



Supplier Diversity 2024 Annual Report and 2025 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 2024 Report and 2025 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 2024, CalChoice finalized its new PowerChoice CARE program, which will align with the CPUC Self Generation Incentive Program funding that will soon be available. This newly launched program will initiate customer outreach efforts within six of CalChoice’s participating CCAs (AVCE, LE, EPIC, Pomona, PRIME, and SJP) in the first quarter of 2025. PowerChoice CARE will offer our underserved customers the same Power Choice Solar and Powerwall installation, for 50% discounted rate, with a targeted deployment goal of up to 1,000 underserved residents in our territory.

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



Jason Caudle
Executive Director
March 1, 2025

2024 ANNUAL REPORT

9.1.1 Description of Supplier Diversity Program Activities In 2024

Internal Actions In 2024

CalChoice does not have an official Supplier Diversity Engagement Program but relies on compliance with its member cities' policies and local vendor preferences. In 2024, 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 32% of CalChoice's 2024 non-energy procurement efforts were from local in-state companies, and 40% were from other California companies.

CalChoice Supplier Summary		
Category	Total	Percent
Local In-State	8	32%
Other In State*	10	40%
Out of State	7	28%
Out of US	0	0%
Total	25	

*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 2024, each of our members distinguished themselves, with Palmdale receiving a score of 89 and Rancho Mirage achieving a perfect score of one hundred.

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 with 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 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 2024

2024 CalChoice Accomplishments

- CalChoice Energy's Power Choice Program completed its first full year of residential CCA customers and homeowners the opportunity to benefit from solar and battery storage. This

program improves grid reliability across the state, decreases the need for fossil fueled generation, while offering rates and a flat battery fee that are locked in for 25 years.

- In 2024, CalChoice finalized its new PowerChoice CARE program, which will align with the CPUC Self Generation Incentive Program funding. This new program will offer our underserved customers the same Power Choice Solar and Powerwall installation at a 50 percent discount, with a targeted deployment goal of up to 1,000 underserved residents throughout CalChoice’s territories.
- Pomona Choice Energy partnered with The Energy Coalition through Pomona’s Activated for Community Transformation and Sustainability Program to make energy efficient and healthy home appliances, including portable air conditioners, air purifiers, and electric kettles to income-qualified renter households.
- Rancho Mirage Energy Authority’s (“RMEA”) Residential Solar Rebate Program offered a one-time \$500 rebate incentive to any residential RMEA customer who installed a new solar system or battery storage to their home
- Santa Barbara Clean Energy (“SBCE”) offers rebates for electric vehicles and home chargers up to \$1,000 for all enrolled customers, with enhanced rebates of up to \$2000 for customers enrolled in SBCE’s CARE or other income-qualified programs.

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.

In 2024 CalChoice executed a Power Purchase Agreement funded via the 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 anticipates serving approximately 1,590 qualified customers beginning in mid-2026.

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.

Diversity, Equity, and Inclusion Policies or Activities to Promote Equitable Hiring and Recruiting

CalChoice recognizes the importance of diversity, equity, and inclusion in building a strong workforce within our member CCAs. While each CCA manages its own hiring and recruiting processes, Member cities are committed to fostering diverse, equitable, and inclusive workplaces that reflect the communities they serve. Each member CCA actively undertakes initiatives to promote equitable hiring and recruiting practices. These initiatives include:

- **Promoting Inclusive Job Postings:** Member CCAs ensure their job postings use inclusive language and are distributed through channels that reach a broad range of potential candidates.
- **Sharing Best Practices:** Member CCAs stay informed about and incorporate best practices in diversity, equity, and inclusion recruiting and hiring, drawing on resources from organizations like the EEOC and SHRM.
- **Supporting Diversity Training:** Member CCAs provide diversity, equity, and inclusion training to hiring managers and staff involved in the recruitment process to mitigate bias and promote equitable hiring practices.
- **Tracking Diversity Metrics:** Member CCAs track diversity metrics in their workforce to analyze and improve their hiring practices over time, ensuring they are meeting their diversity, equity, and inclusion goals.

Non-Confidential Workforce Data

CalChoice and its member CCAs are committed to fostering a diverse, equitable, and inclusive work environment that reflects the communities they serve. We recognize the importance of transparency and accountability in our efforts to promote diversity, equity, and inclusion.

CalChoice's member CCAs, as local government agencies, regularly report workforce data to various state and federal agencies. This data typically includes:

- **EEO-1 Report:** Each CCA annually submits an EEO-1 Report to the Equal Employment Opportunity Commission (“EEOC”), detailing workforce demographics across different job categories, including race, ethnicity, and gender.
- **State Civil Service Reports:** CCAs may also report workforce data to state civil service agencies, providing information on employee classifications, salaries, and demographics.
- **Other Relevant Reports:** Depending on the specific regulations and requirements, CCAs may submit additional reports to state or federal agencies that include workforce data.

Board Diversity Data

CalChoice's Board of Directors comprises elected officials from its member cities, ensuring local representation and leadership. The Board's diversity generally reflects the demographics of the communities served by CalChoice's member CCAs and reflects a broad range of perspectives and experiences. While specific board diversity data is not publicly available, a full listing of all Board Members are available for public review via CalChoice Energy's website (<https://californiachoiceenergyauthority.com/leadership/>).

