



# Shared Objectives. Sustainable Progress.



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# Shared Objectives. Sustainable Progress.



At **Southern California Edison (SCE)**, we are committed to having a supplier base that closely reflects the communities we serve. The **California Public Utilities Commission (CPUC)**, peer utilities, and community and business advocacy organizations are also dedicated to ensuring that more diverse suppliers have procurement opportunities. It is this common goal that brings us together.

**What sets us apart is our approach.** We have long been committed to partnering with woman, minority, and service disabled veteran business enterprises (WMDVBEs), and we desire to provide them with far more than just business contracts. We also want to contribute to their long-term success.

**We achieve this by providing diverse suppliers the help they need to advance their business** through mentoring, technical assistance, and capacity building programs; facilitating introductions to people within and outside SCE; partnering with other organizations to promote the growth and development of WMDVBEs, and more.

**For many firms, our efforts have led to contracts with SCE and others,** subcontracting work with prime suppliers, and transitions from Tier 2 to Tier 1 supplier status. These activities, along with other Supplier Diversity Program initiatives, resulted in 45% of total purchases with diverse firms in 2014.

**Through shared objectives and our goal of helping small and diverse firms become more successful,** we will sustain our progress and have continued excellence in supplier diversity.

## President's Message

**“While our company and industry continue to change, SCE’s commitment to supplier diversity as a core business strategy remains constant. Diverse suppliers are critical in helping us achieve our mission of providing safe, reliable, and affordable service to customers.”**

**SOUTHERN CALIFORNIA EDISON (SCE)** understands the economic value of investing in small and diverse businesses. Since 1979, supplier diversity has been integral to the way we do business. We know that a diverse supplier base contributes to reduced operating costs, provides us with quality goods and services, and enhances our ability to do business while sustaining the local economy.

**OUR COMMITMENT** to providing opportunities for small and diverse firms remains stronger than ever. In 2014, we surpassed our aspirational goal of 40% in woman, minority, and service disabled veteran business enterprises (WMDVBEs) spend for the second straight year.

**IN 2014, 45% OR \$1.7 BILLION, OF OUR TOTAL PURCHASES** was with diverse suppliers. In addition, for the first time, SCE achieved and exceeded the California Public Utilities Commission’s (CPUC) 1.5% spend target with service disabled veteran-owned firms.

**WHILE WE MADE HEADWAY IN VARIOUS SPEND CATEGORIES,** we concurrently worked toward sustaining our progress and helping WMDVBEs thrive through SCE-sponsored supplier development initiatives such as EDGE (Entrepreneurial Development and Growth Education).



**IN 2014, WE INVESTED MORE THAN \$250,000** in technical assistance and capacity building training activities, benefiting hundreds of WMDVBEs. In addition to gaining educational training, contract readiness help and mentoring, many of these firms were awarded SCE contracts. Since 2010, EDGE participants have been awarded 300-plus contracts totaling more than \$160 million.

**LOOKING AHEAD,** we will target outreach efforts in areas where we have additional opportunities, particularly with African American- and Native American-owned firms and diverse suppliers in power procurement.

**IN ADDITION, WE WILL CONTINUE TO INVEST** in EDGE and other technical assistance and capacity building training activities so more diverse firms are ready and able to work with SCE and others.

**TO MAINTAIN OUR SUPPLIER DIVERSITY MOMENTUM,** we will again rely on the engagement of our employees, community partners, and the diverse firms we work with. Without their help and support, our Supplier Diversity Program would not be where it is today.

**WITH ALL OF US WORKING TOGETHER TOWARD A SHARED GOAL** of advancing supplier diversity and including other underserved communities, we will continue to sustain our progress for years to come.

**Pedro J. Pizarro,** President  
SOUTHERN CALIFORNIA EDISON

# 2014 Highlights

**Spend with diverse firms totaled \$1.7 billion,** or 45%, with more than 750 WMDVBes working with SCE



**SCE surpassed the CPUC's service disabled veteran target of 1.5%,** reaching \$88 million, or 2.3%, with more than 50 firms



**150+ prime suppliers were in SCE's subcontracting program;** Tier 2 spend continued to exceed a half billion dollars



**SCE joined 80-plus community organizations** to sponsor more than 30 technical assistance and capacity building programs

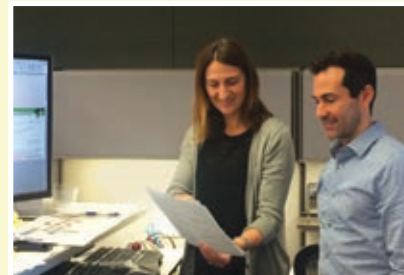
**Of SCE's top 25 suppliers, 10 were WMDVBes,** representing such areas as IT, security, and construction



**Diverse firms worked on major capital investment programs,** including the Tehachapi Renewable Transmission and pole replacement projects



**\$250+ million spent with WMDVBes in power/natural gas procurement,** representing 34% for natural gas; four Power Procurement agreements were awarded to WMDVBes



**Seven new EDGE Mentorship Program participants,** including an LGBT firm and a woman-owned wholesale power marketer



**14 WMDVBes led/co-managed \$1 billion of capital market transactions,** earning 25% of the underwriting fees on our debt offerings

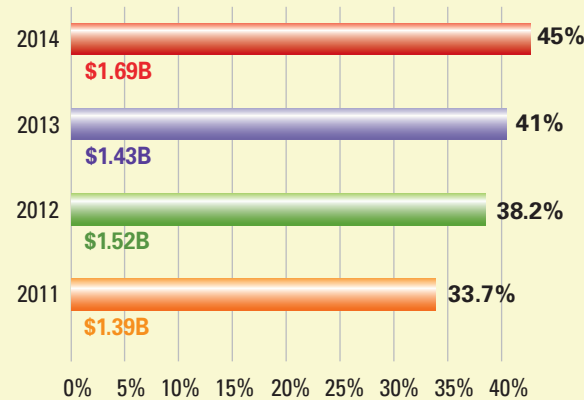
**SCE championed historic legislation** — California Assembly Bill 1678 — which expanded General Order 156 to include LGBT businesses



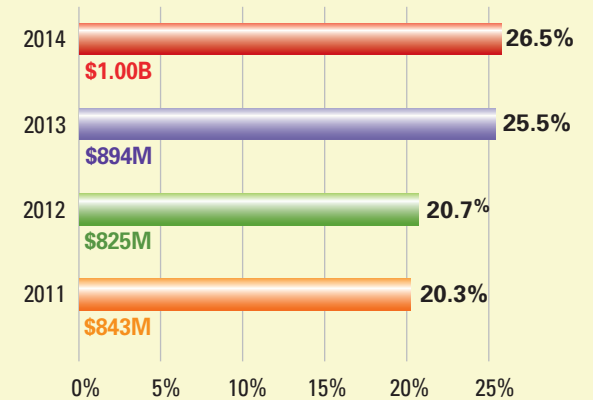
# Supplier Diversity Spend Results

In 2014, SCE continued to make progress in major **WMDVBE** spend areas. During the year, we worked with **759 diverse firms**. In addition, several diverse subcontractors successfully made the transition to **prime suppliers**. All of our efforts in supplier diversity are intended to help sustain our progress while continuing to achieve **operational excellence** within our business.

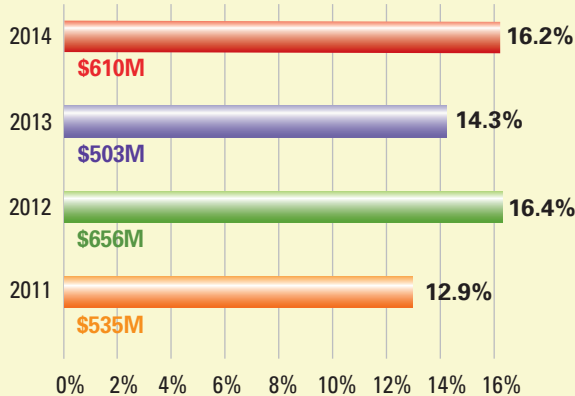
**Woman, Minority, Service Disabled Veteran Business Enterprises**



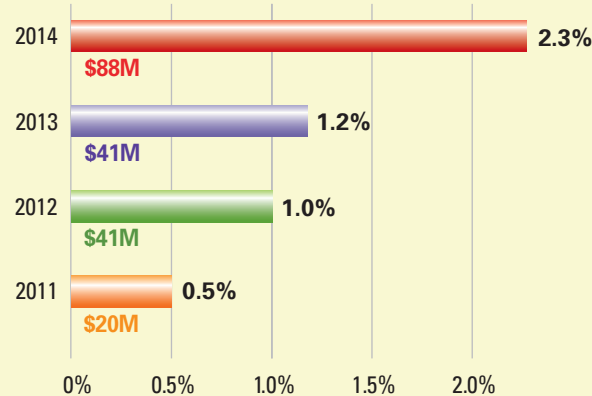
**Minority Business Enterprises**



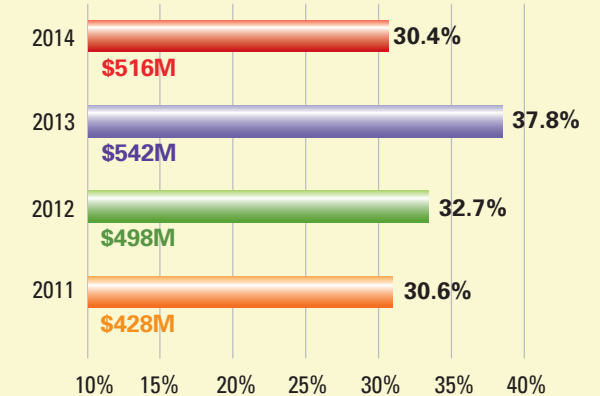
**Woman Business Enterprises**



**Service Disabled Veteran Business Enterprises**



**WMDVBE Subcontracting**



**INTERNAL/EXTERNAL ACTIVITIES (9.1.1)****Internal Activities**

**In 2014, we focused our internal activities on strengthening our supplier diversity commitment companywide; enhancing existing programs, processes, and partnerships; and augmenting our technical assistance initiatives to sustain WMDVBE development and growth.**



Deborah Dyson, Dyson Electric, meets with an SCE prime supplier at Meet the Primes event.

**Our activities included the following:**

**Supplier Diversity Sustainability Strategy**

As we achieved our aspirational goal of 40% in WMDVBE spend, our focus shifted to sustaining our progress with small and diverse firms. Our Supplier Diversity and Development team developed a Supplier Diversity Sustainability Strategy focused on collaboration with internal and external stakeholders.

**Supplier Diversity and Development Leadership Council**

To ensure supplier diversity remains a top priority throughout the organization, we re-launched our Supplier Diversity and Development Leadership Council (SDDL), which is comprised of members of SCE's executive leadership team. The SDDL meets regularly and serves as an advisory group on supplier diversity goals, policies, programs, and strategies. Members are supplier diversity champions within their organizations, providing access to information, spending forecasts, and strategic plans.

**Supplier Diversity Spend Goals**

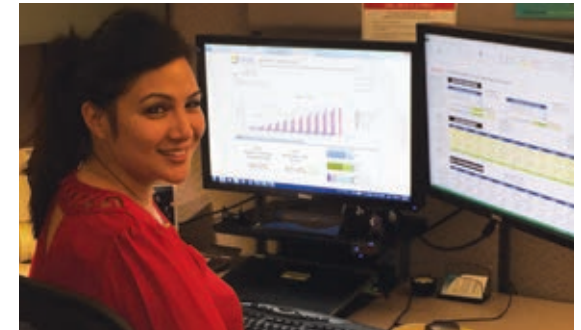
At the direction of SCE's president, organization units established specific supplier diversity spend goals. With these targets, all SCE organization units are now accountable for increasing WMDVBE spend. Prior to 2014, these goals were optional.

**Procurement Process**

Supplier Diversity and Development continued to work closely with Procurement to ensure that supplier diversity is incorporated in all Request for Proposals (RFPs) and WMDVBE subcontracting language is included in contract agreements. As a general practice, supplier diversity is a standard topic at each bidders' conference – information sessions to update RFP participants on various components of the process – as SCE aims for 50% WMDVBE participation on all competitive bids.

**WMDVBE Reporting Processes and Tools**

Our Supply Excellence team, which is responsible for process integration and data management activities, developed an internal dashboard to track WMDVBE spend and increase awareness of our supplier diversity goals. The dashboard displays graphs for monthly and year-to-date WMDVBE spend and shows a year-to-year comparison by month and year-to-date. It also monitors performance by General Order 156 categories.



