



Supplier Diversity 2023 Annual Report and 2024 Annual Plan

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CalChoice

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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)
- Town 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 represents an individual incorporated municipality that operates its own independent CCA program and sets its own rates. Through CalChoice, these Community Choice Aggregators are able to pool their collective resources and share a number of critical functions, including regulatory compliance and resource procurement. By joining together, CalChoice can provide reduced costs for each municipality through the benefits of economies of scale.

Introduction to Report and Plan

As 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 2023 Report and 2024 Annual Plan on behalf of its members.

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.

In administering energy efficiency programs, CalChoice endeavors to pursue partnerships with organizations that offer workforce development opportunities in disadvantaged and low-income communities. CalChoice members are committed to implementing programs in a manner that are aligned with the objectives of Senate Bill 255, while balancing restrictions imposed 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 in the selection and awarding of contracts.

In 2023, CalChoice incorporated language and survey instruments into all outgoing bid documents to encourage local and diverse respondents with the intent of expanding our diversity reach. Perspective contractors are required to submit a Supplier Diversity questionnaire, disclosing their GO 156 Clearinghouse certification status and other diversity efforts, so that CalChoice can comply with the reporting requirements of Senate Bill 255.

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



Jason Caudle
Executive Director
March 1, 2024

2023 ANNUAL REPORT

9.1.1 Description of Supplier Diversity Program Activities In 2023

Internal Actions In 2023

CalChoice does not have an official Supplier Diversity Engagement Program but relies on compliance with its member cities' policies and local vendor preferences. In 2023, 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 shows that 45% of CalChoice's 2023 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	45%
Other In State*	6	30%
Out of State	5	25%
Out of US	0	0%
Total	20	

*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 606,486. 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.

As members of the Human Rights Campaign Foundation, the cities of Lancaster, Palmdale, Pomona, and Rancho Mirage continue to promote inclusiveness, with all participating in the Municipal Equality Index program which examines how inclusive the City's municipal laws, policies, and services are of LGBTQ people who live and work there. Municipalities are rated on a number of metrics including leadership positions on public equality. In 2023 each of our members distinguished themselves, with Palmdale receiving a score of 90 and Rancho Mirage achieving a perfect score of one hundred.

Examples include \$2.5 million in Utility Assistance Bill Credits Program for qualifying CARE and FERA customers offered by EPIC and rebates for electric vehicles (EVs) to all residents enrolled as SBCE customers, with \$2,000 rebates for customers enrolled in the CARE program or other income-qualified eligible programs. Additionally, SBCE continues to champion its small business community by partnering with a local company that produces 20-year cobalt-free batteries, offering discounts of up to \$6,840 on the purchase of energy storage resources.

Bilingual and Multicultural Staff

Most of CalChoice's member cities have bilingual and multicultural staff members and some offer training 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 training, workshops, and services to benefit the diverse business community, including those considered disadvantaged.

- Through a special partnership, the City Administrators Office of the City of Santa Barbara and the Economic Development Collaborative work collectively to provide Santa Barbara businesses access to no-cost consulting.
- The City of Lancaster has partnered with the Small Business Development Center (SBDC) to equip aspiring entrepreneurs with the tools and skills they need to succeed in today's business climate through courses offered virtually and will be available in English and Spanish.
- In partnership with the Small Business Development Center (SBDC), the City of Palmdale offers grant training to our local nonprofits. The program aims to empower our local nonprofits to pursue grant opportunities effectively and confidently.

External Actions In 2023

2023 CalChoice Accomplishments

- CalChoice has partnered with Tesla and Participate Energy to provide its associate members the Power Choice Program. The program improves grid reliability across the state, while decreasing the need for fossil fueled generation by giving residential customers and homeowners the opportunity to benefit from solar and battery storage.
- Energy for Palmdale's Independent Choice (EPIC) provided eligible CARES customers with \$2.5 Million in utility assistance bill credits via the Coronavirus State and Local Fiscal Recovery funds (SLFRF) program.
- Santa Barbara Clean Energy (SBCE) offers a \$1,000 rebate for electric vehicles (EVs) to all residents enrolled as SBCE customers. Customers enrolled in the CARE program or other income-qualified programs are eligible for a \$2,000 rebate.

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 Kevin Tonoian (Kevin@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 WMDVLGBTE individuals and communities.

As identified in previous reports, in September 2021, CalChoice received approval from the California Public Utilities Commission to implement a Joint CCA Disadvantaged Communities Green Tariff ("DAC-GT") program which 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.

CalChoice's timeline to initiate enrollment has been delayed on multiple occasions due to challenges associated with identifying a partner meeting all program requirements. Following

multiple attempts, in September of 2023 CalChoice issued an updated solicitation seeking new renewable energy resources for the DAC-GT program. This Request for Offer process resulted in the identification of a viable partner which CalChoice has engaged in negotiations. Pending final execution of a Power Purchase Agreement, CalChoice anticipates serving approximately 1,590 qualified customers beginning in mid-2026.

During 2023, CalChoice members continued to partner with Southern California Edison (“SCE”) 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. Finally, CalChoice members and their eligible customers continue to take advantage of the ongoing Percentage of Income Payment Plan (“PIPP”) pilot program which allows participants to pay a predetermined affordable percentage of their monthly income towards their electricity bill.

