



SUPPLIER DIVERSITY ANNUAL
REPORT 2024

TO THE CALIFORNIA PUBLIC
UTILITIES COMMISSION
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2024-2024 DCE HIGHLIGHTS

39,955 customers served in 2024

94,579 MWh of local wind energy generated annually

70,105 metric tons of greenhouse gas emissions reduced in 2023

28,428 customers receiving 100% carbon-free energy in 2024

25 megawatts of battery storage in development

100+ clean energy jobs created from DCE projects (including construction and permanent)

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Introduction

Desert Community Energy (DCE) is a local government, not-for-profit Joint Powers Authority established in 2017 to provide member agencies with a Community Choice Aggregation (CCA) program. The cities of Palm Springs and Palm Desert are current members. DCE began serving load to the City of Palm Springs in April 2020, serving approximately 33,000 residential, commercial, industrial, and agricultural accounts as of December 2024.

DCE's goals are to 1) reduce greenhouse gas emissions relating to electricity use; 2) provide electric generation at competitive, stable rates; 3) offer programs to reduce energy consumption; 4) stimulate the local economy by developing local jobs in renewable energy; and 5) promote long-term energy security, and reliability for customers through local control of electric generation resources.

The California Public Utilities Commission (CPUC) General Order 156 (GO 156) emphasizes preferential purchasing for diverse business enterprises. In compliance with Proposition 209, CCAs as local government entities do not explicitly give preferential treatment to bidders based on race, sex, color, ethnicity, or national origin. Proposition 209 limits CCAs as public agencies from engaging in several of the activities associated with supplier diversity under GO 156. However, DCE acknowledges that more needs to be done to support small, local, and diverse businesses in our region.

Consistent with the requirements of Senate Bill 255, this report describes DCE's continued efforts to plan for and implement practices to increase procurement from small, local, and diverse businesses. It also reports to the Commission on its procurement from these sources.

DCE continues to improve our understanding of the evolving GO 156 requirements and opportunities to increase diversity in our procurement. DCE is committed to expanding equal access to economic opportunities for minority business enterprises (MBE), women-business enterprises (WBE), LGBT business enterprises (LGBTBE), persons with disability business enterprises (PDBE), and disabled veteran business enterprises (DVBE). DCE is also committed to involving local and small businesses in our procurement efforts. Most of DCE's expenditures are focused on power contracts.

The Coachella Valley, being a small region, presents challenges for local and small businesses to act as prime contractors in grid-scale energy projects, as obtaining project capital necessitates proof of financial stability. However, there could be chances for these businesses to engage as subcontractors or consultants on such projects. One of DCE's goals is to ensure profits are retained within our communities, supporting local businesses and residents.

9.1.1 Supplier Diversity Program Activities

In 2024, DCE engaged in the following activities oriented toward increasing supplier diversity:

- Reviewed information provided by CPUC staff regarding updated compliance with GO 156.
- Conducted outreach to diverse businesses at six community events and provided information on supplier diversity and the Supplier Clearinghouse.
- Reached out to the Desert Business Association to share about the Supplier Diversity Program.
- Continued familiarizing staff with the history, requirements, and intent of Senate Bill 255 and General Order 156. This included educating consultants on GO 156 and providing updated supplier diversity informational flyers for outreach events.
- Created a user profile for the former Supplier Clearinghouse website, and posted one RFP that received over 15 proposals.
- Continued working with other CCAs as members of CalCCA to learn best practices in maximizing supplier diversity in our communities, given the constraints of Proposition 209.

In 2025, DCE will continue to dedicate resources to working with our existing and future suppliers on

opportunities to expand institutional diversity and inclusion. The Coachella Valley is a diverse region with many business owners who fall within the GO 156 parameters but may not know about the Clearinghouse or realize their eligibility for certification.

DCE continues to do outreach via social media, its website, and attendance at various community events where information is shared and opportunities to get certified are offered. We will also encourage our current and future contractors to share information on diverse business certifications with their subcontractors.

Hiring Practices

DCE staffing is provided by the Coachella Valley Association of Governments (CVAG) through a management services agreement approved by the DCE Board. Thus, DCE does not directly employ staff. However, CVAG is an equal opportunity employer, and recruiting and hiring practices are established to strive for diversity, consistent with the requirements of Proposition 209. Recruitment outreach opportunities to access a diverse pool of potential job applicants are utilized.

Community Advisory Committee

In March 2019, the DCE Board established a Community Advisory Committee (CAC) to create a structured opportunity for community members to engage with DCE and to help ensure that efforts to educate and inform member communities about DCE's initiatives and programs are broad and inclusive. The CAC remained

active until 2022, after which its activities stalled because of membership challenges. As a result, DCE looked for ways to reconnect with its members and compile a list of candidates.