Supplier Diversity Manager Joycelyn Yue takes a break from reviewing WMDVBE spend results using SCE's dashboard.

**Collaboration and Partnerships**

Our Supplier Diversity and Development team provided ongoing support to SCE organization units, including preparing WMDVBE spend analysis, identifying and vetting diverse suppliers for bidding opportunities, and supporting diverse firms with certification activities.

The team also partnered with internal stakeholders on various supplier diversity efforts and initiatives. In 2014, the group worked with Customer Service on the third Annual Customer Service Supplier Forum, an event aimed at increasing WMDVBE participation in competitive solicitation and opportunities for both prime suppliers and subcontractors.

There were more than 100 attendees, including Customer Service's top 25 suppliers and business organizations.

Supplier Diversity and Development also partnered with the Transmission Distribution and Corporate Environmental Health and Safety groups to organize and host two "Meet the Primes" matchmaking events. Each event provided up to 75 diverse firms with the opportunity to meet a dozen prime suppliers.

### Recognition

SCE annually recognizes employees who advance Supplier Diversity and Development program goals. In April 2014, we celebrated the contributions of 200-plus employees. Among those taking part in the event were SCE's president, chief procurement officer, and chief financial officer.

### Entrepreneurial Development, Growth and Education (EDGE)

Recognizing that supplier diversity extends beyond contract awards and spend, our robust supplier development program, known as EDGE, is designed to serve the needs of diverse firms, ranging in size from microenterprises to larger firms. The program's mission is to provide a comprehensive development experience through four main areas – mentoring, networking, partnerships, and training.

EDGE provides technical assistance and capacity building training, partnerships with key internal and external stakeholders to support and scale the growth of program participants, and the development of suppliers with a wide range of capabilities and expertise to support a sustainable supply chain.



EDGE Mentorship Program participants speak with SCE executives during "power team" meeting.

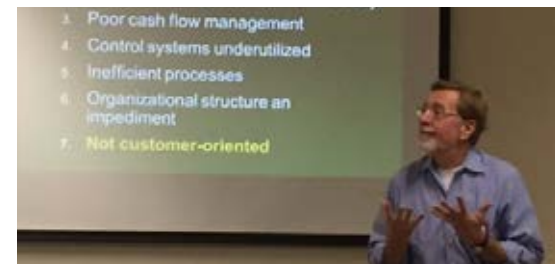
### EDGE has five key components:

- **Mentorship Program:** An 18-month progressive learning program that provides developmental opportunities through coaching, mentoring, and business education.
- **Contract Readiness:** A series of technical assistance and capacity building training workshops aimed at preparing suppliers to do business with SCE and others.
- **Prime Time:** Strategic networking events designed to facilitate access and introduction of diverse firms to SCE decision makers and prime suppliers.
- **Targeted Outreach:** Efforts are aimed at increasing participation in underutilized WMDVBE categories.
- **Partnerships with Community-Based Organizations:** Collaborative technical assistance and capacity building efforts with community-based organizations (CBOs) through coaching, mentoring, and business education.

In 2014, we implemented a few changes following a review of the program. We assigned a dedicated manager to oversee EDGE and provided additional resources to administer the program. Contracts were also issued to multiple diverse firms to serve as EDGE business coaches and program facilitators.

During the year, we also launched the third Mentorship Program class with the following diverse firms:

- DeWalt Corporation, Latino-owned civil engineering company
- Faith Electric and General Building Contractors LLC, African American-owned line construction firm
- Insight Consulting Partners Inc., LGBT-owned consulting company
- Natures Image Inc., woman-owned environmental services provider
- The Finerty Group Inc., woman-owned wholesale power marketer
- The Sanberg Group Inc., service disabled veteran-owned environmental services firm
- WinCorp Solutions, Asian American-owned consulting business



Tuck School of Business Professor Leonard Greenhalgh leads business education workshop with EDGE Mentorship Program participants.



Collectively, these businesses have 120-plus years of experience, generate average revenues of \$18 million, and employ nearly 200 people. During the 18-month program, these firms participate in structured technical assistance and capacity building activities to strengthen their competitive edge. In addition, they have an assigned “power team” of internal business partners who provide mentoring through education, information, and support to ensure understanding of SCE’s business objectives and processes.

While EDGE does not guarantee contracts, it does target opportunities and helps prepare suppliers to compete for them. In 2014, our program expenses totaled approximately \$200,000 and we provided several diverse firms with assistance through multiple development and outreach activities.

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***“ My EDGE coach left an impact on how I view my business by asking me, ‘What kinds of problems is your company solving for your customers?’ It was important to get an outside point of view because entrepreneurs are always juggling many things at once and could lose sight of something as important as the customer’s needs. It was a tremendous learning experience.”***

**– EDGE Graduate Kusum Kavia,  
Combustion Associates, Inc.**

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**“We used to operate on a smaller scale. The Supplier Diversity and Development team helped change that and taught us how to work with larger public entities.”**

## Hoffman-Aztec

### FROM ADVERSITY CAME OPPORTUNITY FOR VETERAN-OWNED FIRM

Erik Hoffman joined his father’s company, Hoffman Management & Construction Corporation (HMCC), during the Great Recession and just before the cancellation of a major construction project hit the 30-year-old firm.

Needing to diversify HMCC’s business beyond Los Angeles’ fashion district, Hoffman partnered with San Ramon-based Aztec Consultants to form HMCC-Aztec. The joint venture, based in Los Angeles, expanded HMCC’s capabilities throughout California and into the public sector and gave Aztec a Southern California presence.

In 2012, SCE’s Supplier Diversity and Development team and HMCC connected through the Los Angeles chapter of the Elite Service-Disabled Veteran-Owned Business Network. HMCC-Aztec won its first SCE contract in 2013 and added four more. It completed an SCE executive office at Cal Poly Pomona’s Innovation Village Research Park and two projects at the utility’s Rosemead headquarters, where it is remodeling the main lobby and constructing a new office build-out with work scheduled to be completed in 2015.

SCE contracts helped HMCC triple its revenue since 2012, enabling it to add 15 fulltime positions and establish its first fulltime crew. Veterans comprise about 20% of the firm’s employees.

Because of its work with SCE, HMCC-Aztec has won projects from Metro, Santa Monica College and the Veterans Administration.

“SCE injected new life into our company,” says Hoffman, a fourth-generation veteran. “We used to operate on a smaller scale. The Supplier Diversity and Development team helped change that and taught us how to work with larger public entities.”

**SCE contracts have contributed to Hoffman-Aztec’s recent growth. Pictured above, Erik Hoffman (left) at SCE’s headquarters.**

## External **Activities**

**During the year, we continued to join forces with organizations that share our objective to promote the growth and development of diverse suppliers.**



Supplier Diversity and Development Director Joe Alderete (left) and California Utilities Diversity Council's Jose Perez at a Latino Coalition conference.

### **Among our activities in 2014:**

- Met with key groups and CBOs to introduce our new Principal Manager of Supplier Diversity and Development and discuss shared objectives, challenges, and goals. Several SCE executives participated in these meetings to re-enforce our commitment and desire to do more business with diverse suppliers.
- Hosted the California Utilities Diversity Council's (CUDC) matchmaking event focused on advertising and media. The event, which featured one-on-one meetings with representatives from advertising/media agencies and utilities, attracted about 100 diverse firms.
- Continued to work with joint investor-owned utilities' (IOUs) Supplier Diversity Roundtable (SDR). Partnering with Southern California Gas Co., San Diego Gas and Electric, and Pacific Gas and Electric, we sponsored eight diverse firms in UCLA Anderson School of Management's Advanced Technology Management Institute. During the course, attendees had an opportunity to meet with esteemed lecturers and tour the San Diego Supercomputer Center, whose mission is to transform research, education, and practice through Cyberinfrastructure. They also saw how predictable analytics and the smart grid may co-exist in the near future and how the supercomputer supports several initiatives in California.
- Participated in the L.A. Small Business Expo and Matchmaking Fair, sponsored by the CPUC and Business and Community Outreach. Held at the Skirball Cultural Center, the event included workshops, an exhibit fair, and matchmaking sessions. SCE was both an exhibitor and matchmaking participant.
- Formed new partnerships with Latino business organizations in our service territory, including The Latino Coalition. SCE also sponsored Latin Business Association's seven-week technical assistance program, Procurement Boot Camp, and 14 other technical training and capacity building workshops for Latino-owned businesses.
- Chaired the Black Business Association – Los Angeles' (BBA-LA) Procurement Exchange Summit for the third consecutive year. The event attracted several diverse firms and included a matchmaking symposium.
- Funded technical assistance programs for the Greater Los Angeles African American Chamber of Commerce, BBA-LA, Moreno Valley Black Chamber of Commerce, and Black Chamber of Commerce of Orange County, and joined the Fresno Metro Black Chamber of Commerce's outreach efforts. These activities were aimed at identifying and developing more African American-owned firms for potential work with SCE.
- Served as marquee sponsor of the National Gay and Lesbian Chamber of Commerce (NGLCC) Strategic Growth and Development Institute. In addition, SCE joined supplier diversity professionals at NGLCC's National Business and Leadership conference to discuss engagement strategies with internal stakeholders.
- SCE was among a handful of utilities that publicly supported California Assembly Bill 1678, which expanded General Order 156 to include LGBT-owned firms.
- Continued to demonstrate our commitment to small business owners through the U.S. Small Business Administration's (SBA) SupplierPay Pledge. SupplierPay is about paying small suppliers on time and keeping their interest rates low to help ensure growth. We added greater flexibility of payment terms, which our suppliers can take advantage of based on their individual needs.

## WMDVBE ORGANIZATIONS

SCE supported the following organizations in 2014:

### *African American Organizations*

- Black Business Association – Los Angeles
- California Black Chamber of Commerce
- Fresno Metro Black Chamber of Commerce
- Greater Los Angeles African American Chamber of Commerce
- Moreno Valley Black Chamber of Commerce
- Orange County Black Chamber of Commerce
- Recycling Black Dollars
- Riverside Black Chamber of Commerce
- San Fernando Valley Black Chamber of Commerce
- U.S. Black Chamber of Commerce
- Young Black Contractors Association Inc.

### *Asian American Organizations*

- Asian Business Association – Inland Empire
- Asian Business Association – Los Angeles
- Asian Business Association – Orange County
- California Asian Pacific Chamber of Commerce
- California Journal of Filipino Americans
- Chinese American Construction Professionals
- National Asian American Coalition
- US Pan Asian American Chamber of Commerce

### *Latino Organizations*

- California Hispanic Chambers of Commerce
- Greater Riverside Hispanic Chamber of Commerce
- High Desert Chamber of Commerce
- Hispanic Lifestyle
- Inland Empire Hispanic Chamber of Commerce
- Latin Business Association
- Los Angeles Latino Chamber of Commerce
- National Latina Business Women Association – Los Angeles
- Orange County Hispanic Chamber of Commerce
- Regional Hispanic Chamber of Commerce
- The Latino Coalition
- U.S. Hispanic Chambers of Commerce

### *Lesbian, Gay, Bisexual & Transgender Organizations*

- National Gay & Lesbian Chamber of Commerce

### *Native American Organizations*

- American Indian Chamber of Commerce of California
- American Indian Chamber of Commerce of Los Angeles
- American Indian Chamber of Commerce of Northern California
- American Indian Chamber of Commerce of Southern California
- American Indian National Chamber
- National Center for American Indian Enterprise Development
- Walking Shield



SCE Supplier Diversity and Development Managers Alma McMaster and Vince Craney meet with a supplier at a U.S. Hispanic Chamber of Commerce matchmaking event.



SCE's Supplier Diversity and Development team with Justin Crabtree (third from right) at an Elite SDVOB conference.

