



GENERAL ORDER (GO) 156 REPORT

Year 2016 Utilities Procurement of Goods, Services and Fuel from Women-, Minority-, Disabled Veteran-, and LGBT-owned Business Enterprises

Stephanie Green
Supplier Diversity Manager
California Public Utilities
Commission

OCTOBER 5, 2017





GO 156 Report to the Legislature

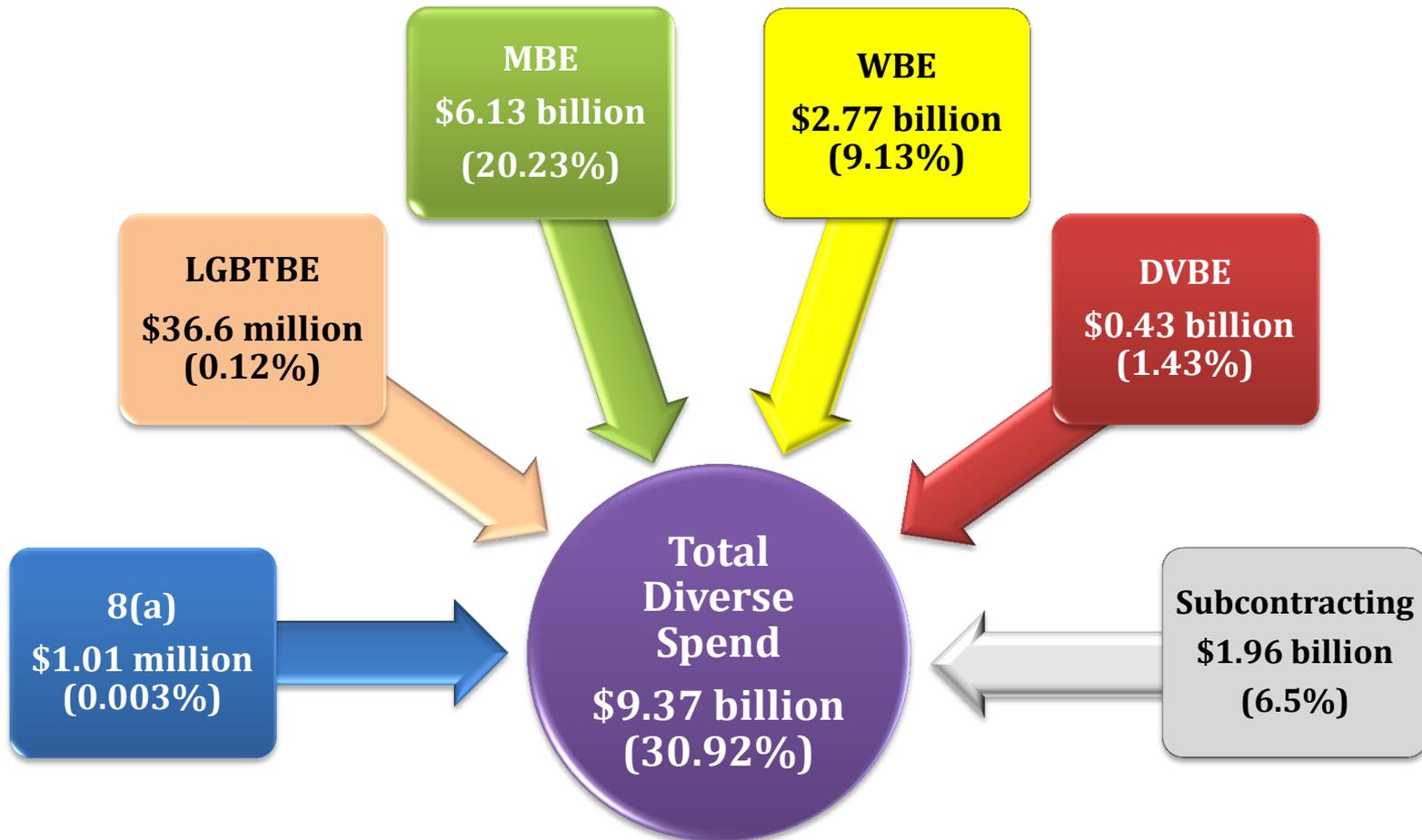
- Describes utilities progress in procuring from women-, minority-, disabled veteran-, and LGBT-owned business enterprises (WMDVLGBTBEs) based on a 21.5% goal
 - 15 percent (minority-owned), 5 percent (women-owned), and 1.5 percent (disabled veteran-owned)
 - No goal for LGBT-owned
- 31 utilities filed their annual GO 156 report to the CPUC





