

UC Clean Power Program Supplier Diversity Report 2023

March 2024

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Introduction

In 2014, The Regents of the University of California (UC) became a registered Electric Service Provider (ESP), and in 2015 began serving UC-affiliated electricity service accounts participating in California's Direct Access program. UC's Clean Power Program (CPP) is managed within the Energy & Sustainability (E&S) Department of UC's Office of the President (UCOP). UC is a public corporation (organized as a public trust), that was formed pursuant to Article IX, Section 9 of the Constitution of the State of California. As such, UCOP and all electric commodity customers participating in the CPP are part of the same legal entity. As of January 2024, the CPP serves over seven hundred UC-affiliated electricity service accounts at eight campuses and four health center locations in all three major investor-owned utility (IOU) service territories.

In October 2019, Senate Bill (SB) 255 updated the CPUC's Supplier Diversity Program to extend the program's requirements to registered ESPs with at least \$25 million in gross annual California revenues. In accordance with these amendments, CPP staff submitted its first official Supplier Diversity Report to the CPUC in March 2023. UC now plans to build on the foundation of that report through this submission, detailing CPP supplier diversity related activities and spending over the calendar year 2023.

As a public corporation, UC is bound by California Proposition 209 (Prop 209) and is prohibited from considering race, sex, color, ethnicity, or national origin in its contracting or procurement methodologies. UC is unique amongst California ESPs in this respect and, therefore, does not set supplier diversity targets or goals. UC's CPP will continue to conduct outreach to a broad range of suppliers when contracting opportunities arise. Over the last year, CPP staff has begun to educate current prime contractors about the existence of CPUC's Supplier Diversity Program and Supplier Clearinghouse.¹

UC is committed to doing business in an equitable and sustainable manner by working with small, local, and diverse businesses. In accordance with state and federal law, UC ensures that all business enterprises have equal access to business contracting opportunities at the University. UC encourages diverse businesses, including all potential goods and service providers to the University, to register in CalUSource - UC's fully integrated collaborative eSourcing platform.² The University posts UC-wide and individual campus solicitations online via CalUSource, including those relevant to the CPP.³ On occasion, the CPP will also have solicitations externally hosted on comparable public websites, in accordance with UC procurement policy governing public solicitations.

UC Procurement is the centralized procurement and supply chain hub for the entire UC system, including the CPP. UC Procurement develops and implements systemwide supply chain strategies and policies that leverage UC's vast purchasing power to optimize University spend.

They also support systemwide RFP solicitations for goods and services that meet a meaningful annual spend threshold, as specified in UC policy.

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

In 2023, total expenses for the CPP were approximately [REDACTED], [REDACTED] of which was for procurement of power, capacity, and related attributes or instruments. The remainder was spent on staff salary and benefits [REDACTED], as well as to supplement internal staff resources and expertise with industry-specific technological and consulting services [REDACTED].

As of early 2024, there are few to no diverse suppliers listed in the CPUC Supplier Clearinghouse within the power procurement space. Furthermore, much of UC’s existing power procurement spending is tied to long-term contracts that were executed several years ago. The limited number of diverse suppliers in this industry, combined with current regulatory and contractual constraints, means that only a small percentage of annual CPP spend falls within the practical scope of the CPUC’s Supplier Diversity Program.

In future years, CPP staff will explore ways to promote internal supplier diversity and outreach applicable to this spend, while staying within the legal boundaries of Prop 209. The CPP has ensured that all program staff are aware and fully educated on the CPUC’s Supplier Diversity Program, as well as how to navigate the Supplier Clearinghouse, to improve future supplier diversity reporting. In addition, staff has begun to share relevant materials with current prime contractors on the CPUC’s Supplier Diversity Program and will consider developing a voluntary survey to collect more granular supplier information in calendar year 2024. Below is a summary of both internal- and external-facing activities related to the CPP’s supplier diversity efforts over the last calendar year.

