



Supplier Diversity

Helping to Build America's Best Energy Infrastructure Company



Diverse Business Enterprises • 2018 Annual Report • 2019 Annual Plan

March 1, 2019



A  Sempra Energy utility®

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2018 SDG&E Supplier Diversity Annual Report

Letter from SDG&E Chairman and CEO Kevin Sagara



As the new Chairman and Chief Executive Officer of SDG&E, I am inspired and humbled by the opportunity to build upon SDG&E's successful supplier diversity program.

In 2018, SDG&E achieved the highest level of spending with diverse businesses in the history of our company, purchasing 43.9 percent, or over \$722 million, worth of goods and services. This is the sixth consecutive year that SDG&E's supplier diversity spending has been above 40 percent, far exceeding the California Public Utilities Commission's (CPUC) goal of 21.5 percent. That's an accomplishment we all can be proud of.

With the rapid evolution occurring in the energy business, there are tremendous opportunities ahead of us - opportunities for innovation, opportunities to create new industries and new jobs that have never existed before. California's diverse businesses will lead the way in shaping our energy future.

SDG&E has a long history of fostering a diverse workplace and partnering with diverse businesses to supply the goods and services our company needs. We value diversity because it not only produces better business decisions, but it creates an inclusive culture that represents the customers, suppliers, and the communities we serve.

I am proud of what has been accomplished to promote diversity and create new business opportunities. The innovation, commitment and proven track-records of our diverse suppliers is integral to helping SDG&E build America's best energy infrastructure company.

Kevin Sagara
SDG&E Chairman and CEO

Conversation with President Scott Drury



There is more competition with your growing supplier base. Was it difficult to have sustainable growth and spend with your diverse suppliers?

Diversity and inclusion have been core values at SDG&E for decades, which has helped us develop a competitive advantage over time in contracting with a growing base of diverse, local talent.

We have deliberately looked for smaller suppliers who bring value to our enterprise and have helped them grow by providing guidance, mentoring and technical assistance.

There are many success stories where smaller contractors start out in a subcontractor role, grow in size and capacity, and eventually become prime contractors who provide high-quality and cost-effective service.

What we do to cultivate a diverse supplier base is no different than what we do to build a diverse workforce. In fact, one supports the other. We have employees who serve as supplier champions and diversity ambassadors, helping local firms connect with business opportunities.

We talked about the use of subcontractors for your diverse suppliers. How do your prime suppliers identify subcontractors?

It is all about bringing the right people together for the right opportunities at the right time.

Our supplier diversity team hosts matchmaking events to connect primes with diverse suppliers. When we have sourcing opportunities, we partner with our prime suppliers to identify subcontractors for specialized services that fall outside of the core competencies of the primes.

You achieved a good level of diversity spend. What do you envision for the future, three to five years out?

SDG&E has a culture of continuous improvement. We believe there is always more that we can do to better serve our customers, suppliers, employees, and ultimately, the greater community where we live and work. When our primes and subs do well, they generate jobs and contribute to our collective prosperity.

Every year we recommit to growing and developing our pool of diverse suppliers by kicking up our efforts a notch.

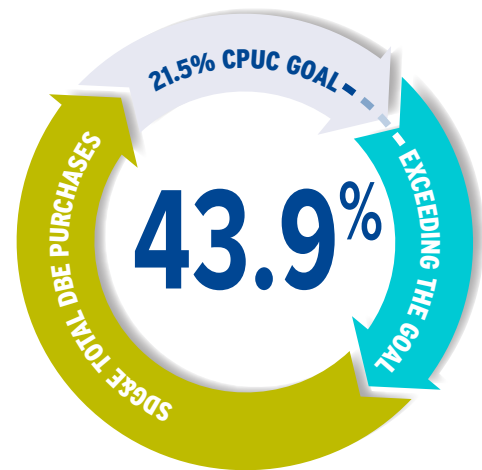
We will continue to invest in new technical assistance programs that target the needs of emerging suppliers in areas of technology innovation and cyber security.

Our diversity ambassadors' program continues to grow. Today we have more than 180 employees actively helping SDG&E identify and develop suppliers. Through these diversity champions, suppliers receive guidance to grow their business.

Scott Drury
SDG&E President

Executive Summary

San Diego Gas & Electric Company (SDG&E) maintained strong supplier diversity spending results in 2018 with 43.9 percent, or over \$722 million. This is the highest level of spending with diverse businesses in the history of our company, once again exceeding the California Public Utilities Commission's (CPUC) General Order 156 goal of 21.5 percent. Our 2018 results were driven by core business areas, such as Operations Support, Major Projects, Construction Services and Gas Operations. It is important that we foster these relationships with diverse suppliers because the spending in these core areas is significant. These areas contributed over 54.0 percent, or \$389.9 million, in 2018.