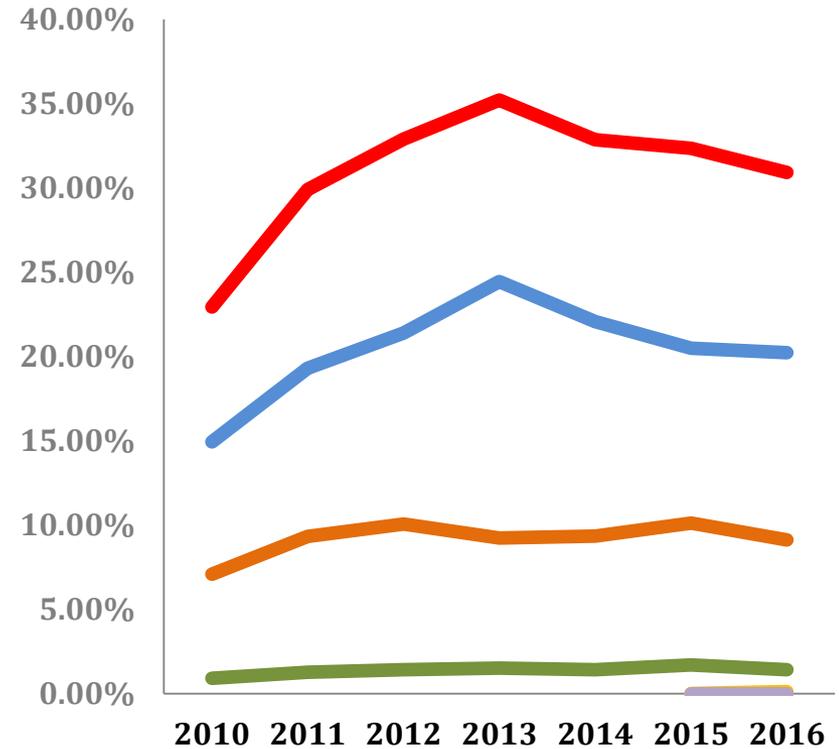
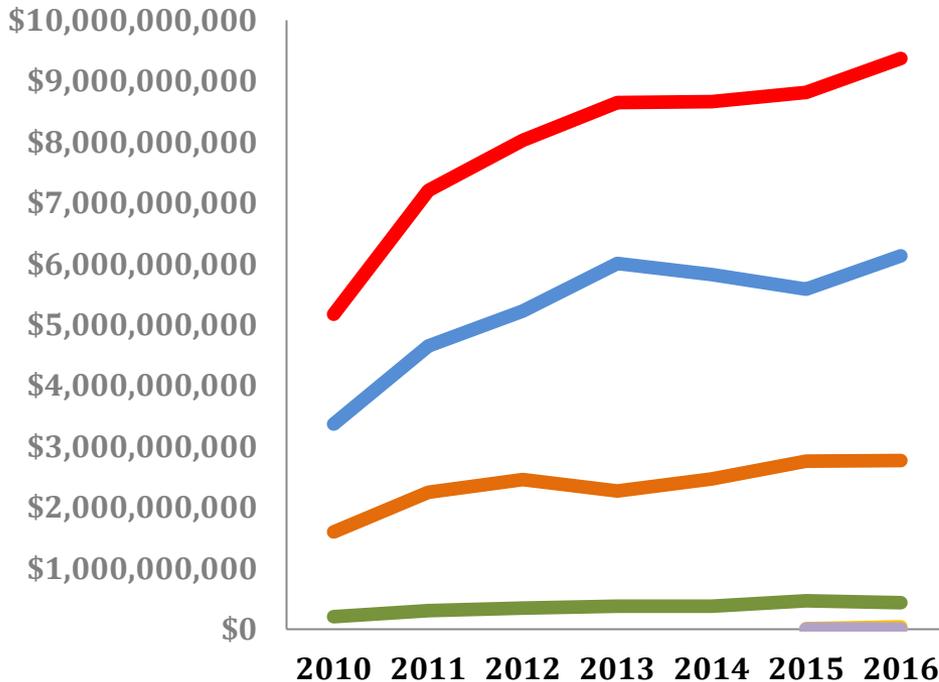
2016 Utilities Diverse Procurement Overview