### ***Service Disabled Veteran Organizations***

- California Disabled Veteran Business Alliance
- California Disabled Veteran Business Alliance of Orange County
- Elite Service-Disabled Veteran-Owned Business Network – Inland Empire
- Elite Service-Disabled Veteran-Owned Business Network – Orange County
- Elite Service-Disabled Veteran-Owned Business Network – San Diego
- National Elite Service-Disabled Veteran-Owned Business Network
- Hire a Patriot Association

### ***Women Organizations***

- Association of Women in Water, Energy and Environment
- National Association of Women Business Owners – Los Angeles
- Women's Business Enterprise Council-West
- Women's Business Enterprise National Council

### ***Other Organizations***

- National Association of Minorities in Energy
- National Association of Minority Companies
- Southern California Minority Supplier Development Council

### ***Board Leadership/Membership Positions***

**SCE Supplier Diversity and Development staff served in board leadership positions or held memberships on numerous advisory boards and committees, including:**

- American Indian Chamber of Commerce of California
- American Indian National Chamber of Commerce
- Asian Business Association – Los Angeles
- Asian Business Association – Orange County
- Black Business Association – Los Angeles
- California Black Chamber of Commerce
- California Disabled Veteran Business Alliance

- California Hispanic Chambers of Commerce
- Edison Electric Institute
- Elite Service-Disabled Veteran-Owned Business Network – Los Angeles
- Elite Service-Disabled Veteran-Owned Business Network – Inland Empire
- Elite Service-Disabled Veteran-Owned Business Network – Orange County
- Elite Service-Disabled Veteran-Owned Business Network – San Diego
- Greater Los Angeles African American Chamber of Commerce
- Los Angeles Latino Chamber of Commerce
- Moreno Valley Black Chamber of Commerce
- National Gay & Lesbian Chamber of Commerce
- National Latina Business Women Association – Los Angeles
- Orange County Black Chamber of Commerce
- Orange County Hispanic Chamber of Commerce
- Regional Hispanic Chamber of Commerce
- Southern California Minority Supplier Development Council
- U.S. Black Chamber of Commerce
- U.S. Hispanic Chamber of Commerce
- Women's Business Enterprise National Council



**“SCE is a major focus of our business and its impact has been significant.”**

## American Site Builders

### NEW RELATIONSHIP EXPANDS TO ADDITIONAL WORK

American Site Builders didn't have much of a presence in Southern California before 2013. Today, the Amarillo, Texas-based firm specializing in electrical utility construction contracting services has about 80 employees in the region, thanks to work on SCE's major capital investment projects.

American Site Builders was awarded a contract in 2012 to refurbish steel towers as part of SCE's Tehachapi Renewable Transmission Project, a series of new and upgraded electric transmission facilities that will add capacity to the region's power grid system.

This led to additional work on the project, building new transmission lines and replacing aged and deteriorated utility poles through SCE's pole replacement program. The company also won a contract for services on an overhead line construction project, becoming the first Asian American, female-owned firm to perform such work for SCE.

“SCE is a major focus of our business and its impact has been significant,” says Dwayne Hoving, CEO, who has co-owned American Site Builders with his wife, Debbie, since 2007.

“A large component of our workforce is now in Southern California and all are dedicated to work on SCE projects,” he adds, noting these union jobs include linemen, general foremen, superintendents, and project managers.

Upon winning its first contract, Hoving says, “SCE helped us better understand and navigate internal processes and procedures, such as change orders. A lot of companies don't do those things. When we wanted to have meetings, they got the right people in the room – they've been very accommodating.”

**Pictured above: An American Site Builders crew member works on SCE's pole replacement project.**

## OUTREACH EVENTS

**In 2014, SCE participated in more than 100 outreach events, which included the following:**

### *African American Organizations*

- American Association of Blacks in Energy – National Conference
- Black Business Association – Los Angeles' Annual Awards Dinner
- Black Business Association – Los Angeles' Annual Procurement Exchange
- Black Business Association – Los Angeles' Procurement Opportunity Matchmaking
- Black Business Association – Los Angeles' Salute to Black Women Business Conference
- California Black Chamber of Commerce's Annual Legislative Welcome Reception
- California Black Chamber of Commerce's Ron Brown Business Economic Summit & Youth Scholarship Conference
- Greater Los Angeles African American Chamber of Commerce – Annual Economic Awards Dinner
- Moreno Valley Black Chamber of Commerce – Annual Awards Banquet
- Orange County Black Chamber of Commerce's Annual Gala Celebration
- Recycling Black Dollars – Annual Masters Series Luncheon



Eric Fisher (third from left) accepts Asian Business Association-Orange County's Corporate Advocate of the Year Award on behalf of SCE.

- Recycling Black Dollars – Annual Positive Side Awards
- RG & Associates Consortium
- San Fernando Valley Black Chamber of Commerce – Annual Small Business Gala

#### **Asian American Organizations**

- Asian American Association of Investment Managers – National Conference
- Asian Business Association – Inland Empire's Procurement Expo
- Asian Business Association – Los Angeles' Annual Awards Gala
- Asian Business Association – Los Angeles' Annual C.K. Tseng Golf Tournament
- Asian Business Association – Orange County's Annual Awards Gala
- Asian Business Association – Orange County's Procurement Conference

- California Asian Pacific Chamber of Commerce – Annual Procurement Conference
- California Journal for Filipino Americans – Annual Awards Gala
- Chinese American Construction Professionals' Awards and Board Installation Dinner
- National Asian American Coalition – Anniversary Awards and Dinner Gala
- US Pan Asian American Chamber of Commerce – CelebrAsian Business Opportunity Conference
- US Pan Asian American Chamber of Commerce – Procurement Connections and Business Matchmaking

#### **Latino Organizations**

- California Hispanic Chambers of Commerce – Annual Conference
- California Hispanic Chambers of Commerce – Economic Summit
- Greater Riverside Hispanic Chamber of Commerce Multicultural Gala
- Greater Riverside Hispanic Chamber of Commerce – Business Without Borders Conference & Expo
- High Desert Hispanic Chamber of Commerce – Awards Gala
- High Desert Hispanic Chamber of Commerce – Small Business Assistance Day
- Hispanic Lifestyle – Business Conference & Expo
- Hispanic Lifestyle – Latina Conference

- Inland Empire Hispanic Chamber of Commerce – Small Business Forum
- Latin Business Association Procurement Boot Camp Program (seven-week series)
- Latin Business Association – Minority Women Business Conference
- Latin Business Association – SOL Business Awards Gala
- Los Angeles Latino Chamber of Commerce – Awards Luncheon & Business Matchmaking
- Los Angeles Latino Chamber of Commerce – Certification Workshop
- Los Angeles Latino Chamber of Commerce – Latina Business Conference
- Los Angeles Latino Chamber of Commerce – Small Business Energy Efficiency Workshop
- National Latina Business Women Association – Los Angeles – Business Management Academy Program (six-week series)
- National Latina Business Women Association – Los Angeles – Emerging Latinas Program (four-week series)
- National Latina Business Women Association – Los Angeles – Latinas in Business Awards
- Orange County Hispanic Chamber of Commerce – Estrella Awards
- Orange County Hispanic Chamber of Commerce – Small Business Awards
- Regional Hispanic Chamber of Commerce – Mujeres Del Año Awards Gala

- Regional Hispanic Chamber of Commerce – Southern California Business Development Conference
- Regional Hispanic Chamber of Commerce – Superstar Business Lunch Panel & Business Matchmaking
- The Latino Coalition – Small Business Summit (East)
- The Latino Coalition – Small Business Summit (West)
- U.S. Hispanic Chamber of Commerce – Annual Conference

#### ***Lesbian, Gay, Bisexual & Transgender Organizations***

- National Gay & Lesbian Chamber of Commerce – Business & Leadership Conference
- National Gay & Lesbian Chamber of Commerce – National Dinner
- National Gay & Lesbian Chamber of Commerce – Policy and Procurement Forum

#### ***Native American Organizations***

- American Indian Chamber Education Fund Procurement Technical Assistance Program at the Procurement Technical Assistance Centers at Pechanga
- American Indian Chamber of Commerce of California – Annual June Recognition Luncheon & MEDweek Event
- American Indian Chamber of Commerce of California – Expo

- American Indian Chamber of Commerce of California – Heritage Month Luncheon
- American Indian Chamber of Commerce of California – San Diego/Southern California Joint Chapter Meeting
- American Indian Chamber of Commerce of California – Building Infrastructure in Indian Country Roundtable & Summit
- National Center for American Indian Enterprise Development – Reservation Economic Summit
- Native American Indian Advisory Council Retreat
- Walking Shield, Inc. – Native American Indian Conference

#### ***Service Disabled Veteran Organizations***

- American GI Forum of California
- Business Matchmaking – Opportunities for Diverse Business Enterprises & Service Disabled Veterans
- California Disabled Veteran Business Enterprise Alliance – Keep the Promise



SCE's Joe Alderete with American Indian Chamber of Commerce of California President Tracy Stanhoff.

- California Disabled Veteran Business Enterprise Alliance – Salute to Veterans
- Elite Service-Disabled Veteran-Owned Business Network – Annual National Convention
- Supplier Diversity Conference for Service Disabled Veterans – SCE\CPUC Joint Initiative (SCE hosted)
- The Patriot Group – Hire a Patriot Career, Education & Resource Fair

#### ***Women's Organizations***

- National Association of Women Business Owners – Los Angeles – High Tea Reception
- National Association of Women Business Owners – Los Angeles – Leadership & Legacy Awards Luncheon
- National Association of Women Business Owners – Los Angeles – PEAK Academy Program, Supplier Readiness Certificate Program & Organizational Transition Workshop
- Women's Business Enterprise Council-West – Annual Strategic Procurement Opportunity Conference & Awards Gala
- Women's Business Enterprise Council-West – Annual Procurement Exchange Summit
- Women's Business Enterprise Council-West – Platinum Supplier Program Series
- Women's Business Enterprise National Council – National Conference & Business Fair
- Women's Business Enterprise National Council – Summit & Salute



Women's Business Enterprise Council-West partners with SCE to host Meet the Primes matchmaking event.

### ***Other Organizations/Events***

- California Public Utilities Commission – Small Business Expo & Matchmaking Fair (CPUC & PG&E)
- Metropolitan Water District of Southern California – Connect to Met
- National Association of Minority Companies – Diversity Forum
- National Council of Minorities in Energy – Annual Meeting on Energy Procurement Contractual Requirements, Accomplishments & Challenges
- National Minority Supplier Development Council – National Conference & Business Opportunity Fair
- Orange County Transportation Authority – Small Business Conference & Matchmaking
- Southern California Minority Supplier Development Council – Leadership Excellence Awards
- Southern California Minority Supplier Development Council – Minority Business Opportunity Day
- Southern California Minority Supplier Development Council – Supplier of the Year Awards
- Western Systems Power Pool/North American Energy Market Association's 2014 Fall Conference

### ***Awards and Recognition***

SCE received numerous honors and awards in 2014 for leadership in supplier diversity. These included:

- Asian Business Association – Los Angeles' Special Recognition Award
- Asian Business Association – Orange County's Special Recognition Award
- Asian Business Association – Orange County's Corporate Advocate of the Year Award
- Black Business Association's President's Award
- California Black Chamber of Commerce – Diversity & Procurement Outreach Award
- California Black Chamber of Commerce – Outstanding Corporate Community Leadership Award
- California Black Chamber of Commerce – Outstanding Support Award
- California Disabled Veteran Business Enterprise Alliance's Corporate Sponsor of the Year
- California Disabled Veteran Business Enterprise Alliance's Small Business Service Award
- Elite Service-Disabled Veteran-Owned Business Network Award for Years of Outstanding Leadership, Support and Commitment



- Greater Los Angeles African American Chamber of Commerce – Chairman’s Award
- Greater Los Angeles African American Chamber of Commerce’s Mentor Corporation of the Year Award
- Moreno Valley Black Chamber of Commerce – Madam C.J. Walker Award
- National Association of Minority Companies – Top Corporation Walk the Walk in Diversity Award
- National Latina Business Women Association – Corporate Supporter of the Year
- National Law Journal’s Legal Department of the Year (Outside Counsel Management)
- Native American Indian National RES’ Corporate Advocate of the Year Award
- Orange County Black Chamber of Commerce – Sponsorship Award
- Southern California Minority Supplier Development Council’s Lifetime Achievement Award
- The Latino Coalition – Special Recognition Award
- U.S. Hispanic Chamber of Commerce’s “Million Dollar Club”



## Making an Impact in Supplier Diversity

Several individuals have been instrumental in shaping SCE’s Supplier Diversity Program into what it is today, but perhaps no one has been more synonymous with it in recent years than Joe Alderete.

Alderete retired in December 2014 as director of Supplier of Diversity and Development after a 40-plus year career at SCE. During his 18 years in the department, SCE’s Supplier Diversity Program achieved significant results, with WMDVE spend growing 97% since 2009.

However, the significance of SCE’s program results “are best defined through our strong partnerships with multiple advocacy organizations,” says Gaddi Vasquez, senior vice president of SCE and Edison International. “Joe is the ultimate relationship builder and can be credited for managing productive partnerships with more than 85 diverse and small business advocacy agencies.

“It is through these agencies that SCE has been able to expand our reach within the diverse supplier community and identify qualified diverse firms to do business with us,” he adds.

Alderete’s contributions are noteworthy and the multiple accolades from the community at-large have been inspiring. SCE is proud to be associated with a man who demonstrated such personal commitment and passion to advancing supplier diversity and providing opportunities to diverse firms.

