	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Natural Gas Direct	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
SubTotal of Columns 2	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
SubTotal of Columns 4	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
ALL	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
		Overall WMDVLGBTBE%: 23.9%														Overall WMDVLGBTBE%: 9.1%				

Notes:

- ¹Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives
- ²Includes only long term power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011
- ³Total WMDVLGBTBE spend does not include pre-COD subcontracting values
- ⁴Includes all power procurement commitments
- ⁵Includes Non-WMDVLGBTBE firms classified as 8(a) by the Small Business Administration

Major SDG&E WMDVLGBTBE purchase categories

CATEGORY	EXAMPLES OF SERVICES DESCRIPTIONS	2015 Total \$ (In Millions)	2015 % of Total Spend
Electric Operations	Engineering, Procurement and Construction (EPC), Engineering Services, Smart Grid, Electric Construction Services, Vegetation Management, Cable/Wire, Transformers, Equipment Rental, Aviation Services, Wildfire Mitigation Support, Traffic Control, Grading/Paving/Civil Services, Substation Site Development, Foundations	\$621.0	53.3%
Power Supply	Electricity & Gas Commodity, Power Plant Maintenance, Turbine Maintenance	\$32.2	2.8%
Customer Services	Energy Efficiency, Advertising & Marketing, Fulfillment & Distribution Services, Printing & Related Services, Appliance Recycling	\$112.5	9.6%
Fleet Services	Trucks, Vehicles & Equipment, Fuel & Oils, Tires, Auto Parts and Services, Vehicle Disposal	\$10.7	0.9%
Operations Support	Furniture, Office Maintenance & Repair, Landscaping & Maintenance, Building Leasing, Relocation, Environmental Services, Land Survey, Food & Catering, Building Security & Monitoring	\$75.4	6.5%
Information Technology	PC Equipment, Hardware/Software, Licensing, Application Development, Network/Telecommunication Equipment and Support, Helpdesk, Consulting	\$95.0	8.2%
Professional Services	Legal, Tax Consulting, Audit Services, Insurance & Benefits, Bond Issuance	\$42.6	3.7%
Gas Operations	Engineering, Materials, Construction, Welding Inspection, Locating & Testing Services	\$127.9	11.0%

Supplier diversity glossary of terms

CBO

Community based organization

DBE

Diverse Business Enterprise

DVBE

Service Disabled Veteran Business Enterprise

GO 156

In May 1988, the California Public Utilities Commission (CPUC) issued General Order 156 (GO 156). Under GO 156, all investor-owned electric, gas, water and telecommunication utility companies with gross annual revenues in excess of \$25 million and their regulated subsidiaries and affiliates, are to develop and implement programs to increase the utilization of woman and minority owned businesses. Voluntary procurement goals of 5% for women and 15% for minorities and 1.5% for service-disabled veterans.

LGBTBE

Lesbian, Gay, Bisexual or Transgender Business Enterprise. LGBTBE results will be included beginning in the 2016 annual report and 2017 annual plan. There are no established goals at this time.

MBE

Minority-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

MBG

Mastering Business Growth, a comprehensive Technical Assistance program.

QuickPay

This initiative requires federal agencies to speed up payments to small business contractors, with the goal of paying within 15 days. SDG&E's Supplier Quick Pay Program is based upon this federal initiative.

SCORE

Small Contractor Opportunity Realization Effort provides opportunity for new and growing DBE companies to demonstrate their abilities to work with utilities through low dollar, short term agreements, typically under \$75,000.

SQPP

Supplier Quick Pay Program - Helps small businesses by increasing their working capital, so they can grow their businesses and hire more workers. In the SQPP initiative, SDG&E commits to pay qualified small suppliers faster with payment terms of net 15 day with no discount.

TA Tier 1

Technical Assistance - Provides well rounded and comprehensive programs to increase business acumen for diverse business owners at all levels and across functional business areas.

Tier 1 - Supplier Objectives: Identify core capabilities and develop metrics for supporting growth. Address business challenges and risk. Develop an action plan and a toolkit to overcome barriers.

Tier 2 - Supplier Objectives: Focus on capacity expansion and increasing revenue. Establish a strategic growth plan and identify methods to maximize profits.

Tier 3 - Supplier Objectives: Focus on key areas of expertise and leveraging subcontractors for areas that are not part of supplier's core competency. Create value-added and innovative products and services. Proactively anticipate and prepare for future change. Develop a sustainable business model.

WBE

Women-owned Business Enterprise

WMBE

Women- and/or Minority-owned Business Enterprise

WMDVBE

Women, Minority and Service Disabled Veteran-owned Business Enterprise

WMDVLGBTBE

Women, Minority Service Disabled Veteran and Lesbian, Gay, Bisexual or Transgender Business Enterprise



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