5,083 total direct diverse suppliers





2010-2016 Utilities Diverse Procurement Spend and Percentage



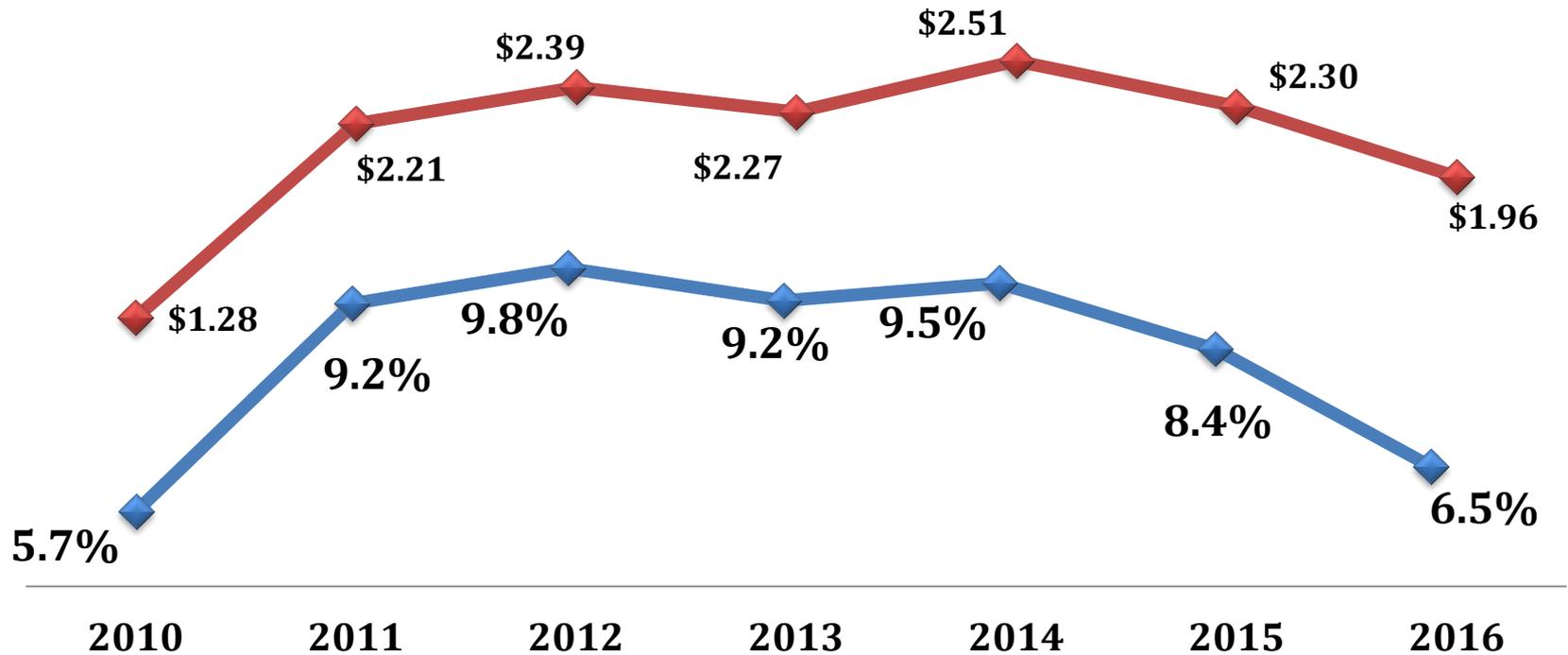
- MBE
- DVBE
- WBE
- LGBTBE
- 8(a)
- TOTAL DIVERSE SPEND





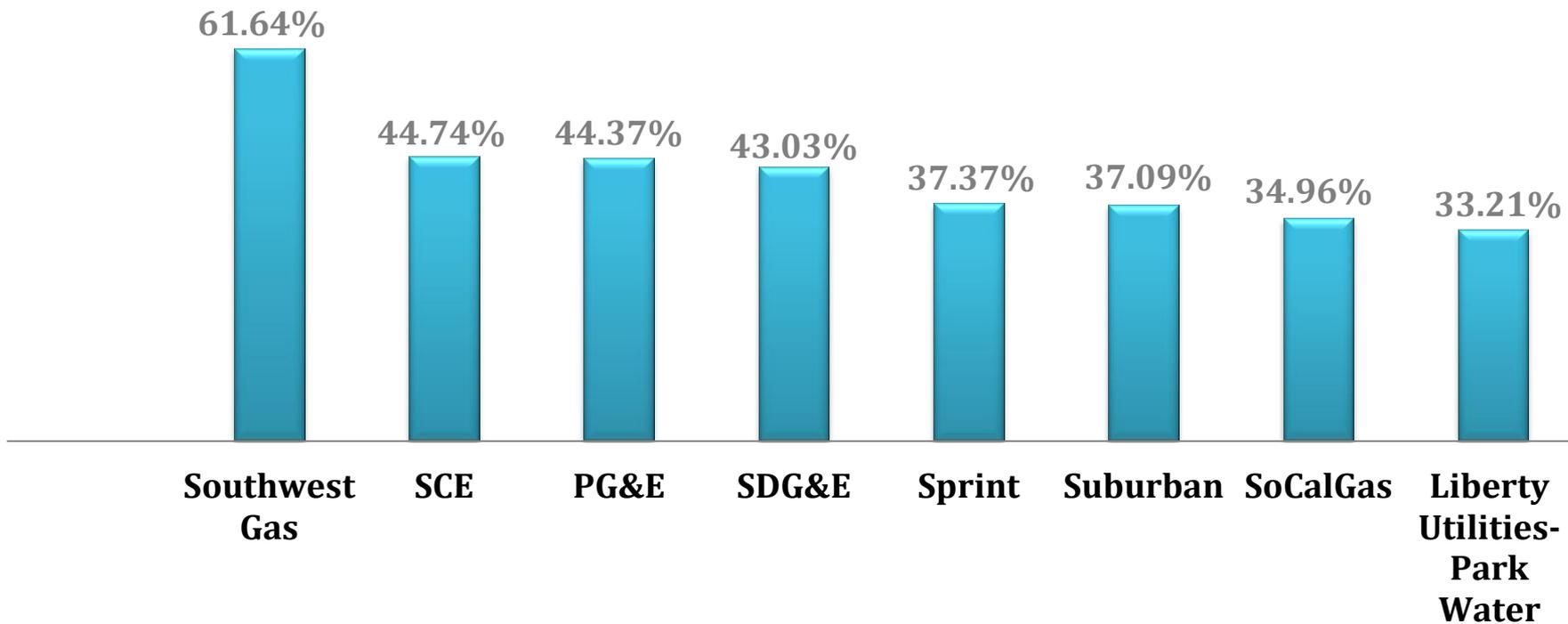
2010-2016 Utilities Diverse Subcontracting Spend and Percentage