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**Pictured above: Joe Alderete (third from left) receives Southern California Minority Supplier Development Council’s Lifetime Achievement Award. From left: SCMSDC President Virginia Gomez, SVP of SCE and Edison International Gaddi Vasquez, and former Assemblywoman Gwen Moore.**

## SUMMARY OF PURCHASES AND/OR CONTRACTS (9.1.2)

WMDVBE Annual Results by Ethnicity						
2014						
			Direct	Sub	Total \$	%
1.	Minority Male	Asian Pacific	\$119,345,849	\$14,208,381	\$133,554,230	3.5%
2.		African American	\$59,512,513	\$28,438,252	\$87,950,765	2.3%
3.		Latino	\$333,757,852	\$182,413,232	\$516,171,084	13.7%
4.		Native American	\$50,939,784	\$3,823,281	\$54,763,065	1.4%
5.		Other	\$5,760	\$0	\$5,760	0.0%
6.		<b>Total Minority Male</b>		<b>\$563,561,759</b>	<b>\$228,883,146</b>	<b>\$792,444,905</b>
7.	Minority Female	Asian Pacific	\$49,712,202	\$51,920,647	\$101,632,849	2.7%
8.		African American	\$33,935,737	\$238,435	\$34,174,172	0.9%
9.		Latino	\$36,685,279	\$32,987,575	\$69,672,854	1.8%
10.		Native American	\$1,975,176	\$193,199	\$2,168,375	0.1%
11.		Other	\$352,644	\$38,094	\$390,738	0.0%
12.		<b>Total Minority Female</b>		<b>\$122,661,038</b>	<b>\$85,377,950</b>	<b>\$208,038,988</b>
13.	Total Minority Business Enterprise (MBE)		\$686,222,797	\$314,261,096	\$1,000,483,893	26.5%
14.	Women Business Enterprise (WBE)		\$426,291,449	\$184,281,746	\$610,573,195	16.2%
15.	Subtotal Women, Minority Business Enterprise (WMBE)		\$1,112,514,246	\$498,542,842	\$1,611,057,088	42.6%
16.	Service Disabled Veteran Business Enterprise (SDVBE)		\$70,654,473	\$17,806,127	\$88,460,600	2.3%
17.	<b>TOTAL WMDVBE</b>		<b>\$1,183,168,719</b>	<b>\$516,348,969</b>	<b>\$1,699,517,688</b>	<b>45.0%</b>
18.	<b>Net Procurement**</b>		<b>\$3,779,520,066</b>			

\*\*Note: Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2014 due to the SONGS Units 2 & 3 outages have been recorded in a balancing account. Therefore, procurement charges for 2014 for the Units 2 & 3 outages were not included in the procurement total used for calculation of WMDVBE spend.

**PROGRAM EXPENSES (9.1.3)**

Expense Category	2014
Wages	\$1,157,053
Other Employee Expenses	\$243,731
Reporting Expenses	\$147,225
Sponsorships/Other	\$1,275,884
Consultants	\$706,237

**GOAL PROGRESS (9.1.4)**

Category	Current Year Results	Current Year Goals
Minority Male	21.0%	10.0%
Minority Female	5.5%	5.0%
Minority Business Enterprise (MBE)	26.5%	15.0%
Woman Business Enterprise (WBE)	16.2%	5.0%
Subtotal of Woman, Minority Business Enterprise (WMBE)	42.6%	20.0%
Service Disabled Veteran Business Enterprise (SDVBE)	2.3%	1.5%
<b>TOTAL WMDVBE</b>	<b>45.0%</b>	<b>40.0%</b>

**GOAL PROGRESS**

In 2014, SCE achieved 45% of our total procurement with diverse suppliers. Highlights included:

- Spend with WMDVBEs totaled \$1.7 billion.
- Tier 2 spending continued to exceed a half billion dollars.
- Exceeded CPUC goal of 21.5% by 23.5%.
- Achieved and exceeded CPUC SDVBE target for the first time ever, reaching 2.3%, or \$88 million.
- Exceeded aspirational goal of 40% for the second consecutive year.

**SUBCONTRACTORS (9.1.5)**

A Summary of Prime Contractor Utilization of WMDVBE Subcontractors							
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Woman Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (SDVBE)	TOTAL WMDVBE
Direct \$	\$563,561,759	\$122,661,038	\$686,222,797	\$426,291,449	\$1,112,514,246	\$70,654,473	\$1,183,168,719
Subcontracting \$	\$228,883,146	\$85,377,950	\$314,261,096	\$184,281,746	\$498,542,842	\$17,806,127	\$516,348,969
<b>TOTAL \$</b>	<b>\$792,444,905</b>	<b>\$208,038,988</b>	<b>\$1,000,483,893</b>	<b>\$610,573,195</b>	<b>\$1,611,057,088</b>	<b>\$88,460,600</b>	<b>\$1,699,517,688</b>
Direct %	14.9%	3.2%	18.2%	11.3%	29.4%	1.9%	31.3%
Subcontracting %	6.1%	2.3%	8.3%	4.9%	13.2%	0.5%	13.7%
<b>TOTAL %</b>	<b>21.0%</b>	<b>5.5%</b>	<b>26.5%</b>	<b>16.2%</b>	<b>42.6%</b>	<b>2.3%</b>	<b>45.0%</b>
<b>Net Procurement**</b>		<b>\$3,779,520,066</b>					

\*\*Note: Net Procurement includes purchase order, non-purchase order, and credit card dollars. Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2014 due to the SONGS Units 2 & 3 outages have been recorded in a balancing account. Therefore, procurement charges for 2014 for the Units 2 & 3 outages were not included in the procurement total used for calculation of WMDVBE spend.

**COMPLAINTS (9.1.6)**

SCE did not receive any formal complaints in 2014.

**DIVERSE SUPPLIERS IN LOW-UTILIZED AREAS (9.1.8)**

We continued to focus on new opportunities for diverse suppliers in traditionally underutilized areas and these efforts are paying off.

While there are challenges in finding qualified diverse firms that meet SCE’s complex business and procurement requirements for certain services, we have made it a priority to identify diverse firms that can bid and compete in these areas.

**FINANCIAL SERVICES**

*“SCE has utilized diverse business enterprises for its financial services needs since 1987. We have actively supported these businesses and helped several of them become key players in the market. We applaud the progress these firms have made and are proud to have helped enable their success.”*

– Maria Rigatti, SVP and Chief Financial Officer

SCE’s continued efforts to increase business activity with diverse financial services firms yielded positive results. These results were directly attributed to increased communications with primary and diverse vendors; active participation in regulatory, legislative and industry conferences

and forums; and advancing and cultivating greater awareness within the organization. As a result, we continued our record of measurable procurement activity with WMDVBEs in various key financial areas, including investment banking, investment management, commercial banking, and consulting.

**Investment Banking**

In 2014, we reached another milestone in our efforts to increase the use of diverse investment banks. In four capital market transactions, SCE appointed 14 WMDVBEs (including two service disabled veteran business enterprises, or SDVBEs) to lead- and/or co-manager positions. As a result, over \$600,000 in fees were paid to these diverse investment banks. This equates to 25% of underwriting fees on institutional-focused transactions and 10% of total fees overall (including retail focused transactions).

Pursuant to the CPUC's Financing Rule adopted in Decision 12-06-015, the table on page 20 details SCE's utilization of WMDVBE investment banks for capital market transactions in 2014.

In addition, SCE was active in the commercial paper market in 2014 and issued \$2.1 billion of short-term securities through a WMDVBE dealer. This represented 17% of SCE's total short-term financing activity for the year.

### **Investment Management**

SCE's utilization of WMDVBE investment managers has grown measurably from 2008 through 2014. While total assets under management have increased 60% during this period, assets managed by WMDVBE firms have increased from \$348 million to \$1 billion – a nearly 200% increase – and represented 10% of total assets under management. SCE assets under management by WMDVBEs in 2014 consisted of \$495 million among nine firms for the pension fund, \$419 million among four firms for the other benefit trusts (401(h) and PBOP), and \$116 million with one firm for the Nuclear Decommissioning Trusts (NDTs).

During the year, we continued our pipeline activity of research and analysis on WMDVBE investment managers and included such firms in all investment manager searches – a core business practice at SCE. In fact, six of the 57 meetings with investment managers in 2014 were with WMDVBEs, and \$215 million out of \$1.17 billion of new mandates went to diverse firms.



“When I look at SCE, I see a company that's given people like me an opportunity to follow my dream.”

## Perera Construction and Design

### NEW STRATEGY GENERATES OPPORTUNITIES IN CALIFORNIA

After experiencing the housing market's mid-1980s collapse, Alaska homebuilder Hank Perera, Jr. left not only residential construction, but the state altogether. Refocusing his business strategy on commercial construction, the first-generation Cuban-American relocated to Southern California where, in 1989, he founded Ontario-based Perera Construction and Design to serve the more resilient energy and telecommunications sectors.

Perera contacted SCE in 1990 after seeing an ad promoting its Supplier Diversity Program. Two years later, he won a remodel project at the Irwindale Customer Technology Application Center. The firm has since worked on more than 100 projects, including the country's largest rooftop solar installation at the Maytag Distribution Center in Perris, Calif. In April 2015, the company is scheduled to complete a mechanical electrical equipment room at the Eldorado substation.

Those projects have played a major role in fueling Perera Construction's growth, helping increase its revenues by more than 20% during the past decade alone. The firm has grown from its original three employees and first-year sales of \$192,000 into a multimillion-dollar company with 42 employees and expanded capabilities in the health-care and higher education sectors. That growth has also enabled the company to hire other diverse subcontractors to provide specialized construction and support services.

“When I look at SCE, I see a company that's given people like me an opportunity to follow my dream,” says Perera. “It's made a significant impression on the growth and development of our company.”

2014 WMDVBE Investment Bank Utilization				
Type of Transaction	Amount	WMDVBE Category	Role	% Allocated to Firm
First Mortgage Bonds	\$300 million	MBE	Co-Manager	5.00%
		SDVBE	Co-Manager	5.00%
		MBE	Co-Manager	5.00%
		SDVBE	Co-Manager	5.00%
		MBE	Co-Manager	5.00%
Preference Stock	\$275 million	MBE	Selling Group	0.09%
		MBE	Selling Group	0.09%
		MBE	Selling Group	0.09%
		MBE	Selling Group	0.09%
		WBE	Selling Group	0.09%
		SDVBE	Selling Group	0.09%
		MBE	Selling Group	0.02%
		MBE	Selling Group	0.09%
		WBE	Selling Group	0.09%
		SDVBE	Selling Group	0.09%
		MBE	Selling Group	0.09%
		WBE	Selling Group	0.09%
		MBE	Selling Group	0.09%
First Mortgage Bonds	\$400 million	MBE	Lead	17.50%
		SDVBE	Co-Manager	3.75%
		WBE	Co-Manager	3.75%
First Mortgage Bonds	\$100 million	MBE	Co-Manager	7.33%
		MBE	Co-Manager	3.00%
		SDVBE	Co-Manager	7.33%
		MBE	Co-Manager	7.33%

In addition, to reinforce SCE's commitment to diverse firms in the management and servicing of trust assets, investment managers are reminded annually about SCE's Supplier Diversity Program goals. Managers are encouraged to execute trades through WMDVBE broker-dealers consistent with their "best execution" mandate in managing SCE trust assets. As a result of these efforts, commissions paid to WMDVBE brokers in 2014 totaled \$92,365, or 18% of total commissions paid to all brokers. Also, we solicited information on the utilization of WMDVBEs in all RFPs sent to potential service providers (money managers, trustees, etc.).

### **Commercial Banks**

In 2014, SCE expanded the use of the Certificate of Deposit Account Registry Service (CDARS) network to invest a total of \$16 million with three WMDVBE banks. Through the CDARS program, these banks, in turn, reallocated those deposits to other minority and community banks, resulting in further deployment of those invested funds into local communities.

In addition, we continued our Money Market Insured Deposit Account Service (MMIDAS) investment with a WMDVBE bank. MMIDAS deposits are made with one commercial bank and then reallocated to eligible banks to maximize FDIC protection coverage, similar to the CDARS program. SCE has maintained a \$5 million MMIDAS deposit with a WMDVBE bank since 2009. This \$21 million in CDARS and MMIDAS deposits with WMDVBE banks reflects a 24% increase from 2013.

SCE also invested \$24 million of short-term funds through two African American-owned investment firms.

