



UC Clean Power Program Supplier Diversity Report 2022

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**University of California, Office of the President
Clean Power Program**

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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 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 the start of 2023, the CPP serves over 650 UC-affiliated electricity service accounts throughout the state of California 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, UCOP submits the CPP’s first annual Supplier Diversity Report.

As a public corporation, UC is bound by California Proposition 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 and will educate current prime contractors on the CPUC’s Supplier Clearinghouse throughout the next year.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 the UC Public Bid Site, 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 2022, total expenses for the CPP were approximately \$43.2 million, 96.9% of which was for procurement of power, capacity, and related attributes or instruments. The remainder was spent mostly on staff salary and benefits (0.7%), as well as to supplement internal staff resources and expertise with industry-specific technological and consulting services. This demonstrates the relatively small amount of annual CPP spend that falls within the practical scope of the CPUC's Supplier Diversity Program, due to the limited number of currently registered diverse suppliers in this industry.

In future years, the CPP will explore ways to promote internal supplier diversity and outreach applicable to this spend, while staying within the legal boundaries of Proposition 209. The CPP has ensured that all program staff are aware of the CPUC's Supplier Diversity Program, as well as the CPUC's Supplier Clearinghouse, to improve future supplier diversity reporting. In addition, CPP staff will 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. Below is a list of both internal- and external-facing activities that have touched the CPP's internal supplier diversity efforts over the last calendar year.

List of Internal Activities

Program Development

- **Creation of the first GO 156 Supplier Diversity Report for the CPP.**

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.**

CPUC Collaboration

- **CPP staff engaged with CPUC supplier diversity staff to ensure CPP reporting would meet CPUC requirements, with a particular focus on UC's unique position as both a public agency and an ESP.**

Future Planning

- **CPP staff will explore future methods for raising awareness about the CPUC's Supplier Diversity Program and Supplier Clearinghouse with current prime contractors.**

External Activities

Solicitations

- **Publicly posted an RFP for Mid-Term Reliability Capacity**

UC's RFP for Mid-Term Reliability mentioned above was externally hosted on The Energy Authority's (TEA) solicitation website on the CPP's behalf.⁴ TEA currently provides front-office services for the CPP, including CAISO scheduling and portfolio & risk management. For this RFP, over five hundred companies were notified, several of which are listed in the CPUC's Supplier Clearinghouse. None of the bids that were received were from registered CPUC Supplier Clearinghouse organizations, however. CPP staff will continue to ensure that all RFPs, including those hosted externally, are in accordance with UC Procurement policy, and that they reach a wide audience of potential contractors.

As already 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.⁵ Any questions about procurement activities related to UC's Clean Power Program can be directed 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 2022 was about \$43.2 million, which largely includes payments to CAISO, IOUs, and the CPP meter data, scheduling coordinator, and portfolio management service providers. In 2022, approximately 97% of CPP spending went towards power-related commodities and 3% went to services related to managing program operations, including staff salaries and benefits. This is generally in line with the spending distribution of other ESPs and community choice aggregators (CCAs) in the state. Of the CPP's approximately \$41.8M in power-related spending, about 25% 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, especially those that appear in the CPUC's Supplier Clearinghouse. Given that UC is a public entity that is also beholden to Proposition 209, the CPP cannot specifically target any power-related businesses that are registered with the CPUC as diverse suppliers. This means that the CPP has limited options available for directing the vast majority of program spending towards diverse suppliers. The chart on the next page provides a summary of the CPP's total power procurement spending in 2022, as well as the amount spent on direct power purchases.

The Regents of the University of California	2022	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2	Asian Pacific American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
3	Minority Male Hispanic American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
4	Native American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
5	Total Minority Male	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
6	African American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
7	Asian Pacific American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
8	Minority Female Hispanic American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
9	Native American	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
10	Total Minority Female	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
11	Total Minority Business Enterprise (MBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
12	Women Business Enterprise (WBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
14	Disabled Veteran Business Enterprise (DVBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
15	Persons with Disabilities Business Enterprises (DBE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
16	8(a) ⁶	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
17	Total Supplier Diversity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
18	Net Power Procurement	\$41,831,266							
19	Net Direct Power Purchases	\$41,831,266							
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 (3.1%) of the CPP's total 2022 program spend did not go towards power-related commodities or attributes. Of this percentage, about 24% went towards CPP staff salary and benefits, while the other 76% went towards industry-specific technological and consulting services. Procurement of non-power related goods, such as office equipment and facilities, are managed by other departments in accordance with UC Procurement policies and are 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 this report.

The CPP does not have information on the certification statuses or recognitions of the several prime contractors that provide services to support the program. However, none of these contractors are currently listed in the CPUC's Supplier Clearinghouse.

The CPP's front-office services contractor, 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.

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

The chart on the next page 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 \$1.3 million on these services in 2022 between approximately seven different contractors, none of which appear in the CPUC's Supplier Clearinghouse.

		2022								
		Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%	
1	Minority Male	African American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
2		Asian Pacific American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
3		Hispanic American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
4		Native American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
5		Total Minority Male	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
6	Minority Female	African American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
7		Asian Pacific American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
8		Hispanic American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
9		Native American	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
10		Total Minority Female	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
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		\$ -	\$ -	\$ -	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**		\$ 1,347,931							
19	Net Product Procurement		\$ -							
20	Net Service Procurement		\$ 1,347,931							
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

Section 9.1.3 - Supplier Diversity Program Expenses

The table below includes a breakdown of 2022 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.

2022 CPP Supplier Diversity Spending	
<i>Expense Category</i>	<i>Year (Actual)</i>
Wages	\$ 3,500
Other Employee Expenses	\$ -
Program Expenses	\$ -
Reporting Expenses	\$ -
Training Expenses	\$ -
Consultant Expenses	\$ -
Other Expenses	\$ -
Total	\$ 3,500

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 Proposition 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 2022.

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

Although Proposition 209 precludes the CPP from setting specific targets for diverse suppliers, CPP staff will continue to build on the efforts discussed in this report and will explore opportunities to raise awareness and educate the CPP's partners on the CPUC's Supplier Diversity Program. In addition, CPP staff will strive to create a more robust data collection process with the prime contractors and potential subcontractors that support the program, potentially through a voluntary survey distributed each calendar year.

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. Depending on the particular contract or RFP, CPP staff may also post opportunities online via a third-party website, such as in the case of the Mid-Term Reliability RFP hosted by TEA in 2022.

Internally, CPP staff will continue to be well-versed and up to date on the CPUC's Supplier Diversity Program, including on 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

As discussed above, CPP staff will increase engagement with current and future prime contractors to make them aware of the CPUC's Supplier Diversity Program. Again, as UC is beholden to Proposition 209, CPP staff cannot advocate for prime contractors to conduct business with diverse businesses. In the future, CPP staff will look to send out a voluntary survey to prime contractors in order to gain a basis for the potential for subcontractor diversification.

Sections Not Applicable to UC

As stated in prior sections, UC is a public corporation and is subject to Proposition 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://teamarketplace.azurewebsites.net/>
5. <https://www.ucop.edu/procurement-services/index.html>