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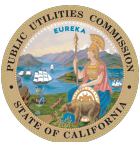


ITEM 5

GO 156 supplier diversity efforts

Utility Supplier Diversity Program Economic Opportunities in Environmental and Social Justice Communities

September 2021



California Public
Utilities Commission

Background

- In 2019, the California Public Utilities Commission (CPUC) adopted an Environmental and Social Justice (ESJ) Action Plan to address health and safety, consumer protection, and enforcement concerns.
- The CPUC ESJ Action Plan established nine goals.
 - Goal seven promotes economic opportunities in ESJ communities.
- Utilities' supplier diversity programs, based on GO156, aim to increase economic opportunities for women, minority, disabled veteran, LGBT (lesbian, gay, bisexual, and transgender) owned business enterprises (collectively called diverse businesses) by procuring, directly and through their prime contractors, a minimum of 21.5 percent of their total procurement.
- Based on data and information provided by utilities, CPUC staff explored utilities supplier diversity programs performance in California ESJ communities.

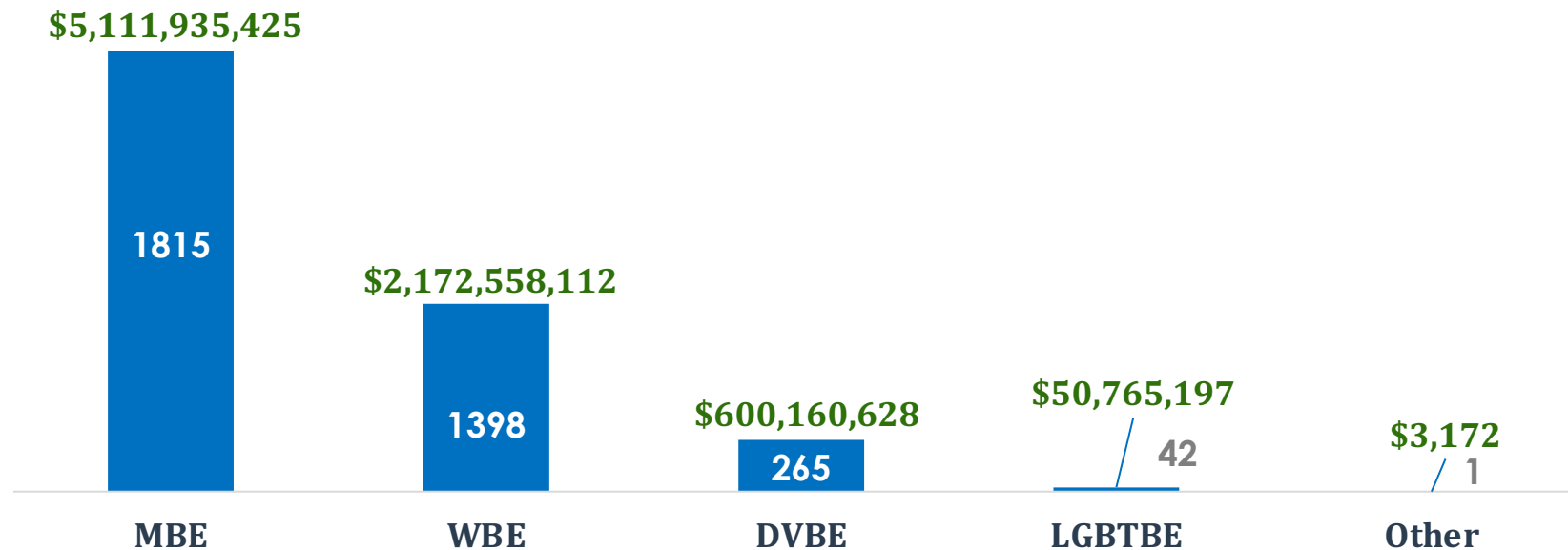
Methodology

- Utilities provided the addresses of each diverse supplier they contracted with directly and indirectly in 2019, as well as information on their technical assistance/capacity building programs and outreach activities.
- The CPUC ESJ Action Plan recognizes disadvantaged and low-income communities as ESJ communities.
- The California Air Resources Board (CARB) Priority Population Investments website data and map identifies disadvantaged and low-income communities in California.

2019 Utilities Diverse Spend in ESJ Communities

24 utilities reported a total of 3,521 Tier I and Tier II diverse California business addresses with \$7.9 billion diverse spend.