### **Consulting and Other Financial Services**

SCE continued to identify diverse business consultants and other experts and professionals in various financial service areas, including accounting, remittance processing, accounts payable, tax, auditing, regulatory finance, general rate case, compliance, and business process and system reengineering.

For the past 13 years, SCE has retained a Los Angeles-based African American-owned CPA firm to audit various pension and benefit funds and to prepare financial statements for the NDTs. Since 2012, SCE has utilized another WMDVBE to review its General Order 77 annual filing with the CPUC.

Additionally, SCE has engaged a woman-owned consulting firm for various regulatory proceedings since 2006. We also continued to identify diverse consultants to assist with our tax compliance process. In 2014, we renewed the contract with a WMDVBE tax consultant we first engaged in 2013. We also extended our contract with a Los Angeles-based African American-owned CPA firm to perform audit work required for two Department of Energy grants received by SCE under the American Recovery and Reinvestment Act of 2009, an arrangement we first signed in 2013.

### **Outreach/Pipeline Activities**

Throughout the year, we proactively worked with diverse service providers to educate them on the process of qualifying and participating in SCE's Supplier Diversity Program and the CPUC's Supplier Clearinghouse. We expanded our outreach program in the trust investment management area through participation in more conferences, seminars, and symposiums attended by WMDVBE investment managers.

Since 2006, SCE's Finance organization, along with the Corporate Communications department, has supported the Verbum Dei High School Corporate Work Study Program, which offers student mentoring and on-the-job work experience. Verbum Dei serves a very economically and educationally underserved area of Los Angeles, with an approximately 50%/50% Latino and African American student population.

SCE currently hosts eight student interns ranging from grades 9 through 12 at our corporate office. This program has succeeded in a 100% graduation rate among its participants, with over 70% of those going on to four-year colleges and universities, and the remainder attending community colleges.

## LEGAL SERVICES

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***“SCE’s Law Department is committed to improving diversity in the legal profession, including legal services providers. By helping to expand the pipeline for diverse law students and by increasing the use of diverse law firms as well as retaining diverse attorneys in majority law firms, SCE and the communities we serve benefit from the diverse perspectives and favorable rate structures that diverse professionals often offer.”***

– Russell Swartz, SVP and General Counsel

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In the area of legal services, more than \$9 million was spent with diverse firms, representing 38.4% of SCE’s total expenditures on outside law firms, an increase over 2013 by 15%. Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2013 due to the San Onofre Nuclear Generation Station (SONGS) units 2 and 3 outages, including outside counsel-related expenses, have been recorded in a balancing account. Therefore, the outside counsel expenses recorded in this balancing account are not included in the procurement total used to calculate the WMDVBE percentage for legal service.

As in previous years, the Law Department focused efforts on increasing the use of diverse firms in three key areas: minority-owned law firms, minority attorneys in majority-owned firms, and outreach and pipeline efforts. In each of these categories, SCE has demonstrated continuous excellence and sustainable progress. For example, as discussed in the following pages, SCE has continued to reach out to diverse students and introduce them to the legal profession and our judicial system by participating for the ninth year in a mock trial program and increasing scholarships to students in the StreetLaw program.

### ***Women and Minority-Owned Law Firms***

Several certified WMDVBE law firms performed a significant amount of legal services for the company and, as a result, two were in the top 10 law firms in terms of legal fees paid by SCE’s Law Department.

### ***Minority Attorneys in Majority-Owned Firms***

Consistent with the CPUC’s direction, SCE has been providing information on the contract dollars spent with major law firms for work performed by women, minority, and service disabled veteran attorneys. This information includes both attorneys and paralegals. The major firms that provided data on the chart on page 24 represents eight of SCE’s top 10 major law firms (not CPUC-WMDVBE certified). As noted earlier, the top 10 major law firms based on fees paid by SCE’s Law Department include two certified firms, so the data on these firms are excluded from the chart. The information relating to the two certified law firms is included as part of SCE’s WMDVBE percentage.



SCE attorney Gloria Ing (second from left) receives diversity award for her volunteer service as a mock trial coach at a local middle school.



### **Diversity within the Law Department**

SCE's Law Department consists of 88 attorneys, of which 59% are females and 27% are minorities. The department's overall in-house diversity is 69% (all females and minority males).

### **Outreach/Pipeline Efforts**

To increase diversity in the legal profession, the Law Department sponsored and participated in a number of events and projects, including activities focused on increasing the number of diverse students who enter the educational pipeline to become attorneys.

The department remained involved in the StreetLaw program, which introduces students at three local high schools to the legal profession. SCE attorneys visited schools to teach one-hour sessions on a substantive area of law, such as the First Amendment, intellectual property, and search and seizure. Students were later invited to SCE's headquarters for an all-day workshop where they participated in exercises and scenarios focused on getting a feel for the type of work that attorneys do on a daily basis. SCE also held an essay competition for the StreetLaw students. In 2014, SCE doubled the amount of scholarships to students by awarding six scholarships for \$500 each to the winning students.

As we have done for the past nine years, we sponsored several attorneys in coaching middle school students in the Constitutional Rights Foundation's mock-trial program. The program involves students presenting a hypothetical criminal case that is judged by a panel of judges and attorneys.



*"I like to believe that whether you've been practicing law for one or 10 or more years, there's always a chance to grow."*

## **Kris Vyas**

### **SCE ATTORNEY EMBRACES GROWTH OPPORTUNITY**

As a UCLA law student, Kris Vyas quickly learned how knowledge of the law can help people. During his studies, he became involved with StreetLaw, a program that teaches practical legal concepts to grassroots audiences.

As a student teacher, he taught law at Camp David Gonzales, a probationary facility and school for male youth sentenced by the Los Angeles County probation system. "They told me I was the first student to teach there regularly. It was an eye-opening experience," said Vyas, who still participates as a senior attorney at SCE, along with his colleagues, in the teaching component of StreetLaw.

In 2014, the Law Department selected Vyas as a Leadership Council on Legal Diversity (LCLD) fellow. The organization's mission is to help increase diversity in the legal profession and, as a fellow, Vyas will have the chance to meet and learn from successful attorneys from across the country. The one-year, LCLD fellowship includes conferences, training, peer-group projects, and extensive contact with LCLD's top leadership.

SCE has participated in LCLD since its inception in 2009. The organization is important to the Law Department, not only because of a commitment to the professional growth of SCE attorneys, but also for its commitment to diversity in the legal profession as a whole.

Vyas is looking forward to getting the most out of the LCLD fellowship. "What I hope to get out of the experience is growth," he says. "I like to believe that whether you've been practicing law for one or 10 or more years, there's always a chance to grow."

**Pictured above: SCE senior attorney Kris Vyas was first exposed to StreetLaw as a law student and still volunteers with the organization.**

Southern California Edison Law Department – CPUC Outside Counsel Diversity				
Line No.				Total (\$)
Attorney time billed in 2014				
1.	All Male			\$20,739,864.72
2.	Minority Male	Asian Pacific Male		\$1,459,762.92
3.		African American Male		\$222,757.24
4.		Latino Male		\$406,792.20
5.		Native American Male		\$42,325.28
6.		Other		\$226,809.36
7.		<b>Total Minority Male</b>		<b>\$2,358,447.00</b>
8.	All Female			\$8,595,507.76
9.	Minority Female	Asian Pacific Female		\$1,871,653.18
10.		African American Female		\$337,448.81
11.		Latino Female		\$747,999.20
12.		Native American Female		\$0.00
13.		Other		\$39,142.26
14.		<b>Total Minority Female</b>		<b>\$1,249,981.45</b>
15.		<b>Total Minority</b>		<b>\$3,802,262.00</b>
16.	Non-Minority Female			\$5,942,158.25
17.	Service Disabled Veteran			\$193,833.55
18.	Total Minority, Non-Minority Female & Veterans			\$9,744,420.25

Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2014 due to the SONGS Units 2 & 3 outages have been recorded in a balancing account. Therefore, procurement charges for 2014 for the Units 2 & 3 outages were not included in the procurement total used for calculation of WMDVBE spend.

In 2014, five SCE attorneys and paralegals volunteered three times a week at Monterey Highlands School, whose student population is made up of 95% minorities, in preparation for the mock-trial competition. Additional SCE attorneys assisted as practice judges in preparation for the competition, and other SCE attorneys served as scorers for the Constitutional Rights Foundation's high school mock trial competition.

Middle school students from Monterey Highlands who were coached by SCE attorneys placed in the top four teams out of 44 teams that were competing, thus qualifying for the quarterfinals for the fourth time.

In 2009, SCE was involved in the creation of the Leadership Council on Legal Diversity (LCLD), a national organization dedicated to increasing diversity in the legal profession. The organization is comprised of the general counsels of Fortune 500 companies and managing partners of the largest firms in the country.

SCE continued to be actively engaged in a number of LCLD programs. For example, in 2014, six SCE attorneys served as mentors as part of LCLD's Mentors Program, where attorneys mentor minority students from local law schools throughout the students' academic years of law school.

One of SCE's attorneys was selected to participate in LCLD's Fellows Program, which is designed to help increase diversity at the leadership levels of the nation's law firms and corporate legal departments. Finally, SCE participated in LCLD's 1L Scholars Program designed to strengthen the legal pipeline by expanding opportunities for diverse first-year law students.

In addition, SCE continued to sponsor and fund a diversity scholarship for a first-year law student through the California Bar Foundation.

SCE attorneys continued to be involved in various legal associations focused on ethnic diversity in the legal profession and were active members in the Puerto Rican Bar Association of California, Hispanic National Bar Association, Korean American Bar Association of Southern California, and the Mexican American Bar Foundation.

Lastly, SCE participated in the California Minority Counsel's Los Angeles Business Conference, including its annual conference. SCE was a sponsor of the corporate connections interview session.

### **Recognition**

An SCE attorney was awarded the Association of Corporate Council – SoCal Chapter's 2014 Profiles in Diversity Award for her volunteer service as a mock trial coach at Monterey Highlands School.

<b>Southern California Edison Law Department – CPUC Outside Counsel Diversity</b>			
Line No.			Total (\$)
Paralegal time billed in 2014			
1.	All Male		\$485,242.63
2.	Minority Male	Asian Pacific Male	\$0.00
3.		African American Male	\$0.00
4.		Latino Male	\$0.00
5.		Native American Male	\$0.00
6.		Other	\$0.00
7.		<b>Total Minority Male</b>	<b>\$0.00</b>
8.	All Female		\$322,052.46
9.	Minority Female	Asian Pacific Female	\$72,992.06
10.		African American Female	\$89,224.10
11.		Latino Female	\$879.43
12.		Native American Female	\$0.00
13.		Other	\$0.00
14.		<b>Total Minority Female</b>	<b>\$37,021.64</b>
15.		<b>Total Minority</b>	<b>\$99,148.69</b>
16.	Non-Minority Female		\$178,100.18
17.	Service Disabled Veteran		\$62,127.05
18.	<b>Total Minority, Non-Minority Female &amp; Veterans</b>		<b>\$277,248.87</b>

Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2014 due to the SONGS Units 2 & 3 outages have been recorded in a balancing account. Therefore, procurement charges for 2014 for the Units 2 & 3 outages were not included in the procurement total used for calculation of WMDVBE spend.



Shared Objectives. Sustainable Progress.

# 2015 Annual Plan

## Chief Procurement Officer's Message

**“We plan to build on our 2014 successes through targeted outreach; partnering with diverse suppliers, community organizations and others; and mentoring and technical assistance programs to help diverse firms develop and grow. We also plan to increase participation in our diverse subcontracting program and improve spending with WMDVBEs in low-utilization areas.”**

**ALL OF US AT SCE ARE PROUD** of our supplier diversity accomplishments in 2014. We achieved what we set out to do – surpassing our aspirational goal of 40% in WMDVBE spend for the second consecutive year.

**WE KNOW THERE'S ROOM FOR IMPROVEMENT.** Long before 2014 was over, we started making plans to build on our successes to sustain our progress in 2015 and beyond. To ensure this, we expanded and strengthened relationships within SCE to increase awareness of supplier diversity objectives and participate in strategic planning efforts.

**WE ALSO DEVELOPED SUPPLIER DIVERSITY SPEND GOALS** for all SCE organization units, which support our efforts to increase internal awareness and demonstrate the importance of this business objective. Today, all units are accountable for meeting their WMDVBE goals.

**BEYOND SPEND AND GOAL SETTING,** we know our supplier diversity efforts require continued investment in the development of WMDVBEs. In 2015, we will focus a great deal of time and resources on EDGE, our supplier development initiative, including mentoring seven diverse firms with high potential to establish or increase business with SCE.



