



# Supplier Diversity 2022 Annual Report and 2023 Annual Plan

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# INTRODUCTION

## Description of the CalChoice CCAs

The California Choice Energy Authority (“CalChoice”) is a California Joint Powers Authority formed in 2012 by the City of Lancaster and the City of San Jacinto. CalChoice’s current membership includes the following Cities, each of which operates its own community choice aggregation (“CCA”) program:

- City of Lancaster (Lancaster Choice Energy)
- City of Pico Rivera (Pico Rivera Innovative Municipal Energy)
- City of San Jacinto (San Jacinto Power)
- City of Rancho Mirage (Rancho Mirage Energy Authority)
- City of Apple Valley (Apple Valley Choice Energy)
- City of Palmdale (Energy for Palmdale’s Independent Choice)
- City of Pomona (Pomona Choice Energy)
- City of Santa Barbara (Santa Barbara Clean Energy)

CalChoice is a pioneering model for CCA programs. Each CalChoice member is a City government that operates its own independent CCA program and sets its own rates. However, through CalChoice, these Community Choice Aggregators are able to pool their resources and share a number of critical functions, including regulatory compliance and resource procurement. By joining together, CalChoice can provide reduced costs for each City through the benefits of economies of scale. As more Cities are added, each City’s share of the fixed costs goes down. This also allows smaller Cities to start a CCA program who might have been too small to successfully operate one on their own.

Because CalChoice is the entity that conducts the majority of its member Community Choice Aggregators’ resource procurement, and these resource procurements and contracting functions are performed on a collective basis, CalChoice is submitting this Supplier Diversity 2022 Report and 2023 Annual Plan on behalf of its members.

## Introduction to Report and Plan

CalChoice and its member Community Choice Aggregators share the California Public Utilities Commission's ("Commission") commitment to the important goal of encouraging the development of small, local, and diverse business enterprises, including those owned by women, minorities, disabled veterans, and members of the LGBTQ community ("WMDVLGBTBE"). CalChoice recognizes the need to take steps to encourage greater WMDVLGBTBE access to, and participation in, its procurement activities.

2022 was the second year requiring Community Choice Aggregators to submit a Supplier Diversity Report and Plan in accordance with Senate Bill ("SB") 255 (Bradford 2019). CalChoice and each of its members remain committed to achieving the goals of SB 255 and continue to explore opportunities to comply with these efforts. It is important to note that the landscape in the area of purchasing services and goods, outside of the realm of ongoing operational efforts, has been greatly affected by the recent Pandemic. In 2022, many of our members have seen a dramatic impact to their CCA program bottom line, which in turn has severely impeded efforts to release new program bid opportunities. As we move further away from the pandemic, we do anticipate expanding our program efforts.

CalChoice's program design and implementation is mindful of the restrictions by California Proposition 209, which prohibits Community Choice Aggregators of Local Government Agencies from giving preferential treatment to bidders based on race, sex, color, ethnicity, or national origin. While CalChoice has added language in outgoing bid documents to encourage local and diverse respondents with the intent of expanding our diversity reach, CalChoice does not consider otherwise available information regarding a vendor's WMDVLGBTBE status (including publicly available information collected by the Commission) in selecting and awarding contracts.

CalChoice appreciates the opportunity to share our efforts towards Supplier Diversity.



**Jason Caudle**  
**Executive Director**  
**March 1, 2023**

# 2022 ANNUAL REPORT

## 9.1.1 Description of Supplier Diversity Program Activities In 2022

### Internal Actions In 2022

CalChoice does not have an official Supplier Diversity Engagement Program, but relies on compliance with its member cities' polices and local vendor preferences. In 2022, CalChoice did engage in procurement for non-energy products and services that included outreach to, and inclusion of, local small businesses, especially those listed in member service areas. Analysis of CalChoice's supplier list show that 33% of CalChoice's 2022 non-energy procurement efforts were from local in-state companies, and 30% were from other California companies.