Following an adequate number of applications from the community, DCE convened its first CAC meeting for the 2024-2026 membership term on December 9, 2024, featuring eight appointed members. Currently, the CAC has seven active members as of January 2025. The CAC convened again on January 27, 2025, to outline topics for future meetings. DCE plans to involve the CAC in customer program planning.

Strategic Initiatives

Since its launch in April 2020, DCE has released multiple requests for offers (RFOs) and requests for proposals (RFPs), resulting in various agreements such as renewable energy agreements, energy storage agreements (ESAs), and power purchase agreements (PPAs) for procuring power and electric capacity. DCE's long-term energy agreements with local providers include companies like Terra-Gen and NextEra.

On December 21, 2020, the DCE Board approved three 15-year PPAs with Terra-Gen, LLC (Terra-Gen). Terra-Gen is a leading developer, owner, and operator of renewable energy projects that has been operating since 2008. The 10.8-megawatt (MW) Coachella Hills II project achieved its Commercial Operation Date (COD) and entered DCE's portfolio on May 31, 2021. The existing 9.8 MW Altwind and

12.6 MW East Wind projects entered DCE's portfolio on January 1, 2023. On December 9, 2024, the DCE Board amended one of the existing PPAs to include the existing 11.2 MW Phoenix project, which entered DCE's portfolio on February 1, 2025.

On September 27, 2024, DCE executed an ESA with Desert Sands Energy Storage II, LLC, a subsidiary of NextEra Energy Resources (NextEra). The project is a 25 MW / 200 MWh lithium-ion battery storage facility that is part of a larger 700 MW energy complex located mainly within the Palm Springs City limits. The expected COD for DCE's portion of the project is April 1, 2027.

As part of its forecasting and procurement processes, DCE considers the overall diversity and reliability of its renewable portfolio. DCE also reviews the respective risks associated with short and long-term purchases as part of its forecasting and procurement processes. These efforts will lead to a more diverse resource mix, address grid integration issues, and provide value to the local community.

Beyond the state's minimum renewable procurement requirements, the DCE Board has established additional green and renewable energy goals. Specifically, the DCE Board has directed that DCE acquire a portfolio consisting of 100 percent carbon-free generation for its Carbon Free product. All current customers served by DCE in the City of Palm Springs were automatically enrolled into this Carbon Free product as the default. The vast majority of DCE's customers have chosen to remain with this

premium product rather than opting down to the Desert Saver product, which provides cost-savings while still meeting Renewables Portfolio Standard (RPS) compliance requirements.

DCE also continues efforts to include small, local, and diverse businesses in non-energy procurement opportunities. To this end, DCE's Board adopted a procurement policy at its meeting on July 18, 2022. This policy includes a section on supplier diversity, in line with the CPUC's Supplier Diversity Program. Since promoting local job creation is one of the core benefits of DCE, the procurement policy also includes a local preference based substantially on the Local Business Preference Program in both Palm Desert and Palm Springs.

Workforce and Board Diversity

In August 2024, DCE submitted its annual RPS Workforce Development data report to the CPUC, highlighting the diversity of its staff. The report indicated that DCE has four full-time employees, three of whom are women, and one is a minority.

The DCE Board is made of two members, one from the City of Palm Springs and the City of Palm Desert. Both Board members were women in 2024. In 2025, the diversity of the Board has changed. Public information on DCE's Board members can be found at desertcommunityenergy.org.

Image below: Elected officials and DCE's Executive Director, Tom Kirk, (bottom right) at the 2021 Terra-Gen Signing Ceremony for the newly acquired wind projects.



9.1.2 Summary of Purchases

DCE commits to purchasing from small, local, diverse businesses within our region to the extent possible. This section summarizes the 2024 results of DCE's procurement in the requested categories. It should be noted that the majority of DCE's procurement is through wholesale power contracts. As a result, opportunities to directly engage with local and small businesses are more limited. Many of the electric generation resources are developed, owned, and operated by large corporations with sufficient capital to manage these projects. Still, DCE has been successful in procuring wind energy from projects within the local community (please see section 9.1.1) from local developers.

Despite the difficulties in finding diverse procurement opportunities for power purchases, DCE engaged with at least one registered diverse supplier for its services and products. Its current marketing and outreach provider is a Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) that has been working with DCE since 2023.

