



2022 Diversity Report and 2023 Supplier Diversity Plan

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INTRODUCTION

Pioneer Community Energy (Pioneer) is a locally owned, not-for-profit electricity provider for the cities of Auburn, Colfax, Lincoln, Rocklin, Placerville, the Town of Loomis, and most of Unincorporated Placer and El Dorado Counties, serving more than 158,000 residential and commercial customers. Pioneer's Community Choice Aggregation (CCA) program was established in 2017 and began serving load in early 2018 with the goals of providing its customers with competitive rates, reliable service, and a choice in energy options.

In 2022, Pioneer began providing electric service to most of Unincorporated El Dorado County and the City of Placerville, adding more than 60 thousand new customer accounts to its jurisdiction. Pioneer's expenditures totaled approximately \$130 million (excluding staff salaries, wages, and employment taxes) for the calendar year, with over \$125 million or 96% spent towards power procurement, resource adequacy, renewables and collateral deposits. The balance of the expenditures included all other costs outside of staffing, including consultant fees, billing services and data processing, power scheduling costs, facilities and maintenance, and marketing and communications, in the amount of approximately \$5.1 million.

The latest available data from the US Census Bureau reports that Placer and El Dorado Counties, which include the Pioneer, PG&E, Roseville Electric, and Liberty Utilities service areas, have a population of approximately 595,924. The demographics show that the area has a higher-than-average White population for California counties, with approximately 71.5% in Placer County and 77.2% in El Dorado County. In addition, the combined ethnic distribution includes 13-14% Hispanic, 4-8% Asian, about 4% Multi-race, 1-2% Black, 1.3% Native American or Alaskan Native, and 0.3% Native Hawaiian or Other Pacific Islander¹. Since 2010, Placer County has experienced population growth of nearly 14%, while El Dorado County has experienced almost 6% population growth.

The California Public Utilities Commission (CPUC) General Order 156 (GO 156) directs utilities to have programs for preferential purchasing for Women, Minority, Disabled, Veteran, Lesbian, Gay, Bisexual, and Transgender Business Enterprises (WMDVLGBTBE). 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. While Proposition 209 limits CCAs as public agencies from engaging in several of the activities associated with supplier diversity under GO 156, there is still much CCAs can do to support small, local, and diverse businesses within their service areas.

Pioneer does encourage purchasing from local and small businesses where possible in its geographical area, but with the majority of its purchases being power contracts, local and small business power procurement opportunities are limited within the Pioneer service area. The diversity within the power generation sector is extremely limited as witnessed by Investor-Owned Utility (IOU) efforts to procure under the Supply Diversity requirements. In its 2021 supplier diversity report, for example, PG&E reported only 0.04% of its total energy procurement as diverse spending meeting GO 156 criteria.²

Pioneer continues to expand its efforts to fulfill its plans to increase awareness of the CPUC Supplier Diversity Program using a combination of expanded internal procurement processes, vendor education, and vendor outreach efforts.

¹ <https://www.census.gov/quickfacts/fact/table/eldoradocountycalifornia,placercountycalifornia,CA/PST045221>

² https://www.pge.com/pge_global/common/pdfs/for-our-business-partners/purchasing-program/suppliers/supply-chain-responsibility/2021-Annual-Report.pdf p.42

2022 ANNUAL REPORT

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

Internal Activities

In its 2021 Supplier Diversity report, Pioneer noted that it would continue to expand upon its efforts to increase awareness for vendors to participate into the CPUC Supplier Diversity Program through the following:

- Enhance the existing Supplier Diversity website as part of the website redesign
- Integrate opportunities for vendor education and seminar participation on the Pioneer website and social media
- Enhance announcements of opportunities through Chambers of Commerce memberships
- Continue to advise vendors of Annual Certify & Amplify workshops, CPUC diversity workshops and other education opportunities
- Explore the possibility of subcategorizing subscription the vendor subscription database to improve targeting and efficiency
- Apply lessons learned from the 2021 supplier diversity data collection
- Look for opportunities for staff to participate in or attend diversity training for procurement

The Pioneer team reports that it met its overall goals for 2022, though staff continue to seek opportunities for enhancement of these efforts.

In an endeavor to become a better resource to its customers and vendors, Pioneer began serious internal efforts in early 2022 to undergo a complete redesign of its website. By late Spring, the new website was launched with the help of much of the Pioneer staff and its consultants. Information about Supplier Diversity opportunities continued on the new website on its solicitation page, and a subscription option was expanded to the bottom of each page on the website to allow interested vendors and others to be notified of Pioneer solicitations either for power or non-power goods and services.

Pioneer considers these interested parties for inclusion in its bids and request for proposals along with any specialized lists Pioneer creates to target specific industries such as janitorial services or printing. Pioneer staff create lists of potential vendors within its service territory, and then augment these lists through searches of the CPUC Supplier Diversity Database and the Department of General Services (DGS) certified Small Business, Micro Business, and Disabled Veterans database. Eligible vendors are added to the distribution list.