CalChoice Supplier Summary		
Category	Total	Percent
Local In-State	9	33%
Other In State*	8	30%
Out of State	8	26%
Out of US	0	0%
<b>Total</b>	<b>27</b>	

\*In State includes business in the neighboring counties of Los Angeles County and Orange County which could be classified as regional.

#### **i. Member City Policies**

CalChoice's membership includes Cities with a diverse range of cultural, ethnic, and socioeconomic makeups. According to the US Census Bureau, its member cities collectively have a population of approximately 782,085. The demographics reveal a White population of approximately 44%, and ethnic distribution of 9 % Black, 1% American Indian and Alaska Native, 3% Asian, 3% Native Hawaiian and Pacific Islander, 44% Hispanic or Latino, and 23% of Two or More Races.

Many of CalChoice's member cities have internal policies that promote the interests of WMDVLGBTE communities and individuals. These internal policies extend to the CCA programs operated by these cities. One such program, Utility Assistance Bill Credits for qualifying CARE and FERA customers, is offered by CalChoice's newest member Energy for Palmdale's Independent Choice (EPIC). Through the Coronavirus State and Local Fiscal Recovery funds

(SLFRF) program, Palmdale has allocated up to \$2.5 Million in eligible funds to apply toward the utility assistance bill credit program.

### **Bilingual and Multicultural Staff**

Most of CalChoice's member cities have bilingual and multicultural staff members and some offer trainings and workshops in multiple languages. Many provide a vast array of services through partnership and sponsorship of events with local nonprofits and local Chambers of Commerce.

#### **ii. Trainings and Workshops**

Some member cities offer business trainings, workshops and services to benefit the diverse business community, including those considered disadvantaged. Some training topics offered include social media, marketing, tax code and employee benefits.

### **External Actions In 2022**

#### **i. External Policy Advocacy**

CalChoice supports educating potential participants of the CPUC Supplier Diversity Program and in 2022 created its own Supplier Diversity landing page on the CalChoice website. The site can be found at <https://californiachoiceenergyauthority.com/supplier-diversity/> and offers information on getting certified through the CPUC Supplier Clearinghouse and CalChoice's annual reporting history. CalChoice contact for Supplier Diversity is Kathy Wells at 888-639-2411 EXT. 703, or via email at [Kathy@CalChoice.org](mailto:Kathy@CalChoice.org).

CalChoice engaged in advocacy at the Commission and elsewhere, on behalf of its member CCA programs, promoting the interests of WMDVLGBTEs, as well as WMDVLGBT individuals and communities. CalChoice received approval from the California Public Utilities Commission in September 2021 to implement a Joint CCA Disadvantaged Communities Green Tariff ("DAC-GT") program. The DAC-GT program will provide participants residing in disadvantaged communities with 100% renewable energy and a 20% bill discount on their total residential rates compared to their otherwise applicable rates. Though the program was anticipated to begin enrollment in late 2022, the Joint CCAs intended launch of the program was delayed until final approval of a Petition for Modification was received in October 2022. CalChoice did issue a solicitation in January 2022 for the construction of a new renewable energy resource for the DAC-GT program, which received no responsive bids, and will release its second solicitation in March 2023. CalChoice is in the process of procuring interim power for the program and plans to serve approximately 1,590 customers beginning summer of 2023.

In 2022, CalChoice members have once again partnered with Southern California Edison to offer customer payment assistance programs for at-risk customers. Through the California Arrearage Payment Program 2.0, CalChoice CCAs offered a total of approximately \$4.8 Million of financial assistance to active residential customers toward the reduction of past due energy bill balances accrued during the coronavirus pandemic. In addition, the Percentage of Income Payment Plan (“PIPP”) pilot is currently underway and will allow participants to pay a predetermined affordable percentage of their monthly income towards their electricity bill. Participants will receive a monthly bill cap for current charges set certain percentage of their household’s monthly income.

## ii. Member Programs’ Language Accessibility Efforts

While SCE is the primary billing agent for each CalChoice member CCA program, each CCA program does maintain a customer service help line, and can be contacted via telephone or website request. Each member CCA program offers multi-lingual customer service.