Moving into 2025 and beyond, DCE will work to further enhance local procurement and supplier diversity, aiming to raise the proportion of diverse spending. DCE plans on doing this by reviewing its current contracts and creating a procurement schedule for the products and services that are due for a new request-for-proposals cycle.

Supplier Diversity Results of Goods and Services (non-power purchases) if Procured

The table for 9.1.2 is on the next page.

Photo below: An example of DCE swag materials at outreach events.



		2024							
		Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%
Minority Male	African American								
	Asian Pacific American								
	Hispanic American								
	Native American								
	Total Minority Male								
Minority Female	African American								
	Asian Pacific American								
	Hispanic American								
	Native American								
	Total Minority Female								
Total Minority Business Enterprise (MBE)									
Women Business Enterprise (WBE)									
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$23,025		\$23,025	0.86%	7,927	15,098	\$23,025	0.86%
Disabled Veteran Business Enterprise (DVBE)									
Persons with Disabilities Business Enterprise (DWBE)									
8(a)*									
Total Supplier Diversity Spend		\$23,025		\$23,025	0.86%	7,927	15,098	\$23,025	0.86%
Net Procurement**		\$2,692,357							
Net Product Procurement		\$34,217							
Net Service Procurement		\$2,658,140							
Total Number of Diverse Suppliers that Received Direct Spend		1							

NOTE:

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

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

¹ Direct - Means Direct Procurement: when a CCA directly procures from a supplier.

² Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a CCA, procures from a subcontractor to fulfil its contractual obligation(s).

% - Percentage of Net Procurement.

Description of Suppliers with Majority Workforce in California

As noted above, the majority of DCE’s purchases are power contracts. One of the goals of DCE is to keep profits in our local communities to benefit businesses and residents, including those who have endured economic marginalization.

Currently, DCE receives non-power services and products from fourteen vendors. DCE sent out a survey to its vendors to inquire about their workforce diversity and location distribution. Of the fourteen vendors, only three responded. From the vendors that responded, the average percentage of the workforce in California is 94.6%.

At Burke Rix Communications, the workforce consists of 66.66% male and 33.33% female employees. One-third of the workforce identifies as a minority (non-white) race or ethnicity. At Best, Best, & Krieger, the workforce is 59.94% female, 41.84% male, and 0.44% non-binary. Among them, 58.94% identify as white, while 37.30% identify as a minority (non-white) race or ethnicity, and 3.76% identify as belonging to two or more races/ethnicities. Donald B. Dame Consulting is operated by a single individual who identifies as a white male.

Please see the following table summarizing their responses:

Supplier	Average Workforce in CA
ACE Printing Mailing	No Response
Arthur J. Gallagher Risk Management Services	No Response
Best, Best, & Krieger	0.84
Burke Rix Communications	1.00
CalCCA	No Response
Calpine Energy Solutions	No Response
Davis Farr	No Response
Donald B. Dame Consulting	1.00
MRW Associates	No Response
PFM Financial Advisors	No Response
Standard & Poor's Financial Services	No Response
The Energy Authority	No Response
White Rabbit Group	No Response
WREGIS	No Response

9.1.3 Diverse Supplier Program Expenses

DCE has spent \$26,151 to implement a supplier diversity program in accordance with GO 156. The chart below includes expenses related to marketing and outreach for events, salaries for staff engaged in supplier diversity programs, as well as costs associated with training personnel on supplier diversity initiatives and reporting.

In 2024, there were no designated trainings for GO 156, leaving nothing to report. However, in 2025, DCE intends to partner with MCE for their annual workshop to encourage participation from local businesses in the Coachella Valley.

In accordance with the California Public Utilities Code and the policy objectives of the California Public Utilities Commission (CPUC) as outlined in CPUC General Order 156, DCE encourages businesses to become certified by the CPUC as diverse business enterprises in all of its RFPs.

Expense Category	2024
Wages	\$0
Other Employee Expenses	\$0
Program Expenses	\$11,052
Reporting Expenses	\$0
Training Expenses	\$0
Consultant Expenses	\$15,098
Other Expenses	\$0
Total	\$26,151

9.1.5 Summary of Prime Contractors Utilization of Diverse Supplier Subcontractors

In 2024, DCE worked with primary contractors to fully utilize diverse suppliers when possible. Efforts included encouraging contractors to subcontract with diverse suppliers in product procurement. No prime contractors utilized diverse supplier subcontractors in 2024.

In 2025 and beyond, DCE will work with primary contractors to identify ways to enhance supplier diversity, including subcontracting, and encourage them to have all tiers of subcontractors that are eligible to participate in the certification process.

9.1.6 List of Diversity Complaints Received

DCE is happy to report it did not receive any formal complaints this reporting cycle.