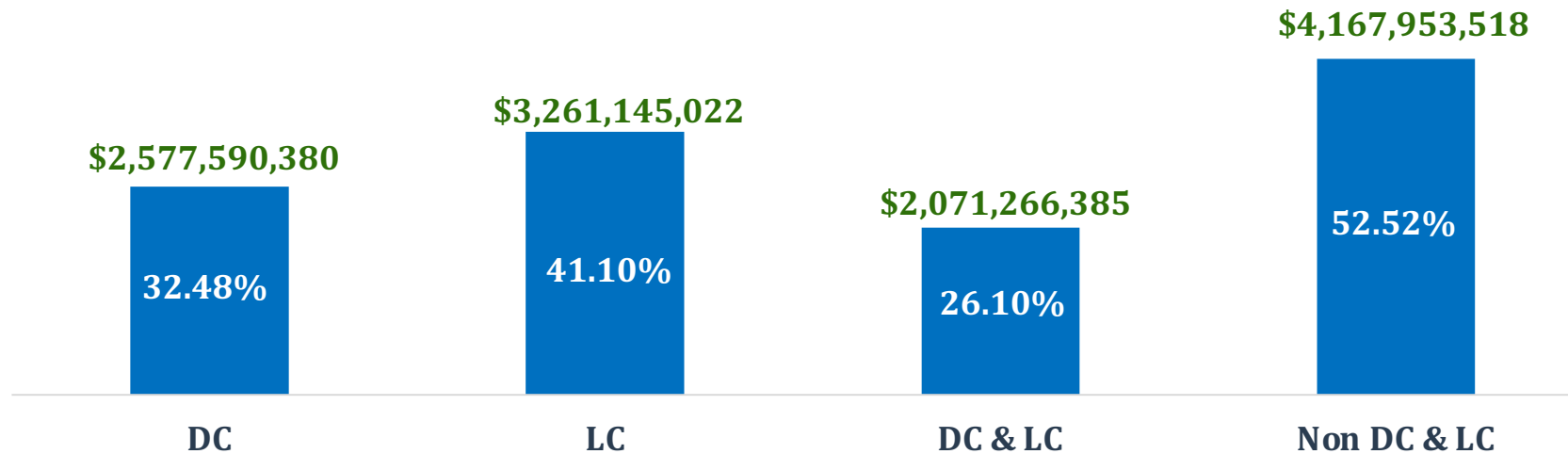
Number of Diverse Suppliers with California Addresses and Diverse Spend



2019 Utilities Diverse Spend in ESJ Communities continued...

- 46.8% of the reported addresses are in ESJ communities.
- 47.5% of the total diverse spend is in ESJ communities.

Spend with Diverse Suppliers in ESJ Communities and Percentages of 2019 California Diverse Spend