### 9.1.2 Supplier Diversity Goods and Services (non-power) Procurement

California Choice Energy Authority			2022 of Report				2022 of Report			
Supplier Diversity Results of Goods and Services (non-power purchases) Procured										
			Direct Spend <sup>1</sup> \$	Sub Spend <sup>2</sup> \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%
1		African American								
2		Asian Pacific American								
3	Minority Male	Hispanic American								
4		Native American								
5		Total Minority Male								
6		African American								
7	Minority Female	Asian Pacific American								
8		Hispanic American								
9		Native American								
10		Total Minority Female								
11	Total Minority Business Enterprises (MBE)									
12	Woman Business Enterprises (WBE)									
13	LGBTBI, Gay, Bisexual, Transgender Business Enterprises (LGBTBE)									
14	Disabled Veterans Business Enterprises (DVBE)		72,320		72,320	0.89		72,320	72,320	0.89
15	Persons with Disabilities Business Enterprises (DBE)									
16	8(a) <sup>3</sup>		558		558	0.01		558	558	0.01
17	Total Supplier Diversity Spend		72,878		72,878	0.90		72,878	72,878	0.90
18	Net Procurement <sup>4</sup>									
19	Net Product Procurement									
20	Net Service Procurement									
21	Total Number of Diverse Suppliers that Received Direct Spend									

**NOTE:**

<sup>1</sup> 8(a) - Business owned and controlled by persons who are citizens or permanent residents of 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 3 of Executive Order 11625 (50 USC Section 1.3.13).

<sup>2</sup> Net Procurement includes business orders, non-business orders, and trade sale orders.

<sup>3</sup> Direct - Means Direct Procurement under a CCA strategy procured from a supplier.

<sup>4</sup> Sub - Means Subcontractor Procurement under a prime contract, in accordance with a CCA, procured from a subcontractor to fulfill contractual obligation(s).

% - Percentage of Net Procurement.

### 9.1.2 Diverse Suppliers with Majority Workforce in California

As part of the General Order (“GO”) 156 reporting exercise, CalChoice searched both the Supplier Clearinghouse and the California Department of General Services (“DGS”) Small Business, Micro Business and Disabled Veterans databases for each vendor that CalChoice member CCA programs used during 2022. CalChoice acknowledges that few of its vendors fit within the Supplier Clearinghouse requirements. However, CalChoice notes that for the businesses with DGS Small Business and Micro Business certifications, 100% of their workforces are in California. CalChoice is committed to local procurement with 33% of its vendors being local (located within the boundaries of member cities and counties), and an additional 30% of the vendors with which CalChoice procures having primary office locations in California



### 9.1.3 Supplier Diversity Program Expense

CalChoice has had few expenses toward the implementation of its supplier diversity program in 2022. These expenses included marketing and outreach through creation of a dedicated web page to educate potential diverse vendors on Supplier Clearinghouse certification. Additionally, one CalChoice staff member is assigned to manage Supplier Diversity efforts and compliance on behalf of the members, with 30 hours dedicated in 2022. Lastly, CalChoice contracts with a legal team to assist with the annual reporting process and submission to the CPUC.

Expense Category	Year (Actual)
Wages	\$2010.00
Other Employee Expenses	\$0
Program Expenses	\$1434.90
Reporting Expenses	\$1072.50
Training	\$0
Consultants	\$0
Other	\$0
<b>TOTAL</b>	<b>\$4517.40</b>

### 9.1.5 Description of Prime Contractor Utilization of Diverse Subcontractors

In 2022, CalChoice Developed standard language for all future solicitations to encourage local and supplier diversity efforts and has developed a voluntary supplier diversity survey for vendors. The surveys will be used in collecting diversity data of successful bidders for reporting purposes and will be included with future solicitations. In addition, CalChoice will share with its existing vendors to collect data and encourage participation in the supplier diversity program.

### 9.1.6 A List of Supplier Diversity Complaints Received and Current Status

CalChoice and its member CCA programs have received no Supplier Diversity complaints in 2022.