(\$ in billions)





2016 Top Performers





Utilities Who Met All Three Goals in 2016

	15% Minority	5% Women	1.5% DVBE
AT&T California	17.33%	12.27%	1.97%
Golden State Water	16.64%	6.61%	2.96%
PG&E	28.45%	12.41%	3.48%
SDG&E	26.85%	13.43%	2.69%
SCE	26.39%	16.81%	1.50%
SoCalGas	19.41%	13.84%	1.71%





Overview of 2016 Fuel Procurement

2016

2015

PG&E	\$66.63 million (11.15%)	\$114.97 million (14.41%)
SCE	\$1.51 million (100%)	\$0.62 million (100%)
SoCalGas	\$151.17 million (14.65%)	\$207.91 million (19.07%)
Southwest Gas	\$4.42 million (13.07%)	\$1.86 million (5.45%)





Overview of 2016 Power Procurement

2016

2015

PG&E	\$40.59 million (1.08 %)	\$118.54 million (3%)
SDG&E	\$72.63 million (6.43%)	\$104.68 million (9.12%)
SCE	\$125.01 million (3.84%)	\$287.41 million (8.67%)





Challenges in Fuel and Power Procurement Cited By Utilities

- Market volatility
- Capital and credit obligations
- Declining demand
- Phasing out of Financial institutions from Fund Transfer Agent Agreements (FTAA)
- Establishment of Community Choice Aggregation (CCA)



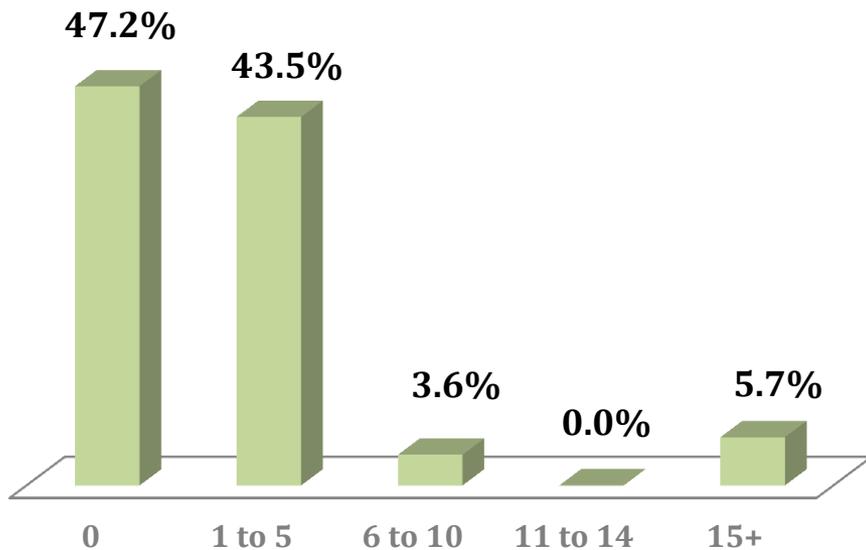


Value of Supplier Diversity

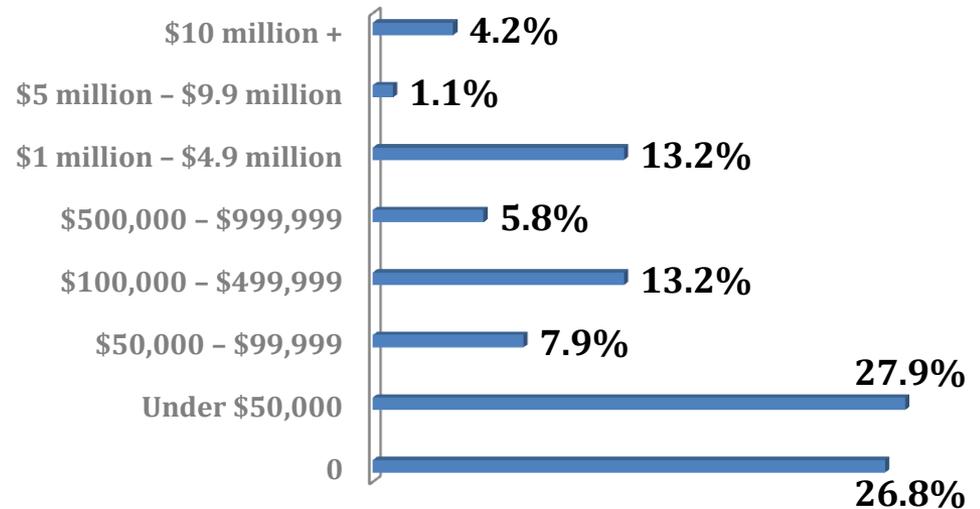
Staff conducted a survey of suppliers in the Clearinghouse database in 2016:

- 43.5% were awarded 1-5 utility contracts in 2016
- 69% had utility contract under \$500,000 in 2016

Number of Utility Contracts in 2016



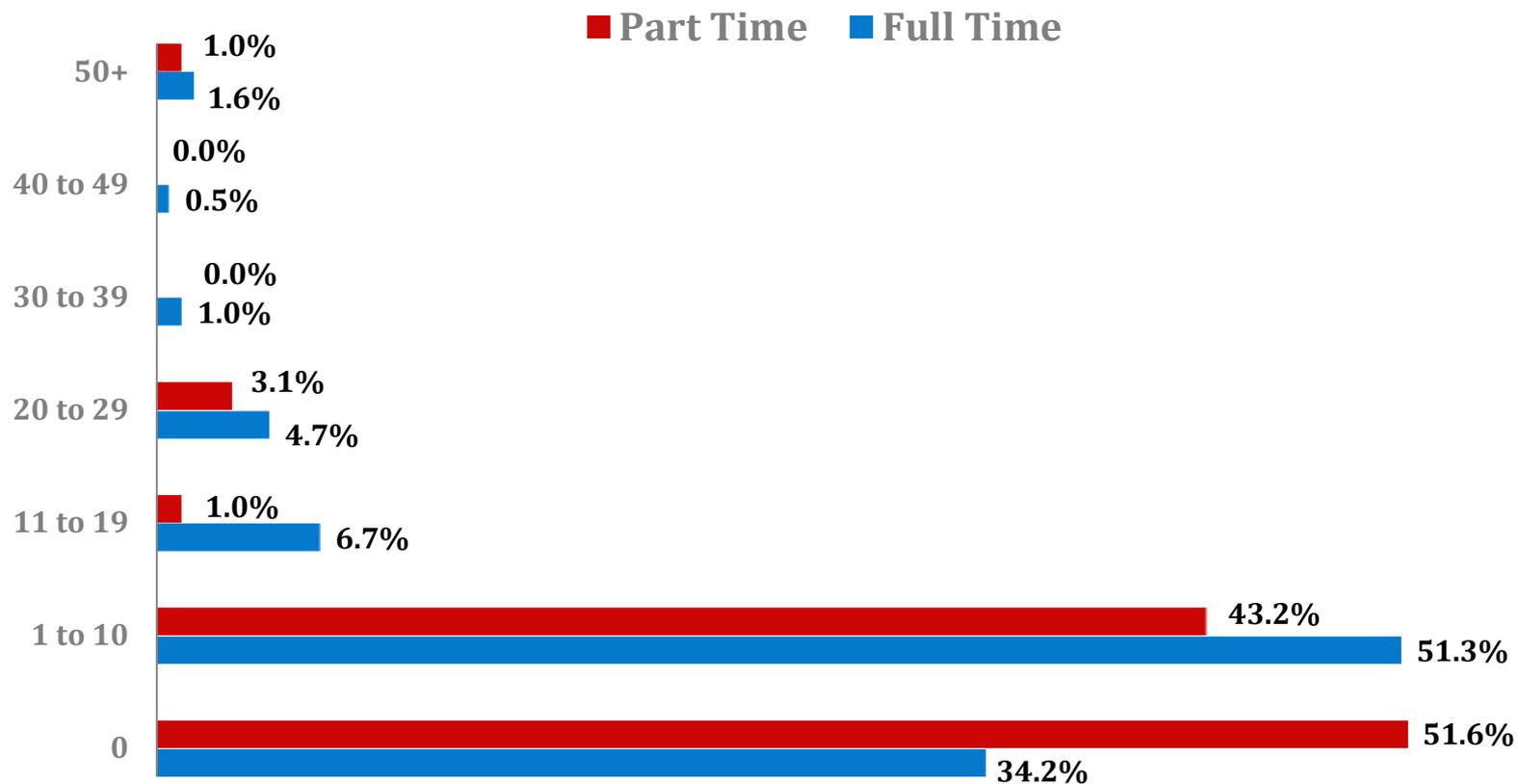
Total Dollar Value of Utility Contracts Awarded in 2016





Value of Supplier Diversity

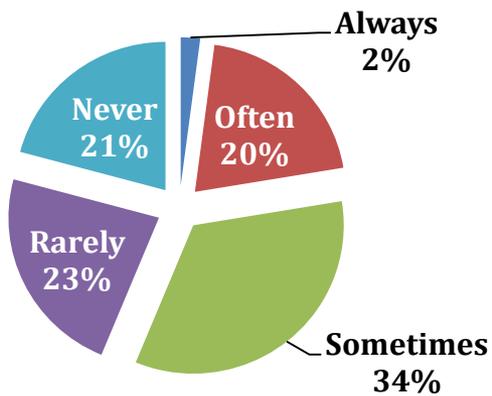
Employment in 2016: Full Time and Part Time