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

Supplier Diversity Annual Report and Annual Plan

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California Choice Energy Authority		2024 Report				GO 156 Section 9.1.2			
Supplier Diversity Results of Goods and Services (non-power purchases) if Procured									
		[Year] 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)								
15	Persons with Disabilities Business Enterprise (DBE)								
16	8(a)*								
17	Total Supplier Diversity Spend		0	0	0	0	0	0	0
18	Net Procurement**		8,986,293.81						
19	Net Product Procurement								
20	Net Service Procurement		8,986,293.81						
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

In compliance with General Order (“GO”) 156 reporting requirements, CalChoice conducted a thorough review of its vendor base for the 2024 calendar year. This review included searches of both the Supplier Clearinghouse database and the California Department of General Services (“DGS”) Small Business, Micro Business, and Disabled Veteran Business Enterprise databases.

Supplier Clearinghouse: CalChoice acknowledges that, for the 2024 reporting period, none of its current vendors hold active certifications with the Supplier Clearinghouse. This is primarily due to the specific nature of the services and products procured, which may not have registered yet with Supplier Clearinghouse. Based on the vendors listed, it seems that Supplier Clearinghouse has not fully expanded to the power generation market. Notably, while the managing partner of CalChoice's current lobbying firm is a female business owner, their request for Supplier Clearinghouse certification was denied. CalChoice's lobbyist has indicated their intention to make an additional effort to pursue Supplier Clearinghouse certification in 2025.

DGS Certifications: While Supplier Clearinghouse certifications were not applicable in 2024, CalChoice acknowledges that in 2023, the organization contracted with a lobbying firm holding certification from the California Department of General Services (“DGS”) as a Disabled Veteran Business Enterprise. Notably, in 2024, CalChoice transitioned its lobbying services contract to a firm that does not currently hold a DGS certification. However, for those businesses with DGS Small Business and Micro Business certifications that CalChoice contracted with in prior years, 100% of their workforces are based within California, demonstrating a significant contribution to the state's economy.

Commitment to Local and California Procurement: CalChoice Energy remains strongly committed to local and California-based procurement. This commitment is reflected in the following:

- **Local Procurement:** 32% of CalChoice's vendors are located within the boundaries of its member cities and counties, fostering direct economic benefits within the communities it serves.
- **California Presence:** An additional 40% of CalChoice's vendors maintain their primary office locations within California, further supporting the state's business ecosystem.

CalChoice Energy recognizes the importance of diverse vendor participation and will continue to explore opportunities to expand its engagement with California-based businesses, including those with Supplier Clearinghouse and DGS certifications, while adhering to the specific requirements of its operational needs.

In 2024, CalChoice did not contract with any diverse suppliers and also does not currently maintain workforce data for its non-diverse suppliers and/or contractors. This lack of data prevents CalChoice from calculating the average percentage of the workforce residing in California, as required for the GO-156 Report. However, CalChoice is committed to collecting and providing both types of data as part of its 2025 GO-156 Report, in compliance with regulatory requirements and to promote transparency and accountability in such efforts.

9.1.3 Supplier Diversity Program Expense

CalChoice has had few expenses toward the implementation of its supplier diversity program in 2024. These expenses included marketing and outreach through creation of a dedicated web

page to educate potential diverse vendors on Supplier Clearinghouse certification. In 2024, 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	\$11,364.08
Other Employee Expenses	\$0
Program Expenses	\$0
Reporting Expenses	\$60.00
Training	\$0
Consultants	\$1,200
Other	\$0
TOTAL	\$12,624.08

9.1.5 Description of Prime Contractor Utilization of Diverse Subcontractors

In 2024 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 2024.

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

CalChoice continues to incorporate language regarding supplier diversity, include voluntary supplier diversity surveys with each bid package and will continue to encourage existing suppliers to participate as part of solicitations. CalChoice notes that limited procurement opportunities within its geographical area, coupled with restrictions of Proposition 209, creates challenges and barriers to procurement diversity.

Supplier Diversity Annual Report and Annual Plan

California Choice Energy Authority	2024 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	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	African 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	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	\$323,969,177	Line Item 18 is the sum of of line item 19 and 20						
19	Net Direct Power Purchases	\$323,969,177							
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).

2025 ANNUAL PLAN

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

The goal of CalChoice's 2025 Supplier Diversity Plan is to meet the requirements of Senate Bill ("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 2025.

Options that CalChoice may consider include:

1. CalChoice will launch the PowerChoice CARE program; initiate customer outreach efforts within six of CalChoice's participating CCAs in the first quarter of 2025; and pursue a target goal to begin enrollment of up to 1,000 underserved residents in our collective territories;
2. In partnership with Tesla and our member CCAs, will continue undertaking efforts to utilize locally based/Tesla-certified sub-contractors in support of the Power Choice Program;
3. Continue progress towards implementing its DAC-GT Program in anticipation of serving approximately 1,590 qualified customers beginning in mid-2026;
4. As part of its Residential EV Program, SBCE will pursue "Point of Sale Rebates;"
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. Voluntarily collect workforce diversity data from contractors and subcontractors in compliance with SB 1177, respecting employee privacy and using the data to enhance supplier diversity efforts.
9. 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 2024, 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



September 2017



April 2018



May 2018



April 2017
Joined December 2018



October 2020



October 2021



October 2022