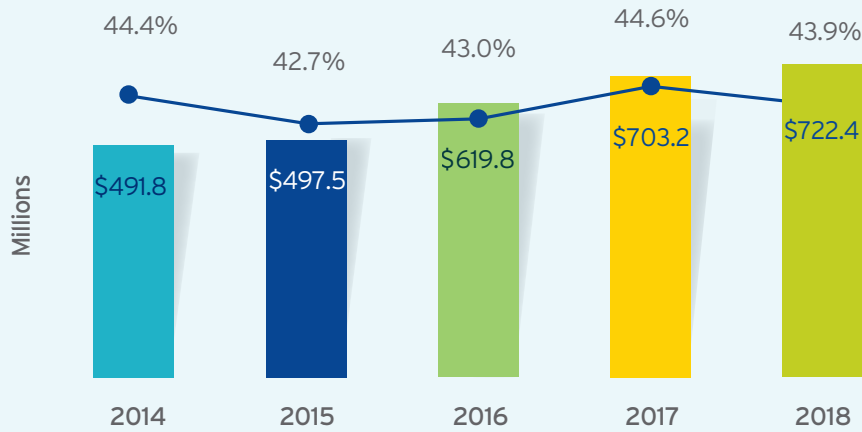


SDG&E SIGNIFICANT ACHIEVEMENTS IN 2018:

- Recipient of national awards for reliability and wildfire risk mitigation, known as the Reliability One National Award;
- Continue leading in the delivery of clean, reliable energy, supplying around 45 percent from renewable resources with no coal contracts in our portfolio;
- Enabling clean transportation, with a streamlined process to energize 825 Power Your Drive electric vehicle charging stations nozzles, with another 1,760 nozzles in design and construction;
- Leading the way in electric vehicle adoption, employees finished the Race to 500 two years early with more than 500 employees driving plug-in hybrid or all electric vehicles, which helps to reduce air pollution and carbon emissions;
- Advancing contractor safety with 98 percent of prime contractors enrolled in our contractor safety program, which holds all contractors to established safety and compliance standards;
- Connecting 415 mobile home owners to safe and reliable gas and electric service through our Mobile Home Park Retrofit Program;
- Received approval to replace our 20-year-old Customer Information System with a new, more dynamic solution that will transform both the customer experience and how we serve them;
- Focusing on improving the customer experience, we are well on our way to meet our Customer Connection Survey goals for overall self-service.

9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM

2014-2018 SUPPLIER DIVERSITY SPENDING (\$ AND %)



Key spending and accomplishments contributing to 2018 supplier diversity success

Direct spending - increased more than \$52.5 million, from \$454.8 million to \$507.3 million, representing 30.8 percent in supplier diversity spending.

\$507.3
Million

Subcontracting - totaled more than \$215.0 million for both core business and capital projects, representing 13.0 percent in supplier diversity spending.

\$215.0
Million

Category highlights

Minority Business Enterprise (MBE)

Spending was \$418.6 million or nearly 25.5 percent.

\$418.6
Million

Women Business Enterprise (WBE)

Spending was \$227.2 million or 13.8 percent.

\$227.2
Million

Minority Women Business Enterprise (MWBE)

Spending was \$54.0 million or 3.3 percent.

\$54.0
Million

Service-Disabled Veteran Business Enterprise (DVBE)

Spending was \$70.8 million or 4.3 percent.

\$70.8
Million

INTERNAL ACTIVITIES

Executive Support - Supplier diversity is a priority at SDG&E. Our executives, directors and managers are fully committed to supplier diversity and diligently work to achieve the company's supplier diversity goals. Executives meet quarterly with the Supplier Diversity team and the management team actively promotes contract opportunities in strategic planning sessions.

SDG&E Supplier Diversity Executive Champions - In 2018, we formalized our Executive Champion program. This program provides a forecast to establish goals for each division, provides an opportunity to identify key supplier diversity champions, address strategy to partner with key Prime suppliers that support subcontracting within the Executive's division.

SDG&E Supplier Diversity Champion and Ambassador Program - Since its formation in 2013, our Supplier Diversity Champions and Ambassadors have grown to over 180 members, representing a broad range of SDG&E departments. Our Ambassadors actively work with the Supplier Diversity team to identify opportunities to include diverse suppliers in contract bids. In addition, they mentor new diverse suppliers to ensure they are competitive and able to grow into prime roles.

Diversity & Inclusion Summit and Awards - The 2018 Sempra Energy Diversity & Inclusion Summit recognized employees, diverse suppliers and guests. There were breakout sessions, keynote speakers and an awards ceremony. Employees were honored with awards for outstanding performance and a commitment to supplier and workplace diversity.

Category Management Transition - In 2018 Supply Management joined with Supplier Diversity to implement Category Management, an end-to-end process for buying goods and services with commodities grouped into specific categories. Category Management will provide more strategic planning and early engagement with our clients to identify opportunities for diverse suppliers to compete and win as primes and subcontractors.

Smaller Contractor Opportunity Realization Effort (SCORE) - 18 diverse suppliers participated in SCORE in 2018 with a total direct spend of \$15.3 million. SDG&E had a 7 percent increase in spending over last year largely because of ongoing efforts in coaching and mentoring the suppliers.