9.1.9 Supplier Diversity Activities and Progress in Power (Energy) Procurement

As previously mentioned, DCE has issued RFOs and RFPs, which have resulted in various agreements, including renewable energy agreements, ESAs, and PPAs, to purchase power and electric capacity over four years. The Mid-term Reliability Energy Resources RFP published in July 2024 led to the PPA with Terra-Gen referenced in section 9.1.1. The Phoenix project exemplifies how DCE can fulfill its goal of reinvesting revenues locally to support the community by creating jobs and encouraging the development of additional local renewable energy sources.

In summary, during the reporting year 2024, DCE did not procure energy storage systems, vegetation management, or renewable and non-renewable energy from a CPUC Supplier Diversity Program-certified entity, nor did DCE own any power plants or PPAs that would necessitate procuring fuel for generation in 2024.

The table for 9.1.9 is on the next page.

		Direct Power Purchases \$	Direct Fuels for Generation \$			Totals \$ ¹			% ²
		Renewable and Non-Renewable Power Products	Diesel	Nuclear	Natural Gas	Direct ³	Sub ⁴	Total \$ ⁵	
Minority Male	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Total Minority Male	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Minority Female	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Total Minority Female	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Minority Business Enterprise (MBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Women Business Enterprise (WBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disabled Veteran Business Enterprise (DVBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Persons with Disabilities Business Enterprises (DBE)		\$0	\$0	\$0	\$0	0	0	0	
8(a) ⁶		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Supplier Diversity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Power Procurement		\$59,537,310							
Net Direct Power Purchases		\$59,537,310							
Net Direct Fuels for Generation		\$0							
Total Number of Diverse Suppliers		0							

NOTES:

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

² % - Percentage of Net Procurement.

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

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

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

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

10.2 Supplier Diversity Program Activities Planned for 2025

Planned External Program Activities

1. Create more opportunities to contract with diverse suppliers

DCE plans to conduct a thorough review of its current vendors to determine which contracts, if applicable, are due for a new RFP or RFQ for procurement. DCE will establish a Procurement Schedule to plan opportunities accordingly for posting on the new Supplier Clearinghouse website. DCE's primary goal for 2025 is to increase its Supplier Diversity Spend by engaging more diverse suppliers.

2. Help local, diverse suppliers get certified

DCE intends to be more proactive in sharing certification opportunities with local businesses. It plans to collaborate with MCE to help promote the annual Supplier Diversity workshop, allowing local businesses to learn more about certification.

Planned Internal Program Activities

1. Enhance training and knowledge efforts on Supplier Diversity with current and new DCE Staff

DCE is a small agency with limited staff and utilizes consultants for most services. In 2025, we anticipate hiring and training new team members who will become familiar with supplier diversity requirements. DCE will prioritize attending quarterly trainings provided by CPUC to CCAs, and plans to create a high-level overview Supplier Diversity Program training packet for new DCE Staff.

2. Utilize a new financial system to track DCE's spend

DCE intends to implement a new financial software system to monitor vendor invoices, revenue, and payments for fiscal year 2025/2026. This system will be tailored to enhance tracking of Supplier Diversity spending for future reports.

Plans to Encourage Prime Contractors to Subcontract Small, Local, and Diverse Businesses

DCE will work with its current and future contractors to encourage the utilization of small, local, and diverse businesses to engage these BEs in all categories that provide subcontracting opportunities. Part of this outreach will include educating contractors on the importance and benefits of engaging the services of Clearinghouse-registered and eligible entities.

DCE is committed to achieving its supplier diversity goals in 2025. In March 2025, the DCE Board will be asked to

adopt the supplier diversity program goals and activities to be implemented in 2025.

In the short term, DCE aims to train its team to become proficient in supplier diversity requirements and eventually become the go-to resource for local and county business entities. These objectives are reflected in the planned activities for 2025.

In the mid and long term, DCE aspires to expand its outreach to diverse local businesses, particularly those in underserved communities, and increase the number of diverse supplier contracts.

DCE acknowledges that there is still more work to be done in order to align its outreach procedures with its efforts to meet supplier diversity goals. As part of this effort, DCE will prioritize increasing the amount of contract dollars spent on underserved or marginalized groups. We will dedicate time and resources to promote these efforts and ensure we stay on track. DCE intends to work closely with other CCAs and CalCCA to identify program best practices and opportunities for information sharing. DCE appreciates the continued assistance provided by CPUC Staff and looks forward to working together to enhance supplier diversity programs in the coming years.

Photo right: DCE Booth at local ONE-PS Outreach event.