List of Internal Activities

Program Development

- Submission of the first CPP Supplier Diversity Report in March 2023
- CPP staff reviewed CCA and ESP Supplier Diversity Reports to learn new strategies and improve future reporting

UC Staff Engagement

- CPP staff learned about the CPUC’s Supplier Diversity program and reporting requirements as a party to the CPUC rulemaking (R.21-03-010) and through internal discussions with CPUC staff

CPUC Collaboration

- CPP staff engaged with CPUC for feedback on 2022 Supplier Diversity Report

Future Planning

- CPP staff will explore voluntary surveys to better track supplier diversity information

External Activities

Solicitations

- Publicly posted a Request for Proposals (RFP) via CalUSource for Back-Office Meter Data Management Services that included a question regarding awareness of the CPUC’s Supplier Diversity Program and Clearinghouse

CPP staff will continue to ensure that all RFPs, including those hosted externally, are posted in accordance with UC Procurement policy, and that they reach a wide audience of potential contractors.

As previously stated, the CPP follows the systemwide supply chain strategies and policies of UC Procurement. More detailed information on UC Procurement’s policies and supplier diversity activities can be found online.⁴ Any questions about procurement activities directly related to UC’s CPP can be sent to UC_ESP@ucop.edu.

Section 9.1.9 - Description & Results of Supplier Diversity Activities and Progress in Power (Energy) Procurement

As stated in Section 9.1.1, the CPP’s total spend in 2023 was about [REDACTED], which largely includes payments to the CAISO, investor-owned utilities (IOUs), and the CPP meter data, scheduling coordinator, and portfolio management service providers. In 2023, approximately [REDACTED] of CPP spending went towards power-related commodities and [REDACTED] went to services related to managing program operations, including UC staff salaries and benefits. CPP staff believes that this is generally in line with the expected spending distribution of other ESPs and community choice aggregators (CCAs) in the state. Of the CPP’s approximately [REDACTED] in power-related spending, about [REDACTED] went towards direct renewable power purchasing primarily through long-term power contracting.

Within California’s power procurement industry, there are a limited number of diverse suppliers appearing in the CPUC’s Supplier Clearinghouse. Given that UC is a public entity that is also

beholden to Prop 209, the CPP cannot specifically target any power procurement businesses that are registered with the CPUC Supplier Clearinghouse. This means that the CPP has limited options available for directing most program spending towards diverse suppliers, as defined by the CPUC. The chart below provides a summary of the CPP's total power procurement spending in 2023, as well as the amount spent on direct power purchases.

Supplier Diversity Annual Report and Annual Plan		
The Regents of the University of California	2023	GO 156 Section 9.1.9
Supplier Diversity Results in Power (Energy) Procurement		

		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			
1	African American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2	Asian Pacific American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
3	Minority Male Hispanic American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
4	Native American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
5	Total Minority Male	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
6	African American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
7	Asian Pacific American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
8	Minority Female Hispanic American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
9	Native American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
10	Total Minority Female	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
11	Total Minority Business Enterprise (MBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
12	Women Business Enterprise (WBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
14	Disabled Veteran Business Enterprise (DVBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
15	Persons with Disabilities Business Enterprises (DBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
16	8(a) ⁶	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
17	Total Supplier Diversity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
18	Net Power Procurement	\$ -									
19	Net Direct Power Purchases	\$ -									
20	Net Direct Fuels for Generation	\$ -									
21	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 an ESP directly procures from a supplier.

⁴ Sub - Means Subcontractor Procurement: when a prime contractor, in contract with an ESP, 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 (GO 156 Section 1.3.13).

Section 9.1.2 - Supplier Diversity Results of Goods and Services (non-power purchases) and Description of Diverse Suppliers with Majority Workforce in California

As noted in previous sections, only a small percentage █████ of the CPP's total 2023 program spend did not go towards power-related commodities or attributes. Of this percentage, about █████ went towards CPP staff salary and benefits, while the other █████ went towards industry-specific technological and consulting services. Procurement of non-power related goods, such as office equipment and facilities, is largely managed by other departments in accordance with UC Procurement policies; selection of suppliers for these products is beyond the purview of CPP staff. While CPP staff does utilize such goods to perform day-to-day operations, they do not make or influence procurement decisions regarding these products. Consequently, spending related to these goods is not included in the scope of this report.