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

CalChoice has noted that limited procurement opportunities within its geographical area, coupled with restrictions of Proposition 209, creates challenges and barriers to procurement diversity. CalChoice intends on developing an outreach campaign to encourage existing suppliers to participate. In addition, all new solicitations include language regarding supplier diversity and bidders will receive a voluntary supplier diversity survey with each bid package.

California Choice Energy Authority 2022 Report Supplier Diversity Results in Power (Energy) Procurement GO 156 Section 8.1.8

		Direct Power Purchases \$ Renewable and Non-Renewable Power Products	Direct Funds for Generation \$			Totals \$ <sup>1</sup>			% <sup>2</sup>
			Direct	Nuclear	Natural Gas	Direct <sup>3</sup>	Sub <sup>4</sup>	Total <sup>5</sup>	
1	Asian American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5	Total Minority Male	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Asian American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7	Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
8	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10	Total Minority Female	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11	Total Minority Business Enterprise (MBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
12	Woman Business Enterprise (WBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Disabled Veterans Business Enterprise (DVBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
15	Persons with Disabilities Business Enterprise (DBE)	\$0	\$0	\$0	\$0	0	0	0	
16	B(a) <sup>6</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
17	Total Supplier Diversity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
18	Net Power Procurement	\$0	Line Item 18 is the sum of of line item 19 and 20.						
19	Net Direct Power Purchases	\$0							
20	Net Direct Funds for Generation	\$0							
21	Total Number of Diverse Suppliers	0							

NOTES:

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

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

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

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

<sup>5</sup> "Total" does not include programmatic developments (COD) subcontracting release.

<sup>6</sup> B(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).

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).

# 2023 ANNUAL PLAN

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

The Goal of CalChoice's 2023 Supplier Diversity Plan is to meet the requirements of SB 255 by increasing procurement from small, local, and diverse business enterprises, while also remaining in compliance with CalChoice members' other legal obligations, including the Proposition 209 prohibition against giving preferential treatment to bidders based on race, sex, color, or national origin.

Balancing the requirements of SB 255 and Proposition 209 presents a number of challenges that require careful consideration. As such, CalChoice will continue to take a careful, deliberative approach to implementing 2023 program activities. At a high level, this approach will focus on identifying steps that can be implemented in the short term to encourage Supplier Diversity participation in CalChoice solicitations. Options that CalChoice may consider include:

1. Building relationships and enhancing community outreach to help educate organizations and stakeholders about opportunities and lessen misinformation;
2. Receiving Commission training on the Supplier Clearinghouse certification process and encouraging vendors to become certified with the Supplier Clearinghouse;
3. Promoting Marin Clean Energy's annual Certify and Amplify workshops;
4. Ensuring that all Supplier Diversity Program vendors identified by the Commission are included in CalChoice's appropriate solicitation distribution lists;
5. Improving CalChoice's post-contract collection of Supplier Diversity Program vendor data;
6. Improving CalChoice's post-contract collection of Supplier Diversity Program data for subcontractors used by vendors;
7. Providing successful vendors with surveys solicited consistent with Proposition 209 for the purpose of gathering data as required by GO 156;
8. In the survey sent to vendors to collect diversity information as required by GO 156, including the link to the Supplier Clearinghouse webpage; and
9. Expanding notification opportunities to bid for products and services procured by CalChoice.

CalChoice plans on implementing these options to improve Supplier Diversity Program participation in its solicitations in all procurement categories, including Renewable Energy, Energy Storage, Smart Grid Investments, and all other procurement categories.

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

In 2022, CalChoice implemented its supplier diversity webpage as a resource to vendors with their own supplier diversity programs. Such vendors may utilize the Supplier Clearinghouse directory to identify certified leads on subcontractors. Eligible vendors that wish to seek certification can find information on the process and requirements and can access applications via the provided link to the CPUC Supplier Diversity Program homepage.

### Current Operational Members



May 2015



September 2017



April 2018



May 2018



April 2017  
Joined December 2018



October 2020



October 2021



October 2022