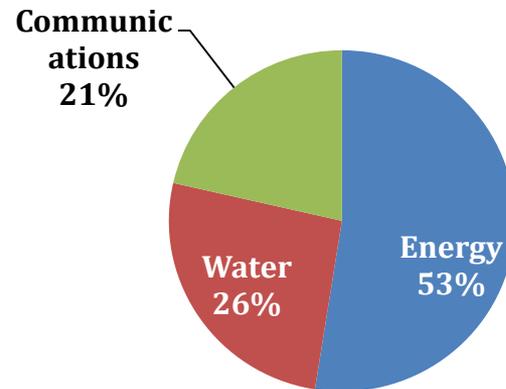


Value of Supplier Diversity

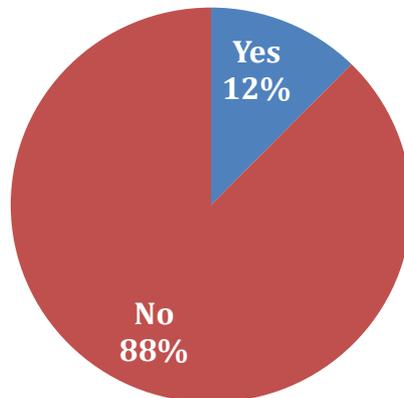
Subcontract to other diverse businesses



Type of Utility work with



Participated in Utilities Capacity building/Technical assistance program





Diverse Businesses in Disadvantaged Communities

- Senate Bill (SB) 350 required the California Energy Commission to complete a study on various topics one of which is on the barriers to contracting opportunities for local small businesses in disadvantaged communities
- Disadvantaged Communities refer to areas throughout California which suffer from a combination of economic, health, and environmental burdens such as poverty, high unemployment, health conditions, pollution, and hazardous wastes (SB 535)
- CPUC assessed utilities diverse supplier data:
 - 27 utilities contracted in total with 2,765 diverse businesses with addresses in California of which 29.04% are located in a disadvantaged community
 - Out of 5,202 California located businesses in the Supplier Clearinghouse database , 30.28% are in a disadvantaged community





Utilities Diverse Suppliers in Disadvantaged Communities





Supplier Clearinghouse

Major Accomplishments

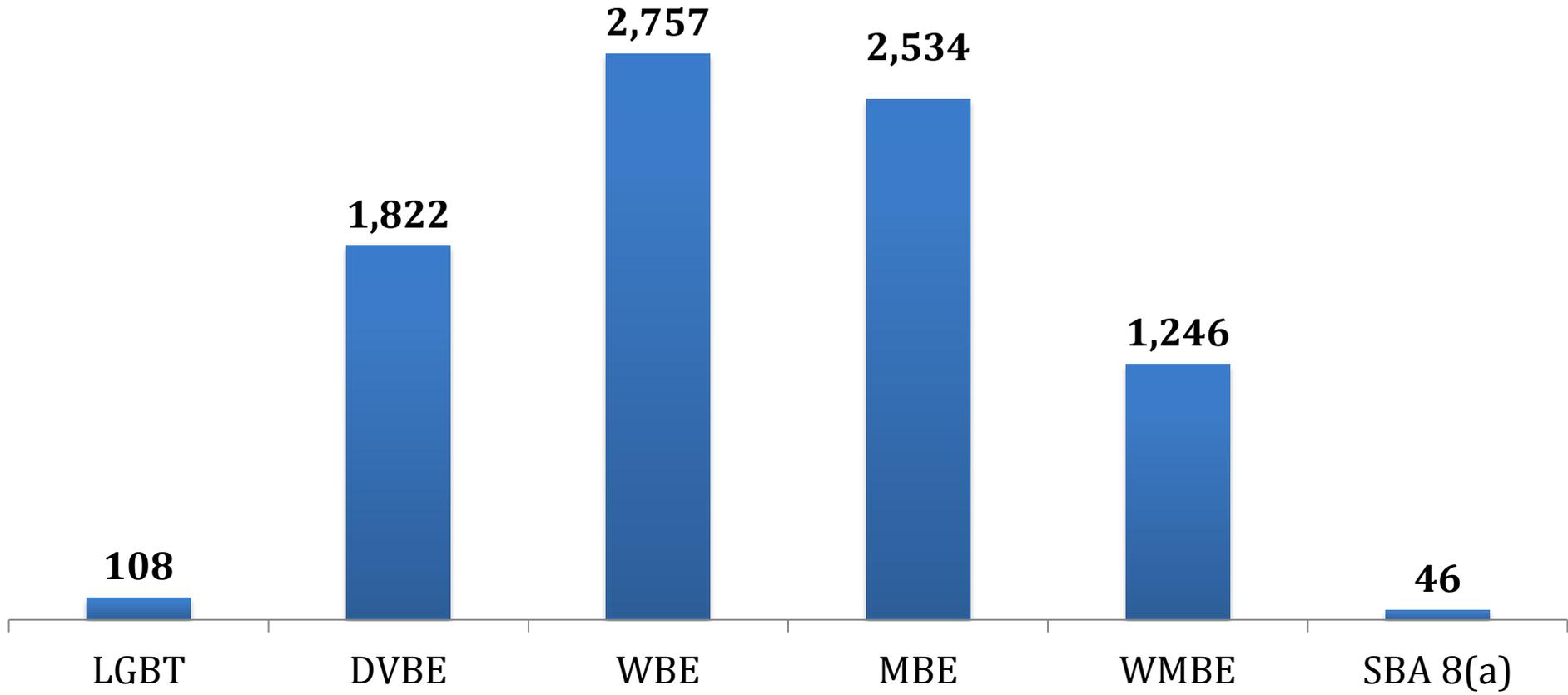
- Implementation of SCH logo policy
- Participated in outreach and training events throughout California
- Implementation of NAICS codes in directory to assist JU sourcing efforts
- Multiple technology enhancements and process improvements implemented
- Extensive reverification outreach
- Increased the number of applications coming into CHS from comparable verification agencies (WBENC, NMSDC, NGLCC)
- Increased Clearinghouse staff
- Provided training to JU members and applicant firms