The CPP does have information on the certification statuses or recognitions of the several prime contractors that currently provide services to support the program. However, none of these contractors are listed in the CPUC's Supplier Clearinghouse, as of January 2024.

The CPP's front-office services contractor, The Energy Authority (TEA), was founded in 1997 by three public power owners upon the principles of reduced operating costs with respect to energy trading and marketing, as well as providing best-price risk management services in the wholesale energy marketplace. 40% of TEA's senior leadership team and C-suite is comprised of women, which is a notably high percentage for the energy industry. The women in leadership roles at TEA include their CEO, Chief Risk Officer, Chief People Officer, and General Counsel. However, as an entity jointly owned by several public utilities, they are not eligible to qualify under the CPUC's Supplier Diversity Clearinghouse program.

Within the last calendar year, CPP staff designed, released, and evaluated an RFP for program back-office services, primarily related to the verification and submission of Settlement Quality Meter Data (SQMD). Staff worked diligently to promote awareness of the CPUC's Supplier Diversity program through this RFP by including a question that asked respondents about their awareness and potential certification status within the CPUC's Supplier Diversity Program, as shown in the bullet below. In the future, CPP staff will continue to raise awareness of these programs and tools during any relevant procurement processes.

- *Is your company aware of and/or registered with the California Public Utilities Commission's (CPUC) GO 156 Supplier Diversity Program? If eligible, would your company be willing to get certified through this program? (<https://www.cpuc.ca.gov/supplierdiversity/>)*

Lastly, CPP staff will consider developing and distributing a voluntary survey to applicable contractors to obtain more data to inform future Supplier Diversity reporting. These efforts will feed into the CPP’s overall engagement with contractors to educate them on the CPUC’s Supplier Diversity Program.

The chart below provides a breakdown of program spending on goods and services not related to the procurement of power. As already stated, the CPP does not have any non-power related goods spending, as these products are handled on a systemwide procurement basis. In total, the CPP spent about [REDACTED] on services in 2023 between approximately seven different contractors, none of which appear in the CPUC’s Supplier Clearinghouse.

Supplier Diversity Annual Report and Annual Plan									
The Regents of the University of California		2023				GO 156 Section 9.1.2			
Supplier Diversity Results of Goods and Services (non-power purchases) if Procured									
		2023							
		Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%
1	Minority Male								
2									
3									
4									
5									
6									
7									
8	Minority Female								
9									
10									
11	Total Minority Business Enterprise (MBE)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
12	Women Business Enterprise (WBE)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
14	Disabled Veteran Business Enterprise (DVBE)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
15	Persons with Disabilities Business Enterprise (DBE)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
16	8(a)*	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
17	Total Supplier Diversity Spend	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
18	Net Procurement**	\$ [REDACTED]							
19	Net Product Procurement	\$ -							
20	Net Service Procurement	\$ [REDACTED]							
21	Total Number of Diverse Suppliers that Received Direct Spend	0							

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 an ESP directly procures from a supplier.
² Sub - Means Subcontractor Procurement: when a prime contractor, in contract with an ESP, procures from a subcontractor to fulfill its contractual obligation(s).
% - Percentage of Net Procurement.

Section 9.1.3 - Supplier Diversity Program Expenses

The table below includes a breakdown of 2023 CPP supplier diversity related program expenses. This spending includes staff time spent developing this year’s report, including collection and analysis of necessary internal financial data and policy information.

2023 CPP Supplier Diversity Spending	
Expense Category	Year (Actual)
Wages	\$ [REDACTED]
Other Employee Expenses	\$ -
Program Expenses	\$ -
Reporting Expenses	\$ -
Training Expenses	\$ -
Consultant Expenses	\$ -
Other Expenses	\$ -
Total	\$ [REDACTED]

Section 9.1.5 - Description of Prime Contractors Utilization of Diverse Subcontractors

UC’s CPP utilizes goods and services from a limited group of prime contractors and does not have detailed information available on potential subcontractors or their relevant certification statuses. In the future, CPP staff will consider creating and distributing a voluntary survey to any prime contractors that provide services to the CPP to better inform this process and have more robust data around potential subcontractors.