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

ATTACHMENT C

Supplier Diversity Annual Report and Annual Plan

California Choice Energy Authority		2023 Report				GO 156 Section 9.1.2				
Supplier Diversity Results of Goods and Services (non-power purchases) if Procured										
		2023 of Report								
		Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%	
1	Minority Male	African American								
2		Asian Pacific American								
3		Hispanic American								
4		Native American								
5		Total Minority Male								
6	Minority Female	African American								
7		Asian Pacific American								
8		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)		75,255		75,255	0.98		75,255	75,255	0.98
15	Persons with Disabilities Business Enterprise (DBE)									
16	8(a)*									
17	Total Supplier Diversity Spend		75,255		75,255	0.98		75,255	75,255	0.98
18	Net Procurement**				7,709,077					
19	Net Product Procurement									
20	Net Service Procurement				7,709,077					
21	Total Number of Diverse Suppliers that Received Direct Spend									

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 fulfill its 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 2023. 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 45% 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 2023. These expenses included marketing and outreach through creation of a dedicated web page to educate potential diverse vendors on Supplier Clearinghouse certification. In 2023, CalChoice onboarded a new team member to oversee Supplier Diversity efforts and compliance on behalf of the members. Lastly, CalChoice contracts with a legal team to assist with the annual reporting process and submission to the CPUC.

Expense Category	Year (Actual)
Wages	\$9105.75
Other Employee Expenses	\$0
Program Expenses	\$4681.00
Reporting Expenses	\$135.00
Training	\$0
Consultants	\$0
Other	\$0
TOTAL	\$13,921.75

9.1.5 Description of Prime Contractor Utilization of Diverse Subcontractors

In 2023 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 inclusion as part of future solicitations.

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 2023.

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.

In addition to including language regarding supplier diversity as part of solicitations, CalChoice has begun including voluntary supplier diversity surveys with each bid package and will continue to encourage existing suppliers to participate.

ATTACHMENT C

Supplier Diversity Annual Report and Annual Plan

California Choice Energy Authority	2023 Report	GO 156 Section 9.1.9
Supplier Diversity Results in Power (Energy) Procurement		

		Direct Power Purchases \$ Renewable and Non-Renewable Power Products	Direct Fuels for Generation \$			Totals \$ ¹			% ²
			Diesel	Nuclear	Natural Gas	Direct ³	Sub ⁴	Total \$ ⁵	
1	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	Minority Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	Male 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	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7	Minority Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
8	Female 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	Women 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 Veteran Business Enterprise (DVBE)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
15	Persons with Disabilities Business Enterprises (DBE)	\$0	\$0	\$0	\$0	0	0	0	
16	8(a) ⁶	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
17	Total Supplier Diversity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
18	Net Power Procurement	\$253,823,288							
19	Net Direct Power Purchases	\$0							
20	Net Direct Fuels for Generation	\$0							
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 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 (GO 156 Section 1.3.13).

2024 ANNUAL PLAN

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

The goal of CalChoice's 2024 Supplier Diversity Plan is to meet the requirements of SB 255 by increasing procurement from small, local, and diverse business enterprises wherever possible. Balancing the requirements of SB 255 and Proposition 209 presents a number of challenges that require careful consideration. As such, the goals of our 2024 Diversity Plan will continue focusing on efforts to encourage supplier diversity participation in CalChoice solicitation.

Given the limited percentage of non-power related procurement activities undertaken directly by CalChoice, incorporating social equity programs to ensure that all members of society have access to essential energy services such as Power Choice will be a cornerstone of our external policy advocacy efforts in 2024.

Options that CalChoice may consider include:

1. Complete enrollment of remaining CCA Member into CalChoice's Power Choice Program;
2. Expand Power Choice program marketing to increase knowledge and target enrollment among CARE customers;
3. In partnership with Tesla and our member CCAs, undertake efforts to ensure locally based/Tesla-certified sub-contractors are utilized in support of the Power Choice Program;
4. Finalize the DAC-GT Power Purchase Agreement in anticipation of serving approximately 1,590 qualified customers beginning in mid-2026
5. Engage and encourage existing vendors to evaluate opportunities to seek Commission certification through the Clearinghouse;
6. Review the Clearinghouse to ensure vendors certified by the Commission which provide services potentially aligned with our operational needs are identified and included in future solicitations;
7. As part of our solicitation efforts, provide all potential vendors with supplier diversity surveys consistent with Proposition 209 for the purpose of gathering data as required by GO 156;
8. Improve CalChoice's post-contract collection of Supplier Diversity Program vendor and subcontractor data for use in future solicitations;

CalChoice plans to implement 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 2023, CalChoice began sending surveys to vendors to collect diversity information as required by GO 156 which included a link to the Supplier Clearinghouse webpage and provided vendors wishing to seek certification with information on the process. In the coming year CalChoice will engage and encourage existing vendors to evaluate opportunities to seek certification. CalChoice will also review the Clearinghouse to identify existing certified vendors that provide services potentially aligned with our operational needs.

Current Operational Members



LANCASTER
ENERGY

May 2015



Pico Rivera Innovative Municipal Energy

September 2017



San Jacinto
POWER
The Power to Choose

April 2018



RANCHO
MIRAGE ENERGY
AUTHORITY
Power to Choose
RanchoMirageEnergy.org

May 2018



April 2017
Joined December 2018



October 2020



October 2021



ENERGY FOR PALMDALE'S
INDEPENDENT CHOICE

October 2022