Supplier Clearinghouse

Certification Types

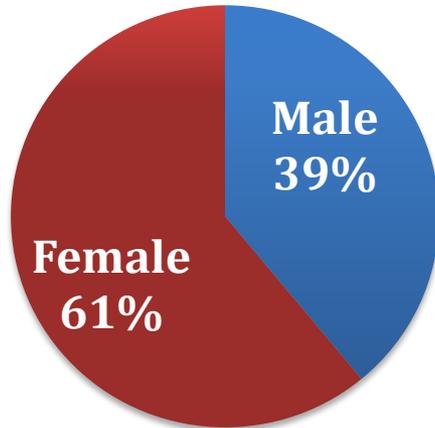




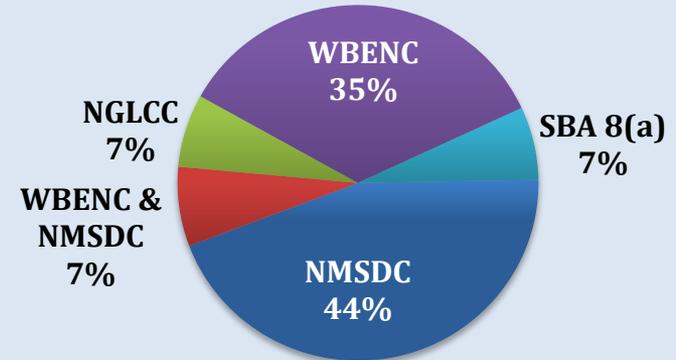
Supplier Clearinghouse

(CURRENT AS OF 6/30/17)