- **Disadvantaged Community (DC)**
- **Low-income Community (LC)**

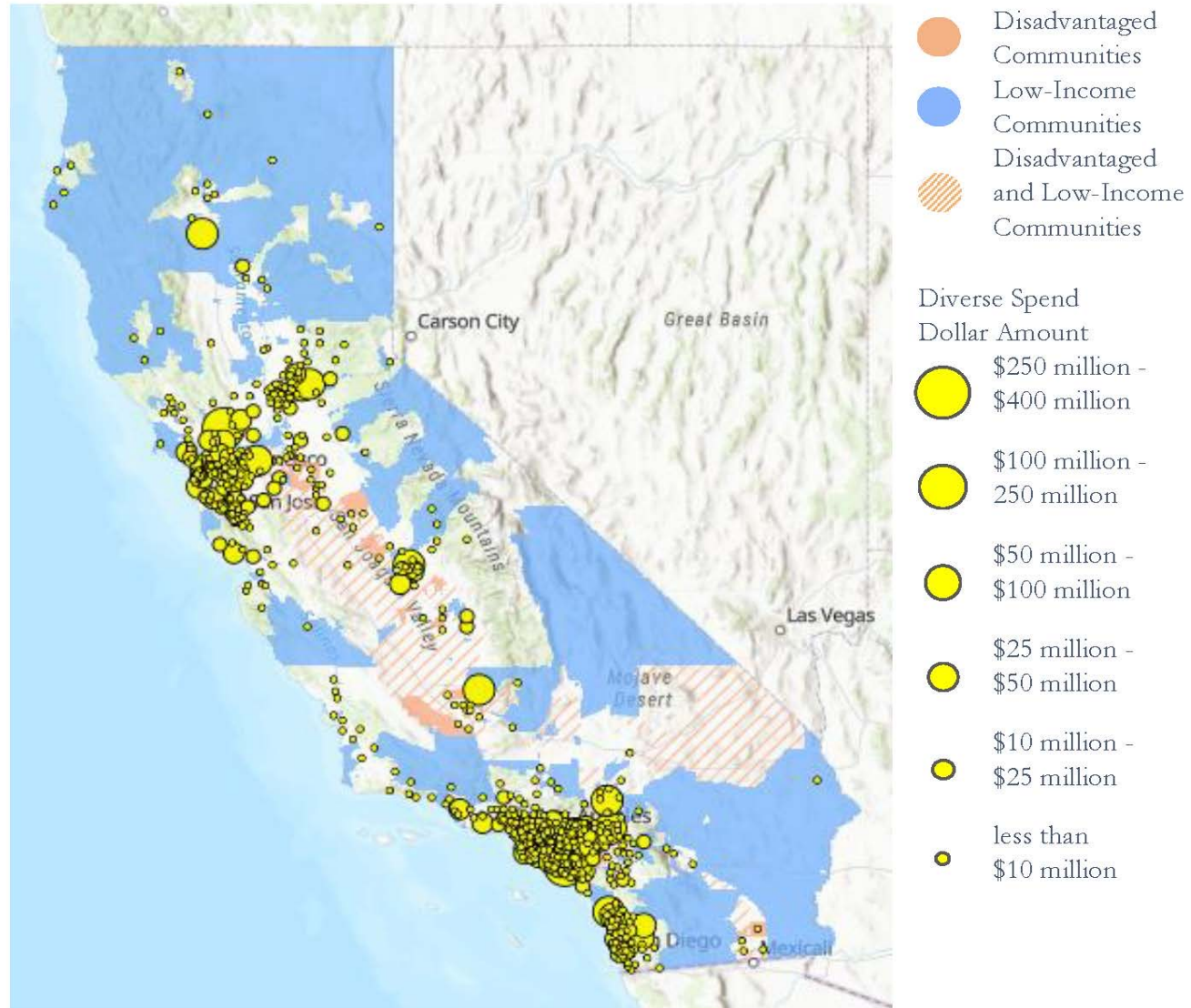
2019 Utilities Diverse Spend in ESJ Communities Continued...

Diverse Business Category	No. of Diverse Suppliers	No. of Diverse Suppliers in ESJ Communities	Spend in ESJ Communities
MBE	1504	726	44.2%
WMBE	311	148	77.9%
WBE	1398	668	49.3%
DVBE	265	93	17.08%
LGBTBE	42	12	2.89%

2019 Utilities Diverse Spend in ESJ Communities Continued....

Utility Industry	No. of Diverse Suppliers in ESJ Communities	Spend in ESJ Communities
Energy Utilities	1167	48.99%
Telecommunications, Wireless, and Cable Companies	181	41.71%
Water Utilities	300	51.66%

2019 Utilities Diverse Spend in ESJ Communities Map



2019 Utilities Supplier Diversity Programs Activities in ESJ Communities

Technical Assistance, Capacity Building, and Outreach Activities in ESJ Communities

- Cable and communications companies participated in over 50 outreach activities in 2019. Out of the 47 events identified with addresses, 13 were outside California, 12 in non-ESJ communities, and 22 in ESJ communities.
- Energy and gas utilities reported more than 150 technical assistance and capacity building events. Of the 148 activities identified with addresses, 16 were webinars, 14 were outside California, 59 in non-ESJ communities, and 59 in ESJ communities
- Water utilities identified 12 events: three were outside California, six in non-ESJ communities, and three in ESJ communities