Proposition 209 prohibits Pioneer from giving preferential treatment to vendors, but by offering vendors the opportunity to subscribe to receive procurement requests, and by including potential vendors from the CPUC and DGS databases, Pioneer has been able to expand opportunity to vendors meeting the GO 156 criteria.

Analysis of Pioneer’s 2022 supplier list shows that nearly half of Pioneer’s procurement efforts were either locally or regionally sourced, and two-thirds of all suppliers were California companies.

Pioneer Supplier Summary 2022				
Category	Power	Non-Power	Total	Percent
Local ³	0	26	26	27%
Regional ⁴	0	17	17	18%
In State	7	13	20	21%
Out of State	11	22	33	34%
Out of US	0	1	1	<1%
Total	18	79	91	100%

Further analysis below shows nearly \$133k of 2022 expenditures were spent on local/small business. Pioneer continues to prioritize procurement from local/small business whenever possible.

Small & Local Business Procurement for CCAs ⁵						
	Small Business Procurement (\$)*	# of Suppliers	Local Business Procurement (\$)**	# of Suppliers	Small & Local Combined Spend (\$)**	Small & Local Combined %
Non-Power	\$ 4,158	2	\$ 128,608	26	\$ 132,766	2.6%
Power	\$ -	0	\$ -	0	\$ -	0.0%
All	\$ 4,158	2	\$ 128,608	26	\$ 132,766	0.1%
Net Non-Power Procurement					\$ 5,085,010	
Net Power Procurement					\$ 125,289,109	
Net Power + Non-Power Procurement					\$ 130,374,119	

External Activities

Pioneer engaged in conversations with its vendors reminding them of the certification process and encouraging vendors to pursue the CPUC certification. Pioneer is aware of at least one business that completed the certification process in 2021 and has maintained active certification as a Women Business Enterprise (WBE) for most of 2022. Another vendor which Pioneer believes would qualify as a certified diverse business has been identified in 2022 and will also be encouraged to complete the certification process in 2023. Staff will continue to strategize effective ways to support eligible and interested vendors in achieving certification.

Pioneer also shared information on workshops and trainings offered virtually by either the CPUC or community choice aggregators with the goal of educating vendors on certification opportunities. Communication strategies included: posting notices on the Pioneer website and social media, mass messaging subscribers via Pioneer’s GovDelivery platform, as well as communicating through the 12 local Chambers of Commerce that Pioneer is a member of.

Lastly, the Pioneer team developed a voluntary supplier diversity survey in late 2022 for distribution to vendors after a contract has been executed. The goal of the survey is to directly inform vendors of opportunities to certify and request support from Pioneer in the certification process.

For more information on Pioneer’s supplier diversity program, please visit PioneerCommunityEnergy.org or contact Pioneer at 916-758-8954 or EricA@PioneerCommunityEnergy.org.

³ Pioneer chose a strict definition of local meaning within Placer and El Dorado Counties (Pioneer’s geographic service area)
⁴ Regional includes suppliers within the boundaries of the Sacramento Area Council of Governments, but not located within Pioneer’s geographic service area
⁵ *All certified small businesses hold a Small Business (micro) certification from the DGS
 ** Local Business is defined as within Placer and El Dorado Counties (Pioneer’s geographic service area)
 ***Companies that are both certified small and local are not double counted

Section 9.1.2: Supplier Diversity Results of Goods and Services (non-power purchases) if Procured⁶

Pioneer completed the required GO 156 template with the Supplier Clearinghouse vendor data, and also prepared an additional table using data from the California Department of General Services (DGS) to reflect Pioneer’s expenditures with DGS-certified Small Businesses.

		2022 Report								
		Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%	
1	Minority Male	African American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
2		Asian Pacific American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
3		Hispanic American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
4		Native American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
5		Total Minority Male	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
6	Minority Female	African American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
7		Asian Pacific American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
8		Hispanic American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
9		Native American	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
10		Total Minority Female	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
12	Women Business Enterprise (WBE)		\$296,295	\$0	\$296,295	5.83%	\$0	\$296,295	\$296,295	5.83%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
15	Persons with Disabilities Business Enterprise (DBE)		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
16	8(a)*		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
17	Total Supplier Diversity Spend		\$296,295	\$0	\$296,295	5.83%	\$0	\$296,295	\$296,295	5.83%
18	Net Procurement**		\$5,085,010							
19	Net Product Procurement		\$320,329							
20	Net Service Procurement		\$4,764,680							
21	Total Number of Diverse Suppliers that Received Direct Spend		1							

2022 Report for CA Certified Small Businesses (Non-Power Procurement) ⁷				
	Direct	Sub	Total \$	%
DGS Certified Small Business Expenditures	\$4,158	\$0	\$4,158	0.08%
	Service	Product	Total \$	%
DGS Certified Small Business Expenditures	\$4,158	\$0	\$4,158	0.08%

Section 9.1.2: Description of Diverse Suppliers with Majority Workforce in California

The WBE-certified vendor reported in the table above maintains 67% of its workforce in California. However, Pioneer notes that for the two businesses with DGS Small Business and Micro Business certifications, 100% of their workforces are in California.