**WE PLAN TO HOST MULTIPLE CONTRACT READINESS WORKSHOPS** and launch target outreach initiatives aimed at increasing procurement opportunities with underrepresented supplier groups, such as African American-, Native American- and LGBT-owned businesses, and diverse power procurement firms.

**IN ADDITION, WE WILL CONDUCT SEVERAL** “Meet the Primes” matchmaking events to increase our WMDVBE subcontracting spend. Through past experiences, we know that connecting diverse Tier 2 firms with prime suppliers can be very effective in creating long-lasting business partnerships.

**INTERNALLY, WE INTEND TO CONTINUE REFINING PROCESSES** and reporting tools and stay abreast of best practices in supplier diversity to ensure our program remains strong.

**WE HAVE NO DOUBT** that through our supplier diversity activities in 2015, we will sustain our progress in our work with diverse businesses.

### **Doug Bauder**

Chief Procurement Officer and VP, Operational Services  
SOUTHERN CALIFORNIA EDISON

# 2015 Annual Plan

## GOALS (10.1.1)

WMDVBE Annual Short-, Mid- and Long-Term Goals														
PRODUCTS														
Short-Term (2015)					Mid-Term (2017)					Long-Term (2019)				
Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)
Male	Female				Male	Female				Male	Female			
10%	5.0%	15.0%	5.0%	1.5%	10%	5.0%	15.0%	5.0%	1.5%	10%	5.0%	15.0%	5.0%	1.5%
SERVICES														
Short-Term (2015)					Mid-Term (2017)					Long-Term (2019)				
Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)
Male	Female				Male	Female				Male	Female			
10%	5.0%	15.0%	5.0%	1.5%	10%	5.0%	15.0%	5.0%	1.5%	10%	5.0%	15.0%	5.0%	1.5%
PRODUCTS AND SERVICES														
Short-Term (2015)					Mid-Term (2017)					Long-Term (2019)				
Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)
Male	Female				Male	Female				Male	Female			
10%	5.0%	15.0%	5.0%	1.5%	10%	5.0%	15.0%	5.0%	1.5%	10%	5.0%	15.0%	5.0%	1.5%

SCE is committed to achieving the CPUC goal as stated in GO 156. SCE is also committed to meeting the following short-, mid- and long-term goals:

Short-Term	Mid-Term	Long-Term
40.0%	40.0%	40.0%

### PLANNED INTERNAL/EXTERNAL ACTIVITIES (10.1.2)

***“Supplier diversity is a core business strategy not solely owned by SCE’s Supplier Diversity and Development team. Every employee and business partner must actively participate in helping SCE achieve our supplier diversity goals. Our collective actions will serve as a testament of our shared objective to deliver real benefits to customers, communities, investors, and our economy.”***

— Eric Fisher, Principal Manager, Supplier Diversity and Development

### PLANNED INTERNAL ACTIVITIES

Continuous improvement is one of SCE’s five core values. Thus, we are constantly seeking opportunities to achieve operational excellence through streamlining processes, reducing costs, policy changes, and implementing best-in-class business practices.

This core value will continue to drive everything we do in supplier diversity. Under the leadership of the Supplier Diversity and Development team, we plan to execute our Supplier Diversity Sustainability Plan, along with:

- Sustaining 40% spend with diverse businesses, including a specific focus on spending in underutilized areas.

- Collaborating with internal stakeholders on supplier diversity strategies and initiatives.
- Increasing prime supplier engagement and participation with supplier diversity activities, specifically with our Tier 2 subcontracting program.
- Hosting several “Meet the Primes” matchmaking events.
- Partnering with business advocacy organizations to sponsor value-added technical assistance and capacity building training.
- Benchmarking, restructuring, and expanding program activities, components and/or measurements.

- Continuing outreach efforts to diverse suppliers in power procurement.
- Rolling out a web-based supplier registration tool using Ariba, an SAP company, to manage information in one location, quickly identify and assess new sources of suppliers, and rapidly onboard approved firms. Suppliers will be able to update their profiles and required documents through the Ariba network, making it possible to unify platform, process and supplier record/profiles to facilitate the buying process.



Suppliers make their way into Meet the Primes matchmaking event.

## PLANNED EXTERNAL ACTIVITIES

We plan to continue to partner with diverse firms, CBOs, and others to identify more opportunities to work with us. The following are among SCE's planned external activities in 2015:

### *African American Businesses*

In 2015, SCE will focus efforts on increasing procurement opportunities with African American businesses. For example, we will continue to work with an African American firm for opportunities to participate in Transmission and Distribution Services activities. Our Mentorship Program and matchmaking efforts will also play key roles

in helping these firms transition from Tier 2 to Tier 1 suppliers. We will partner with the U.S. Black Chamber of Commerce, which has 70-plus chapters throughout the U.S., to target African American suppliers, and continue our longstanding relationship with ADF Networking Consultancy to reach suppliers in niche business areas.

### *Asian American Businesses*

SCE will maintain our support of Asian business advocacy organizations through various forms of sponsorships. In addition, we will continue to partner with these organizations to offer technical assistance and capacity building training workshops.

### *Latino Businesses*

We will again play a prominent leadership role in the Latino business community on a national, state and local level. At the national level, we will be an active corporate partner with the U.S. Hispanic Chamber of Commerce. On a state level, we will be a strategic partner with the California Hispanic Chamber of Commerce, serve on its procurement committee, continue to support technical assistance and capacity building programs, and have a prominent role in its annual convention. Locally, we will provide ongoing support to various local Hispanic Chambers of Commerce, Latin Business Association, Los Angeles Latino Chamber of Commerce and the National Latina Business Women Association. This includes continuing to serve on local chamber committees/boards and participating in events that bring together SCE procurement decision makers with members of these organizations to facilitate doing business together.

In addition, we will strategically partner with these organizations to identify and develop technical assistance/capacity building and other developmental programs to meet the specific needs of their members to help advance their business goals.

### *Lesbian, Gay, Bisexual, and Transgender (LGBT) Businesses*

With the passage of California Assembly Bill 1678, SCE will continue to partner with the National Gay and Lesbian Chamber of Commerce (NGLCC) and expand our relationships with the local LGBT chambers. This will include sponsorship of the NGLCC National Business and Leadership conference and the Strategic Growth and Development Institute. In addition, we will engage with peer utilities to understand their plans and identify opportunities for collaboration.

### *Native American Businesses*

In 2015, SCE will continue to implement strategies to increase spend with Native American businesses and organizations, including the American Indian Chamber of Commerce of California (AICCC) and serving as its Advisory Council co-chair. We will again introduce procurement agents at chamber meetings to tribal business owners for upcoming contracts and discuss the advantages of supporting the AICCC and the Native American business community.

### *Service Disabled Veteran Businesses*

Through our support and engagement with service disabled veteran business enterprise (SDVBE) organizations and firms, we achieved significant contracting successes in both Tier 1

and Tier 2 categories in 2014. Supplier Diversity and Development will again partner with Supply Management and other departments to reach out to SDVBE organizations and others to identify additional business prospects at SCE. Plans are underway to identify subcontracting opportunities for SDVBEs and other diverse suppliers with the decommissioning of SONGS.

Supplier Diversity and Development will continue to meet with SDVBE organizations and businesses on best practices and other measures to further increase prime and subcontracting opportunities.

### **Women Organizations**

SCE will continue to sponsor women business advocacy organizations on a national and regional level. We plan to support Women's Business Enterprise National Council's (WBENC) 2015 Summit and Salute Conference and Annual National Conference and Business Fair.

In addition, we will expand our partnership with the Women's Business Enterprise Council-West (WBEC-West). This will include sponsorship of the organization's annual Strategic Procurement Opportunity Conference and utilization of its matchmaking tool for our Meet the Primes events.

### **Other Organizations**

SCE will continue our sponsorship of other minority business advocacy organizations. We plan to participate in Southern California Minority Supplier Development Council's Minority Business Opportunity Day, National Minority Supplier Development Council's annual conference, and other events.

### **Key WMDVBE Organizations and Events**

#### **Among the anticipated events in 2015:**

- American Association of Blacks in Energy – National Conference
- American Indian Chamber of Commerce of California – Annual June Recognition Luncheon & MEDweek Event
- American Indian Chamber of Commerce of California – Expo
- American Indian Chamber of Commerce of California – Heritage Month Luncheon
- Asian Business Association – Los Angeles Annual Awards Banquet
- Asian Business Association – Orange County's Annual Procurement Conference & Awards Gala
- Black Business Association – Los Angeles' Annual Procurement Exchange
- Black Business Association – Los Angeles' Annual Awards Dinner
- California DVBE Alliance – Keep the Promise
- California DVBE Alliance's "Salute to Veterans"
- California Hispanic Chambers of Commerce's Annual Convention, Economic Summit & Business Workshops
- Elite SDVOB Network – Annual National Convention
- Greater Los Angeles African American Chamber of Commerce – Annual Economic Awards Dinner
- Hispanic Chambers of Commerce (various local chambers) training and development workshops, business conferences and business matchmaking events
- Hispanic Lifestyle's Latina Business Conference & Expo
- Latin Business Association's Annual Minority Women's Business Conference Procurement Boot Camp Program and Sol Business Awards Gala
- Los Angeles Latino Chamber of Commerce's Latina Conference & Business Awards Luncheon and Matchmaking
- National Association of Women Business Owners – Los Angeles PEAK Academy Program & Annual Leadership and Legacy Awards Luncheon
- National Gay & Lesbian Chamber of Commerce – International Business and Leadership Conference
- National Gay & Lesbian Chamber of Commerce – National Dinner
- National Gay & Lesbian Chamber of Commerce – Policy and Procurement Forum
- National Latina Business Women Association – Business Management Academy, Emerging Latinas & Women in Business Awards
- National Minority Supplier Development Council – National Conference & Business Opportunity Fair
- Orange County Hispanic Chambers of Commerce Small Business Awards & Estrella Awards



- Regional Hispanic Chamber of Commerce's Superstar Procurement & Matchmaking, Southern California Conference, Business Development Conference & Matchmaking & Annual Mujeres Del Año Awards
- Southern California Minority Supplier Development Council – Leadership Excellence Awards
- Southern California Minority Supplier Development Council – Minority Business Opportunity Day
- Southern California Minority Supplier Development Council – Supplier of the Year Awards
- The Latino Coalition's Small Business Summit
- U.S. Hispanic Chambers of Commerce's Annual Convention
- US Pan American Chamber of Commerce Annual CelebrAsian Procurement Opportunity Conference
- Women's Business Enterprise Council – West's Annual Strategic Procurement Opportunity Conference
- Women's Business Enterprise National Council's Annual Summit & Salute/Annual Procurement Conference

#### **RECRUITMENT PLANS FOR SUPPLIERS IN LOW-UTILIZATION AREAS (10.1.3)**

**To increase procurement opportunities with WMDVBEs in low-utilization areas, we will continue to:**

- Employ public agencies, utilities, corporations, and trade organization databases as WMDVBE resources.
- Identify additional WMDVBE procurement spending opportunities in materials and services.
- Ensure inclusion of diverse suppliers during the procurement process, where applicable.
- Recruit, identify, and qualify diverse consultants.
- Participate in WMDVBE outreach events.
- Partner with organization units to introduce potential diverse firms.

#### **PLANNED SUBCONTRACTING ACTIVITIES (10.1.5)**

**We will continue to build on 2014's subcontracting successes by:**

- Diligently working with prime suppliers to create more subcontracting opportunities with diverse firms.
- Enhancing and expanding the internal Tier 2 tracking and reporting processes.
- Exploring new comprehensive reporting tools for the Supplier Diversity and Development, Procurement and organization unit teams.
- Strengthening partnerships between key internal stakeholders to identify, address and improve areas of low-utilization for Tier 2 contractors.



SCE's Chief Procurement Officer and VP, Operational Services Doug Bauder meets with a supplier at the Transmission and Distribution group's Meet the Primes event.

- Continuing to create and host events to facilitate introductions between SCE's prime suppliers and WMDVBEs with the goal of driving increased Tier 2 participation and/or partnerships.

#### **PROGRAM COMPLIANCE (10.1.6)**

We are pleased with our overall WMDVBE performance in 2014. Total procurement with diverse suppliers exceeded \$1.6 billion. Expenditures with diverse suppliers grew to 45%, up from 41% in 2013 and exceeding the CPUC's target of 21.5%.

We plan to build on this momentum by continuing targeted outreach, leveraging partnerships with diverse suppliers, CBOs and others, and offering mentoring and technical assistance programs to help WMDVBEs develop and grow. Areas of focus include increasing participation in the diverse subcontracting program and seeking more opportunities to improve spending with diverse suppliers in low-utilization areas.