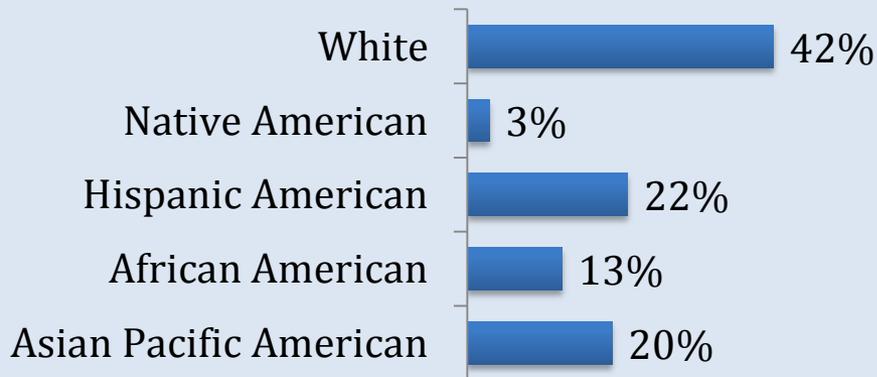
Gender



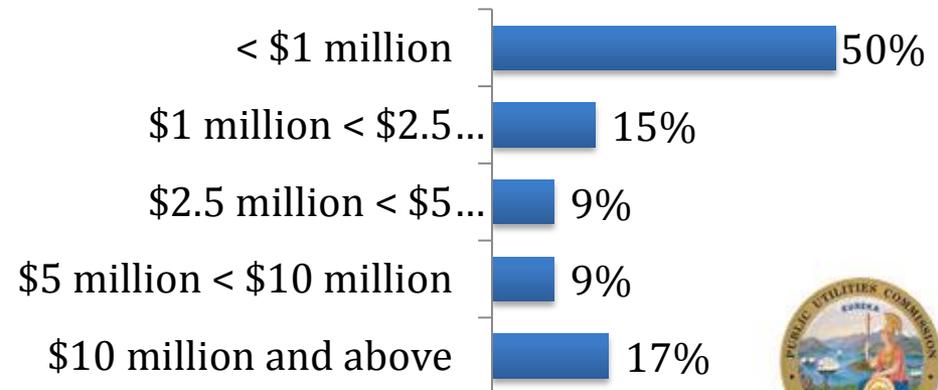
Reciprocal



Ethnicity



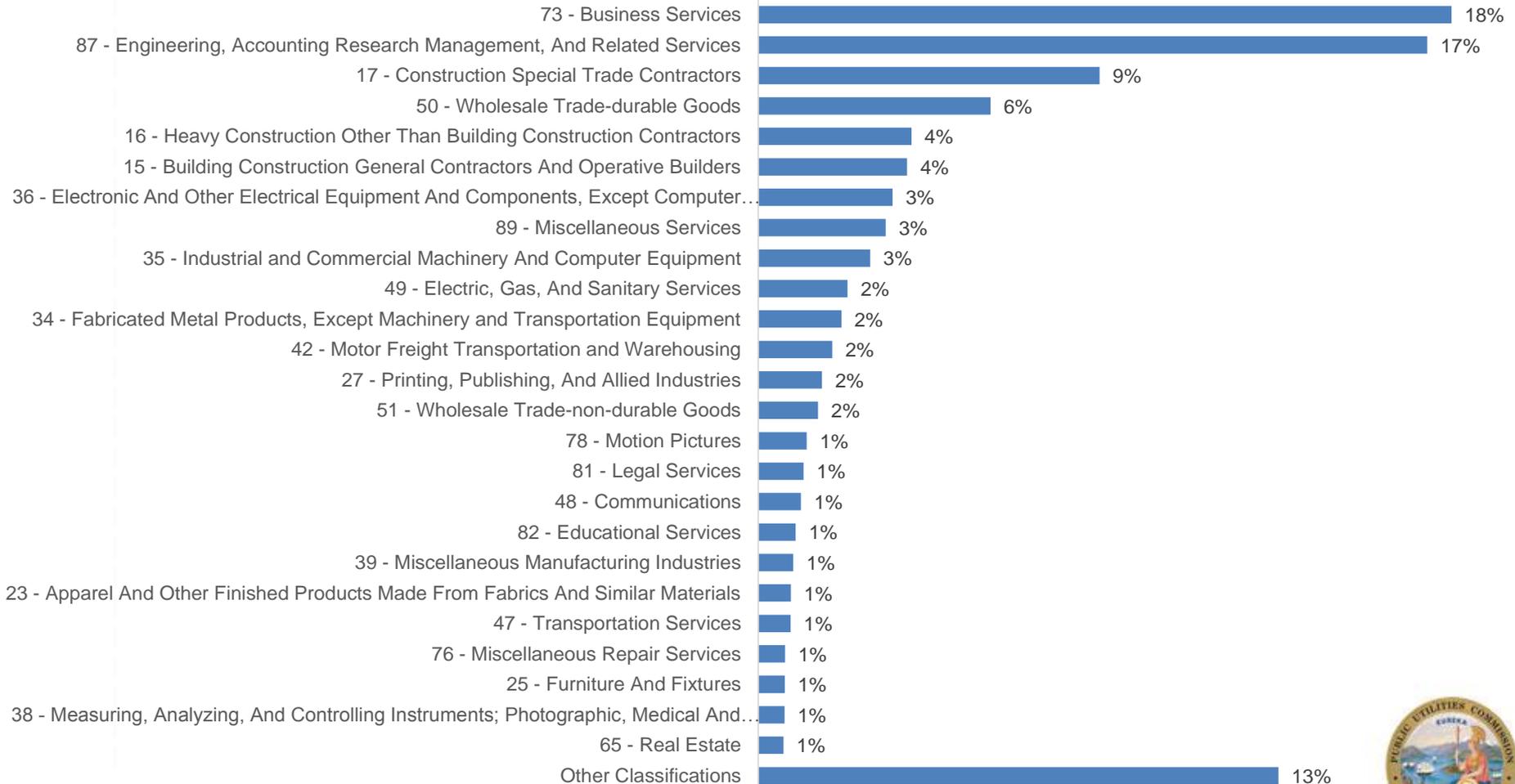
Business Size





Supplier Clearinghouse

Certified Firms by SIC Division





Supplier Clearinghouse

Additional Information

July 1, 2016 – June 30, 2017

- **2,629** applications processed
- **211** site visits conducted
- **83** denials
- **29** applications protested to the Clearinghouse
- **4** denied applications protested and overturned





GO 156 – Next Steps

Update/Enhance

- Evaluate ways to keep the program successful given new market entrants and dispersed customer dollars; such as get other companies to participate in the program (i.e., CCAs, energy storage, railroads/light rail, etc.)
- Explore the possibility of including other disadvantaged groups
- Identify approaches to best utilize the Utility Subcontracting Program
- Collaborate with utilities to identify and find solutions for challenges and barriers that impacts or may impact the program

Quantify

- Continue to quantify and capture the socioeconomic values of the program to utilities, businesses, communities, etc.

Outreach

- Advocate for WMDVLGBTBEs inclusion in utilities procurement activities
- Increase the number of qualified certified WMDVLGBTBEs
- Strengthen partnerships with WMDVLGBTBEs organizations and communities





Thank You!