Again, due to Prop 209, the CPP cannot require or request prime contractors to increase utilization of diverse subcontractors, nor can the program directly connect contractors with diverse suppliers. As discussed in previous sections, CPP staff will consider future ways to increase awareness of the CPUC’s Supplier Diversity Program within its existing pool of contractors.

Section 9.1.6 - List of Supplier Diversity Complaints Received and Current Status

The CPP did not receive any complaints from diverse suppliers regarding procurement policies in 2023.

Section 10.1.2 - Description of Supplier Diversity Program Activities Planned for the Next Calendar Year

Although Prop 209 precludes the CPP from setting specific targets for diverse suppliers, CPP staff will continue to build on the efforts discussed in prior reports and will explore opportunities to raise awareness and educate the CPP's partners on the CPUC's Supplier Diversity Program. Over the last year, CPP staff has already started to create a more robust data collection process for our contracting activities that will feed into all future supplier diversity reporting.

When future opportunities arise for businesses to contract with the CPP for goods or services, CPP staff will target broad distribution channels, as well as post publicly online in CalUSource, depending on the contracting amount and scope of services. For example, the RFP posted in 2023 for back-office meter data management services was published and evaluated within this platform. Depending on the particular contract or RFP, CPP staff may alternatively post opportunities online via a third-party website, such as in the case of the Mid-Term Reliability RFP hosted by TEA in 2022.⁵

Internally, CPP staff will continue to be well-versed and up to date on the CPUC's Supplier Diversity Program, including how to search the Supplier Clearinghouse and how to point potential contractors towards registration. CPP staff will also stay informed of UC Procurement systemwide policies and will prioritize communication of CPP supplier diversity data internally.

Section 10.1.5 – Plans for Encouraging Prime Contractors to Subcontract Small, Local and Diverse Suppliers

Over the last year, CPP staff has engaged with active partners to educate them about the CPUC's Supplier Diversity Program, as well as the Supplier Clearinghouse. Again, as UC is beholden to Prop 209, CPP staff cannot advocate for prime contractors to conduct business with diverse businesses. However, CPP staff has provided beneficial information on supplier diversity to partners whenever possible. The CPP's most recent Request for Proposals (RFP)

hosted on CalUSource even included a question inquiring about each respondent’s awareness and certification status within the CPUC’s Supplier Diversity Program.

Sections Not Applicable to UC

As stated in prior sections, UC is a public corporation and is subject to Prop 209. Consequently, the CPP does not have specific internal goals for contracting with diverse suppliers. As a result, several of the sections listed in the GO 156 ESP Reporting Template are not applicable to UC and therefore the CPP, including:

- **Section 9.1.4 - Description of Progress in Meeting or Exceeding Set Goals**
- **Section 9.1.4 - Supplier Diversity Results Compared to Set Goals**
- **Section 9.1.7 - Description of Efforts to Recruit Diverse Suppliers in Low Utilization Categories**
- **Section 10.1.1 - Supplier Diversity Short-, Mid-, and Long-Term Procurement Goals for Power and other Goods and Services**
- **Section 10.1.3 - Plans for Recruiting Diverse Suppliers in Low Utilization Categories**
- **Section 10.1.4 - Plans for Recruiting Diverse Suppliers Where Unavailable**
- **Section 10.1.6 – Plans for Complying with Supplier Diversity Program Guidelines**

References

1. <https://sch.thesupplierclearinghouse.com/>
2. <https://calusource.net/>
3. <https://smart.gep.com/publicRFx/ucal?oloc=215#/>
4. <https://www.ucop.edu/procurement-services/index.html>
5. <https://teamarketplace.azurewebsites.net/>