SCE's goal for 2015 is to achieve 40% of total procurement spending with WMDVBEs.

## 2014 Annual Report

### POWER PROCUREMENT

SCE continued to make progress in providing power procurement opportunities to diverse firms. In 2014, natural gas and power transactions with WMDVBEs rose to \$250 million, an increase of more than 30% compared to 2013. Additionally, we procured and received deliveries of 34% of our natural gas from diverse suppliers, which is an increase of procurement from diverse suppliers of 46% compared to 2013.

In 2014, we negotiated Power Purchase Agreements (PPAs) and natural gas and power master agreements with diverse firms, which led to four PPAs and the achievement of more than 20 enabling agreements since the inception of the program. We also assisted WMDVBEs to transact energy products with SCE, which resulted in approximately 40 natural gas and power transactions.

#### INTERNAL/EXTERNAL ACTIVITIES (9.1.1)

Transactions for new resources have a long lead time prior to development and delivery, and in the case of long term PPAs for new resources, financial benefits are realized many years after entering into an agreement. We understand the early effort required to increase supplier diversity in power procurement; therefore, we continue to participate in and support outreach activities.

For example, SCE partnered with and coordinated efforts for the three California IOUs' participation at the Western Systems Power Pool (WSPP)/North American Energy Market Association (NAEMA) Supplier Diversity Power Workshop. The event



SCE Principal Manager, Physical Power Trading Max Carpenter (seated left) served as a panelist alongside representatives from Pacific Gas & Electric and San Diego Gas & Electric at an industry conference.

attracted 50-plus attendees and featured panel discussions on "Introduction and Opportunities in the California Power Market" and "Thriving in the Power Market – A Diverse Business Enterprise and Prime Perspective." It also included a reception hosted by the IOUs, which was attended by SCE energy procurement leadership, other industry executives, and CPUC president.

Additionally, we participated in Electric Utility Consultants, Inc.'s (EUCI) "Renewable Energy Procurement Request for Proposals" advanced symposium, further continuing the discussion and importance of supplier diversity with more than 10 different market participants.

As a general business practice, supplier diversity was a standard topic of discussion among the energy procurement team. The team hosted five bidder conferences (in-person and via webinar for all suppliers, including diverse firms) to communicate information on how to do business with SCE. Bidders' conferences are designed to provide all suppliers with information on eligibility requirements, necessary documents, and how to participate in SCE solicitations.

Internally, we continued to emphasize WMDVBE opportunities (e.g., reporting requirements if none were included in PPAs, opportunities for subcontracting spend) with our energy procurement staff. This resulted in incorporating language into amended PPAs, where applicable, that requires the seller to report data on diverse subcontractor spend.

#### During the year, we also:

- Partnered with other utilities and led the development of the annual reporting template to better track and understand progress among all IOUs (see page 33).
- Held regular internal briefings with the SCE energy procurement team to increase awareness and update efforts on WMDVBE Power Procurement.
- Provided monthly updates to the energy procurement executive leadership team.
- Selected a diverse power supply firm to participate in EDGE, SCE's supplier development initiative.
- Requested all Tier 2 spend with diverse suppliers from all SCE PPA holders.
- Conducted Renewable Portfolio Standard Request for Offers (RPS RFO) debrief discussions with market participants as requested by participants, including WMDVBEs.
- Amended existing PPAs, as applicable, to include WMDVBE reporting requirements and executed two PPA amendments for change in project ownership to new owners that are WMDVBE.
- Participated in outreach activities, such as the L.A. Small Business Expo and Matchmaking Fair at the Skirball Cultural Center.

**SUMMARY OF PURCHASES AND/OR CONTRACTS (9.1.2) (ALL DOLLARS IN \$MM)**

		Results by Ethnicity and Gender															Results by WMDVBE Certification						
Product <sup>1</sup>	Unit	Asian Pacific			African American			Latino			Native American			Other Minority			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Subcontracting	Total WMDVBE Procurement Spend <sup>3</sup>	Total Procurement Spend	
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Total	Total	Total				Total
Power Purchased	Renewable Power Products Direct	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$1	\$1,547	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
		\$ <sup>2</sup>	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$1	\$29
		% <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	2.2%	
	Non-Renewable Power Products Direct	Physical	\$	\$-	\$-	\$-	\$-	\$-	\$14	\$-	\$14	\$-	\$-	\$-	\$-	\$-	\$-	\$14	\$8	\$-	\$1	\$23	\$1,672
			%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.5%	0.0%	0.1%	1.4%	
		Financial	\$ <sup>2</sup>	\$-	\$-	\$-	\$-	\$-	\$14	\$-	\$14	\$-	\$-	\$-	\$-	\$-	\$-	\$14	\$-	\$-	\$1	\$15	\$924
			% <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.1%	1.6%	
Fuels for Generation	Diesel Direct	\$	\$-	\$-	\$-	\$-	\$-	\$6	\$-	\$6	\$-	\$-	\$-	\$-	\$-	\$-	\$6	\$-	\$-	\$-	\$6	\$6	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%		
	Nuclear Direct	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-		\$-	\$-	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		
Natural Gas Direct	Physical	\$	\$-	\$172	\$172	\$-	\$-	\$-	\$41	\$-	\$41	\$-	\$-	\$-	\$-	\$-	\$213	\$3	\$12		\$227	\$668	
		%	0.0%	25.8%	25.8%	0.0%	0.0%	0.0%	6.1%	0.0%	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	31.9%	0.4%	1.7%		34.0%		
	Financial	\$ <sup>2</sup>	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-		\$-	\$13	
		% <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		
Post 2011	SubTotal of Columns <sup>2</sup>	\$	\$-	\$172	\$172	\$-	\$-	\$-	\$61	\$-	\$61	\$-	\$-	\$-	\$-	\$-	\$233	\$3	\$12	\$2	\$249	\$1,640	
	SubTotal % of Total Procurement Spend	%	0.0%	10.5%	10.5%	0.0%	0.0%	0.0%	3.7%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	14.2%	0.2%	0.7%	0.1%	Overall WMDVBE %: 15.2%		
All	SubTotal of Columns <sup>4</sup>	\$	\$-	\$172	\$172	\$-	\$-	\$-	\$61	\$-	\$61	\$-	\$-	\$-	\$-	\$-	\$233	\$11	\$12	\$2	\$257	\$3,934	
	SubTotal % of Total Procurement Spend	%	0.0%	4.4%	4.4%	0.0%	0.0%	0.0%	1.6%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%	0.3%	0.3%	0.0%	Overall WMDVBE %: 6.5%		

<sup>1</sup> Excludes purchases from the CAISO, other IOUs, utilities, federal entities, state entities, municipalities and cooperatives.

<sup>2</sup> Includes only long term power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011.

<sup>3</sup> Total WMDVBE spend does not include pre-COD subcontracting values.

<sup>4</sup> Includes all power procurement commitments.



“Through SCE’s mentorship, we created and launched an entirely new company, and we are doing even more work with the utility than ever before.”

## Guzman Energy

### WORK WITH SCE FINANCE LEADS TO NEW BUSINESS VENTURE

After more than a decade of conducting fixed income and capital markets transactions on behalf of SCE, Guzman & Company was interested in expanding its relationship with the utility.

In 2013, the financial services firm approached SCE’s Finance team about providing additional services. What emerged from that discussion was an idea to launch Guzman Energy LLC, a full service energy and commodities services company.

With a trading desk and infrastructure already in place, SCE saw tremendous potential in Guzman as a power supplier. “That meeting was the impetus for a new line of business – SCE planted the seed,” says Chris Riley, president, Guzman Energy, and managing director, Guzman & Company.

SCE provided guidance to Guzman Energy before launching in December 2013. “We went back to SCE several times, and they were candid and gave us good advice,” he adds, noting that as a wholesale energy distributor, the company focuses on electric power, renewable energy, and natural gas.

Today, Guzman Energy, which now serves 50-plus energy customers, has eight employees and expects to have nearly 20 by the end of 2015. It also recently opened an office in Denver. Both Guzman Energy and Guzman & Co. are affiliates of Guzman, Inc., a Latino-owned firm based in South Florida and founded by Leopoldo Guzman.

“Through SCE’s mentorship, we created and launched an entirely new company, and we are doing even more work with the utility than ever before,” Riley says.

**Pictured above: Lance Titus (seated), Jeffrey Heit and Damian Irizarry at Guzman Energy’s new Denver office.**

### PROGRAM EXPENSES (9.1.3)

See 2014 Annual Report, section 9.1.3, on page 17.

### GOAL PROGRESS (9.1.4)

SCE continued to make significant progress in WMDVBE power procurement as we increased spend more than 30% from 2013, striving towards the General Order 156 goal of 21.5% spend with diverse suppliers in power supply. In addition, 34% of our natural gas deliveries were from diverse suppliers; increased participation of diverse suppliers in solicitations resulted in four PPAs extended, with three PPAs ultimately accepted and executed; and two PPA amendments for change in project ownership went to new diverse firms.

For the first time since the EDGE program’s inception, we explored technical assistance opportunities in power procurement with a woman-owned wholesale power marketer. This opportunity will inform the process and program for future power procurement participants.

In 2014, we again looked at internal credit policies and practices that encouraged increased transactions with suppliers. We continued to discuss the alternative for offers associated with the Hopi Tribe and/or Navajo Nation that qualify under the requirements of D.13-02-004. These may be entitled to use available funds from the Mohave SO2 Revolving Fund to meet the development security obligations under an RPS PPA, subject to the provision of the necessary documentation and assurances in a final agreement.

Additionally, we extended debriefing meetings to all market participants, including WMDVBE participants to improve on future solicitations.

**PRE-COD POWER PROCUREMENT SUBCONTRACTING SPEND**

Results by Ethnicity and Gender																	Results by WMDVBE Certification			Total Pre-COD Subcontracting
Product	Unit (\$MM)	Asian Pacific			African American			Latino			Native American			Other Minority			Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)	
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Total	Total	Total	
Renewable Power Products	\$	\$-	\$0.76	\$0.76	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.76	\$0.46	\$-	\$1.22
Non-Renewable Power	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Total</b>	\$	\$-	\$0.76	\$0.76	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.76	\$0.46	\$-	\$1.22

This table reflects Pre-Commercial Operation Date (COD) subcontracting spend that is not captured in table 9.1.2.

We also continued to have a lead in Power Procurement dedicated to facilitating learning opportunities for all market participants, including diverse firms, about SCE's power procurement activities and RFO processes.

**SUBCONTRACTORS (9.1.5)**

In 2014, SCE continued to request conventional and renewable generators with contracts to supply information related to the generators' Tier 2 spend with WMDVBEs. The responses showed approximately \$2.8 million in Tier 2 spend. Of this amount, \$1.64 million is reportable in table 9.1.2 on page 33. The remaining is pre-Commercial Operation Date (pre-COD) Tier 2 spend and, therefore, included in the table above.

**COMPLAINTS (9.1.6)**

SCE did not receive any formal complaints in 2014.

**RETENTION OF ALL DOCUMENTS/DATA (9.1.9)**

SCE will preserve all documents and data related to the Supplier Diversity Annual Report for: a) three years or b) the timeframe that is in compliance with SCE's internal document retention policy, whichever comes later. We will provide these documents and data to the CPUC upon request.

**PARTICIPATION RESULTS BY FUEL CATEGORY (9.1.10A)**

Participation results are illustrated on page 33.

**MARKET CONDITIONS AND OUTREACH (9.1.10B)**

WMDVBE power procurement continues to present large challenges for SCE. The long lead time of certain projects, volatility of the market, and complexity of market and certain credit obligations provide obstacles for the engagement of diverse suppliers.

However, our outreach activities with diverse firms, industry participants and energy procurement team have raised awareness regarding General Order 156 goals. SCE's external activities are summarized in Section 9.1.1 on page 32 and continues on page 33.

## 2015 Annual Plan

### POWER PROCUREMENT

#### GOALS (10.1.1)

SCE's goal is to continue to engage market participants and our energy procurement team in meeting General Order 156 objectives. We do not set targeted goals for wholesale energy purchases because of the least-cost, best-fit principles of the Long-Term Procurement Plan. We have, however, set internal goals for the following:

- Assist and support participants, including diverse firms, in the different RFOs and RFO processes.
- Increase our reportable spend with WMDVBEs above 2014's level, striving towards 21.5% target.
- Increase awareness and support of General Order 156 through local and national industry events.