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); ** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.; Direct - Means Direct Procurement: when a CCA directly procures from a supplier; Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a CCA, procures from a subcontractor; to fulfill its contractual obligation(s); % - Percentage of Net Procurement.

⁷ Pioneer Community Energy did contract with local, small businesses (SB) and micro businesses (MB) certified by the State of California, Department of General Services (DGS).

Section 9.1.3: Supplier Diversity Program Expense

Expense Category	2022
Wages	\$6,840
Other Employee Expenses	\$0
Program Expenses	\$0
Reporting Expenses	\$0
Training	\$0
Consultants	\$0
Other	\$0
TOTAL	\$6,840

After submitting the 2021 Supplier Diversity Report on March 1, 2022, Pioneer staff engaged with CPUC staff, California Community Choice Association (CalCCA), and other community aggregation program staff to prepare, develop, and enhance its procurement efforts and GO 156 efforts for 2022. Staff time has included meetings, GO 156 proceeding participation, workshops, material development, communication with vendors, internal meetings in preparation of the report as well as social media posts, Chamber messages, website redesign efforts, and communication with the Pioneer Board. Pioneer also worked with its billing and accounting service to ensure that it could track necessary information and statistics to meet GO 156 reporting requirements.

Section 9.1.5: Description of Prime Contractors Utilization of Diverse Subcontractors

Pioneer does not have the data on primary contractor subcontracts for 2022. Pioneer will seek opportunities to collect this data for 2023.

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

Pioneer has received no complaints.

Section 9.1.9: Description of Supplier Diversity Activities and Progress in Power (Energy) Procurement

While not eligible for inclusion in the GO 156 spending totals, Pioneer has established contractual relationships with two local public utilities for power procurement within its service area. In 2022, Pioneer spent over \$4 million on power sourced from the Placer County Water Agency (PCWA)'s hydroelectric facilities. PCWA is the primary water resource agency for Placer County. Pioneer also reports \$2.3 million in spending towards hydropower from the El Dorado Irrigation District (EID), a special district serving more than 125,000 residents in El Dorado County by providing drinking water, wastewater treatment, recreational sites, among other services. Pioneer values local procurement and continues to seek new local business opportunities.

Section 9.1.9: Supplier Diversity Results in Power (Energy) Procurement⁸

			Direct Power Purchases \$	Direct Fuels for Generation \$			Totals \$ ¹			% ²
			Renewable and Non-Renewable Power Products	Diesel	Nuclear	Natural Gas	Direct	Sub	Total \$	
1	Minority Male	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2		Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
3		Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
4		Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
5		Total Minority Male	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
6	Minority Female	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
7		Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
8		Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
9		Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
10		Total Minority Female	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
12	Women Business Enterprise (WBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
15	Persons with Disabilities Business Enterprises (DBE)		\$0	\$0	\$0	\$0	0	0	0	0.00%
16	8(a) ⁶		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
17	Total Supplier Diversity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
18	Net Power Procurement		\$125,289,109							
19	Net Direct Power Purchases		\$125,289,109							
20	Net Direct Fuels for Generation		\$0							
21	Total Number of Diverse Suppliers		0							

⁸ Excludes purchases from the California Independent System Operator (CAISO), utilities, federal entities, state entities, municipalities and cooperatives.; % - Percentage of Net Procurement; Includes Direct Power Purchases and Direct Fuels for Generation; Direct - Means Direct Procurement: when a CCA directly procures from a supplier; Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a CCA, procures from a subcontractor to fulfil its contractual obligation(s); "Total" does not include pre-commercial development (COD) subcontracting values; 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 10.2: Description of Supplier Diversity Program Activities Planned for the Next Calendar Year

Pioneer Community Energy has integrated a number of steps in its procurement process to align with the goals of GO 156 while maintaining its compliance with Proposition 209. For calendar year 2023, Pioneer expects to continue the following activities with possibly some enhancements:

- Engage in quarterly review of existing vendor certification statuses to inform vendors of needed renewals and certification opportunities as early as possible
- Enhance the existing Supplier Diversity resources on the website where possible
- Incorporate supplier survey into procurement process and adjust survey as needed to improve response rates
- Identify engagement opportunities with groups that represent the supplier diversity classifications in our region
- Continue announcements of opportunities through Chambers of Commerce memberships
- Continue to advise interested vendors of Annual Certify & Amplify workshops, CPUC diversity workshops and other education opportunities
- Apply lessons learned from the 2022 supplier diversity data collection
- Look for opportunities for staff to participate in or attend diversity training for procurement

Pioneer remains committed to developing and enhancing its supplier diversity program, procedures, and processes. Pioneer looks forward to increasing supplier diversity while advertising for local procurement opportunities as well.

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

After securing new agreements with suppliers that involve subcontractors, Pioneer will ensure the appropriate information is provided to the vendor regarding diverse subcontractor opportunities. During the year, a periodic review of the supplier diversity survey will also be completed to determine if revisions are needed to increase vendor engagement regarding subcontractors.

Conclusion

Pioneer Community Energy appreciates the CPUC’s interest in procurement studies and looks forward to expanded information and report updates in its 2023.