Supporting Business and Community-Based Organizations in ESJ Communities

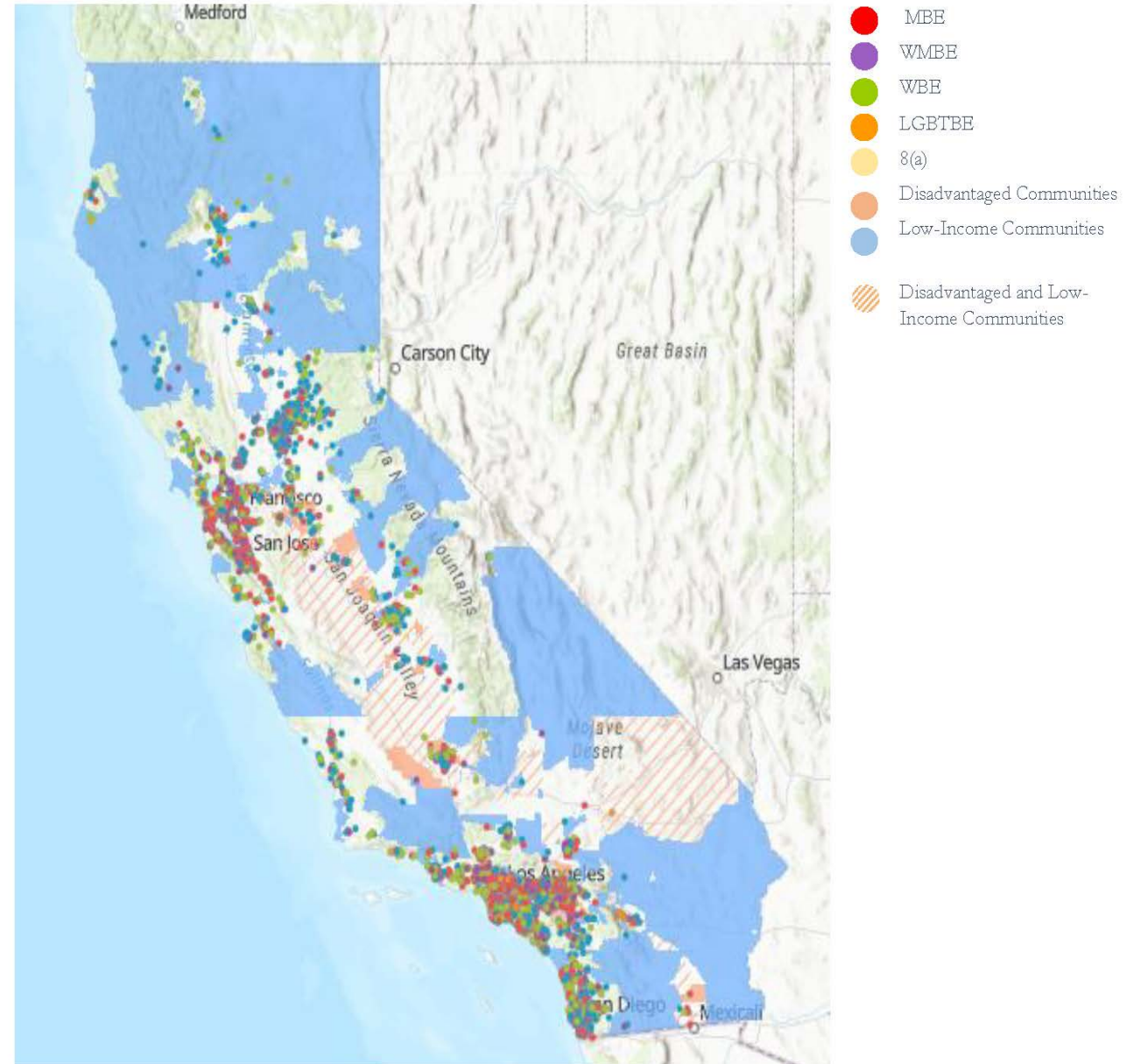
Community Represented by the Organization	No. of Organizations
MBE	10
African American	16
Hispanic America	13
Asian/Pacific American	12
Native American	4
WBE	13
DVBE	10
LGBTBE	11
Small/Diverse Business	14
Others	30
Total	133

Additional Supplier Diversity Programs in ESJ Communities

- Prompt payment programs to assist diverse suppliers with cash flow.
- Programs to assist diverse suppliers with access to capital.
- On-the-job training development programs.

Supplier Clearinghouse Database and ESJ Communities

- More than 40% of certified diverse suppliers are in ESJ communities.



Recommendations

- Encourage and work with utilities to expand their supplier diversity programs to include strategies and targets for ESJ communities.
- Develop metrics and reporting process to track progress, diverse spend, and supplier diversity activities in ESJ communities.
- Research supplier diversity challenges and barriers unique to ESJ communities and design solutions.
- Identify and engage community-based organizations, and business associations focused on ESJ community advocacy and advancement.
- Organize business networking and educational events such as expos, webinars, panel discussions, workshops etc. focused on ESJ communities.
- Work with ESJ community leaders to promote GO 156.

Questions?





California Public Utilities Commission

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