#### PLANNED INTERNAL/EXTERNAL ACTIVITIES (10.1.2)

We will continue efforts to increase spending with diverse suppliers in power procurement through outreach, training programs, reviewing lessons learned and best practices with diverse participants, and partnering with community organizations and others in the power industry.

In 2015, Power Procurement plans to encourage WMDVBE participation in the following solicitations, as available:

- Solar Photovoltaic Program
- Preferred Resources Pilot Distributed Generation
- Combined Heat and Power
- 2014 Renewables Portfolio Standard
- Renewable Auction Mechanism
- All Source RFO
- Energy Storage

#### In addition, we will continue to:

- Raise awareness among diverse suppliers and industry participants about SCE's efforts to increase WMDVBE power procurement.
- Review and examine internal credit policies and practices to determine whether alternatives exist that will increase diversity in SCE's supplier pool, reduce supplier concentration, and foster a competitive market.
- Seek opportunities to include the pro forma language requesting WMDVBE Tier 2 spend to be reported annually while amending PPAs.
- Increase awareness and provide training in power procurement contracting.

#### RECRUITMENT PLANS FOR SUPPLIERS IN LOW-UTILIZATION AREAS (10.1.3)

SCE is aware that this area of the commodities market (for electric generation) is a challenge to enter for most diverse suppliers. However, we are

committed to identifying and working with any potential counterparties who have experience in wholesale energy, regardless of their location.

#### PLANNED SUBCONTRACTING ACTIVITIES (10.1.5)

SCE will continue to encourage major contractors to identify opportunities to partner with diverse subcontractors, where applicable.

Internally, the Power Procurement and Supplier Diversity and Development teams will continue to collaborate and partner to support diverse suppliers in the PPA and RFP process along with increasing the use of diverse subcontractors.

Additionally, the teams will explore opportunities to integrate and consolidate our subcontracting reporting and participation process, enhancing the reporting process for our PPA holders, and consolidating them into one process to create ease and efficiency in reporting.

Externally, SCE will again look for opportunities to introduce subcontractors with PPA holders. We will continue to encourage PPA holders to utilize diverse contractors where there are subcontracting opportunities. Our efforts will include market outreach through subcontracting spend report requests, market notification, bidders' conferences, community organization involvement, and industry conferences and seminar participation.

#### PROGRAM COMPLIANCE (10.1.6)

SCE intends to fully comply with General Order 156 program guidelines.

## 2014 Annual Report

### FUEL PROCUREMENT FOR NON-GENERATION

#### INTERNAL/EXTERNAL ACTIVITIES (9.1.1)

During the year, SCE continued to focus efforts on strengthening relationships with existing diverse fuel suppliers and establishing new relationships through negotiations of new enabling agreements with additional WMDVBES. We also worked with prime diverse suppliers to develop a WMDVBE subcontracting program.

#### PROGRAM EXPENSES (9.1.3)

Refer to 2014 Annual Report, section 9.1.3, on page 17.

#### GOAL PROGRESS (9.1.4)

SCE did not have WMDVBE spend in this category.

#### SUBCONTRACTORS (9.1.5)

SCE did not have WMDVBE subcontracting for core customers in Catalina in 2014 (see table on page 38 under section 9.1.2).

#### COMPLAINTS (9.1.6)

SCE did not receive any formal complaints related to fuel procurement in 2014.

#### RETENTION OF ALL DOCUMENTS/DATA (9.1.9)

SCE will preserve all documents and data related to the WMDVBE annual report for a) three years or (b) the timeframe that is in compliance with SCE's internal document retention policy, whichever comes later. We will provide these documents and data to the commission upon request.

#### PARTICIPATION RESULTS BY FUEL CATEGORY (9.1.10A)

Participation results are illustrated in 9.1.2 on page 38.

#### MARKET CONDITIONS AND OUTREACH (9.1.10B)

We continue to work with WMDVBES and prime suppliers to provide more opportunities for diverse suppliers as they face many challenges in this competitive market.

## 2014 Annual Plan

### FUEL PROCUREMENT FOR NON-GENERATION

#### GOALS (10.1.1)

SCE faces many challenges, but plans to work with internal organizations and WMDVBES to create opportunities in this area.

#### PLANNED INTERNAL/EXTERNAL ACTIVITIES (10.1.2)

We intend to coordinate outreach to WMDVBES for upcoming bidding opportunities for fuels procurement.

#### RECRUITMENT PLANS FOR SUPPLIER IN LOW-UTILIZATION AREAS (10.1.3)

SCE will partner with trade and ethnic chambers to reach out and identify WMDVBES in this area.

#### PLANNED SUBCONTRACTING ACTIVITIES (10.1.5)

We will work with prime diverse suppliers to identify WMDVBES to increase participation in SCE's subcontracting program with future procurement opportunities.

#### PROGRAM COMPLIANCE (10.1.6)

SCE intends to fully comply with General Order 156 program guidelines.

**SUMMARY OF PURCHASES AND/OR CONTRACTS (9.1.2) (ALL DOLLARS IN \$MM)**

Results by Ethnicity and Gender																	Results by WMDVBE Certification			Total WMDVBE Procurement Spend	Total Procurement Spend		
Product <sup>1</sup>	Unit (\$MM)	Asian Pacific			African American			Latino			Native American			Other Minority			Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (SDVBE)				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Total	Total	Total	Total	Total		
LPG	Short Term	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Long Term	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$-	\$1	\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$-	\$-	\$1	\$1	\$1
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	100.0%	
	Total LPG	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$-	\$-	\$1	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	100.0%	
<b>Overall Total \$</b>		\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$-	\$1	\$-	\$-	\$-	\$-	\$-	\$-	\$1	\$-	\$-	\$1	\$1	\$1	
<b>Overall Total %</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	<b>Overall WMDVBE% 100.0%</b>			

Note:

Short Term Gas - The term of the deal is no longer than one calendar month.

Long Term Gas - The term of the deal is greater than one calendar month but less than one calendar year.

<sup>1</sup> Excludes purchases from the CAISO, other IOUs, utilities, federal entities, state entities, municipalities and cooperatives.



**SUMMARY OF PURCHASES AND/OR CONTRACTS (9.1.2)**

WMDVBE Annual Results by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1.	Minority Male	Asian Pacific	Direct	\$16,243,927	1.9%	\$103,101,922	3.5%	\$119,345,849	3.2%
2.		African American	Direct	\$21,423,651	2.5%	\$38,088,862	1.3%	\$59,512,513	1.6%
3.		Latino	Direct	\$128,817,140	15.1%	\$204,940,712	7.0%	\$333,757,852	8.8%
4.		Native American	Direct	\$23,204	0.0%	\$50,916,580	1.7%	\$50,939,784	1.3%
5.		Other	Direct	\$633	0.0%	\$5,127	0.0%	\$5,760	0.0%
6.		<b>Total Minority Male</b>	<b>Direct</b>	<b>\$166,508,555</b>	<b>19.5%</b>	<b>\$397,053,204</b>	<b>13.6%</b>	<b>\$563,561,759</b>	<b>14.9%</b>
7.	Minority Female	Asian Pacific	Direct	\$9,286,228	1.1%	\$40,425,974	1.4%	\$49,712,202	1.3%
8.		African American	Direct	\$5,556	0.0%	\$33,930,181	1.2%	\$33,935,737	0.9%
9.		Latino	Direct	\$3,540,900	0.4%	\$33,144,378	1.1%	\$36,685,279	1.0%
10.		Native American	Direct	\$699,966	0.1%	\$1,275,211	0.0%	\$1,975,176	0.1%
11.		Other	Direct	\$98,698	0.0%	\$253,946	0.0%	\$352,644	0.0%
12.		<b>Total Minority Female</b>	<b>Direct</b>	<b>\$13,631,347</b>	<b>1.6%</b>	<b>\$109,029,691</b>	<b>3.7%</b>	<b>\$122,661,038</b>	<b>3.2%</b>
13.	Total Minority Business Enterprise (MBE)		Direct	\$180,139,902	21.1%	\$506,082,895	17.3%	\$686,222,797	18.2%
14.	Woman Business Enterprise (WBE)		Direct	\$61,988,400	7.3%	\$364,303,049	12.4%	\$426,291,449	11.3%
15.	Total Women, Minority Business Enterprise (WMBE)		Direct	\$242,128,302	28.4%	\$870,385,944	29.7%	\$1,112,514,246	29.4%
16.	Service Disabled Veteran Business Enterprise (SDVBE)		Direct	\$31,150,256	3.7%	\$39,504,217	1.3%	\$70,654,473	1.9%
17.	<b>TOTAL WMDVBE</b>		<b>Direct</b>	<b>\$273,278,558</b>	<b>32.0%</b>	<b>\$909,890,162</b>	<b>31.1%</b>	<b>\$1,183,168,719</b>	<b>31.3%</b>
18.	<b>Net Procurement</b>			<b>\$3,779,520,066</b>					
19.	Total Product Procurement			\$853,058,946					
20.	Total Service Procurement			\$2,926,461,120					
21.	<b>Net Procurement**</b>			<b>\$3,779,520,066</b>					

Percentage for "Products" expenditures are WMDVBE compared to "Total Product Procurement" expenditures.  
 Percentage for "Services" expenditures are WMDVBE compared to "Total Service Procurement" expenditures.  
 Percentage for "Total" expenditures are WMDVBE compared to "Net Procurement" expenditures.  
 \*\*Note: Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2014 due to the SONGS Units 2 & 3 outages have been recorded in a balancing account. Therefore, procurement charges for 2014 for the Units 2 & 3 outages were not included in the procurement total used for calculation of WMDVBE spend.

## SUMMARY OF PURCHASES AND/OR CONTRACTS (9.1.2)

WMDVBE Procurement by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1.	Minority Male	Asian Pacific	Sub	\$2,045,396	0.2%	\$12,162,985	0.4%	\$14,208,381	0.4%
2.		African American	Sub	\$2,178,882	0.3%	\$26,259,369	0.9%	\$28,438,252	0.8%
3.		Latino	Sub	\$10,673,309	1.3%	\$171,739,923	5.9%	\$182,413,232	4.8%
4.		Native American	Sub	\$0	0.0%	\$3,823,281	0.1%	\$3,823,281	0.1%
5.		Other	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
6.		<b>Total Minority Male</b>	<b>Sub</b>	<b>\$14,897,588</b>	<b>1.7%</b>	<b>\$213,985,558</b>	<b>7.3%</b>	<b>\$228,883,146</b>	<b>6.1%</b>
7.	Minority Female	Asian Pacific	Sub	\$46,472,895	5.4%	\$5,447,752	0.2%	\$51,920,647	1.4%
8.		African American	Sub	\$0	0.0%	\$238,435	0.0%	\$238,435	0.0%
9.		Latino	Sub	\$210,692	0.0%	\$32,776,883	1.1%	\$32,987,575	0.9%
10.		Native American	Sub	\$184,546	0.0%	\$8,653	0.0%	\$193,199	0.0%
11.		Other	Sub	\$0	0.0%	\$38,094	0.0%	\$38,094	0.0%
12.		<b>Total Minority Female</b>	<b>Sub</b>	<b>\$46,868,134</b>	<b>5.5%</b>	<b>\$38,509,816</b>	<b>1.3%</b>	<b>\$85,377,950</b>	<b>2.3%</b>
13.	Total Minority Business Enterprise (MBE)		Sub	\$61,765,722	7.2%	\$252,495,374	8.6%	\$314,261,096	8.3%
14.	Woman Business Enterprise (WBE)		Sub	\$38,759,308	4.5%	\$145,522,438	5.0%	\$184,281,746	4.9%
15.	Total Women, Minority Woman Business Enterprise (WMBE)		Sub	\$100,525,030	11.8%	\$398,017,812	13.6%	\$498,542,842	13.2%
16.	Service Disabled Veteran Business Enterprise (SDVBE)		Sub	\$918,607	0.1%	\$16,887,520	0.6%	\$17,806,127	0.5%
17.	<b>TOTAL WMDVBE</b>		<b>Sub</b>	<b>\$101,443,637</b>	<b>11.9%</b>	<b>\$414,905,332</b>	<b>14.2%</b>	<b>\$516,348,969</b>	<b>13.7%</b>
18.	<b>Net Procurement**</b>			<b>\$853,058,946</b>		<b>\$2,926,461,120</b>		<b>\$3,779,520,066</b>	

\*\*Note: Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Pursuant to Section 4.1.1 of Decision No. 12-11-051, charges incurred in 2014 due to the SONGS Units 2 & 3 outages have been recorded in a balancing account. Therefore, procurement charges for 2014 for the Units 2 & 3 outages were not included in the procurement total used for calculation of WMDVBE spend.









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