INTERNAL EVENTS

Joint Utility Supplier Forum - This forum was a joint effort between Southern California Gas Company (SoCalGas) and SDG&E to help onboard new suppliers, provide updated information about future projects and share insights about several major capital projects. Over 50 company professionals, 100 diverse businesses, and 25 of our largest prime suppliers participated.

National Diversity Coalition (NDC) - SDG&E and SoCalGas hosted an annual networking meeting with the NDC to discuss and identify potential diverse business opportunities in key spending areas including: process efficiency improvements, program audits, tax and management consulting. NDC members met with utility leaders and representatives from KPMG to discuss potential service needs and contract opportunities.

Supplier Diversity Symposiums - This process identifies, pre-qualifies, and onboards new diverse suppliers within the supply chain process. In 2018, SDG&E orchestrated symposiums that focused on the areas of: Project Management, Gas & Electric Construction, Material Management & Logistics and Data Analytics.



Michael Schneider, SDG&E Supplier Diversity Executive

"We need suppliers that have a proven track record of delivering results in a changing business environment, aligned to our key values of safety and compliance, that bring innovative solutions that make us better as a company and help us prepare for the future."



Denita Willoughby "Core Competencies of Supplier Diversity"

"Our suppliers must create value by helping us reduce costs, drive innovation, manage risk, and improve safety."

Q: What core competencies are required from our diverse suppliers to be successful within the utility industry?

- Manage Risk - Assess risks with the objective of reducing vulnerability and ensuring continuity
- Drive Innovation - Leverage best practices and emerging trends to help advance our business
- Improve Financials - Collaborate to streamline processes and drive cost benefits
- Improve Safety - Manage and promote safety standards while ensuring that sustainable products are produced and used throughout the supply chain



Mike Kelsey "Sustainability of Supplier Diversity"

"I am very proud that our company has continuously achieved outstanding DBE results year over year! The internal focus on building a team of Ambassadors that understand the value of supplier diversity and their willingness to help develop a pool of qualified businesses is second to none. It truly is a key component of our Supply Chain success!"

Q: What are SDG&E's expectations to ensure your suppliers are sustainable?

With the implementation of category management, we need to ensure our suppliers are:

- Driving Competition - Able to flex, adapt, and transform the industry
- Utilizing Technology - Transcending an industry group by capturing a larger portion of the market share
- Impacting Local Communities - Job creation, tax revenue and supporting local, educational and community efforts



Sydney Furbush "Transforming Supplier Diversity"

"Leaders must embrace change in our industry that is quickly being transformed by technology and innovation."

Q: SDG&E has achieved over 40% in the past 5 years, what are you doing to keep the supplier diversity program successful and relevant?

- Executive Commitment - Executives must set the tone by empowering employees through training of new technology and future trends.
- Employee Driven Programs - Employees must be passionate about embracing new ideas and breaking away from norms.
- Best In Class Suppliers - Identify diverse suppliers that are leaders within their industry group that leverage innovation and technology to become change agents.

SUPPLIER DEVELOPMENT AND TECHNICAL ASSISTANCE

SDG&E continues to evaluate its technical assistance programs to ensure the training is relevant to meet the needs of both new and existing suppliers. The utility market continues to evolve which requires suppliers to adjust their service offerings to stay competitive.

Best In Class (BIC)

BIC was created in 2017 based on feedback from suppliers, that indicated a need to have training programs to support unique challenges for companies with revenues greater than \$5 million. This unique program utilizes case studies of successful businesses to guide company executives to evaluate strategies of current and future business trends. In 2018, 15 CEO's participated and achieved market growth at SDG&E. In 2018, 15 CEO's participated and achieved market growth through SDG&E BIC business programs.

Financial Capability Series (FCS)

FCS is a technical assistance series designed for existing and potential suppliers who want to strengthen their financial acumen and improve suppliers capital readiness. Suppliers receive a self-guided action plan/financial roadmap to 1) identify capital needs; 2) strengthen banking relationships; and 3) understand the different types of financial products/services. In 2018, we provided this training to 35 businesses.

Supplier Quick Pay Program (SQPP)

SQPP pays small businesses within 15 days, rather than the standard 45 days, which boosts their access to working capital. This program helps them increase their cashflow to manage their finances more efficiently. In 2018, there were 62 suppliers enrolled in SQPP.

Best Practices for Prompt Payment

To increase communication and educate suppliers about existing invoice payment resources, SDG&E implemented the following in 2018:

- Hired a third party to document the invoice payment process and share the information through various channels.
- The invoice payment process was also presented in the 2018 technical assistance classes, SDG&E incorporated new modules that provided documentation of the invoicing payment process. Over 100 suppliers received this important information to help navigate effectively through SDG&E's invoicing system.
- Presented the invoice payment process presentation to the companies that attended the technical assistance classes. Over 100 suppliers received this important information to help navigate effectively through SDG&E's invoicing system.



As California and our region take the lead in climate change reduction, SDG&E is playing a leadership role in the reduction of the majority source of emissions - transportation and the movement of goods. Driving electric is not just good for reducing emissions, it's good for the economics of our customers.

SDG&E has already installed nearly 3,000 electric vehicle charging stations through our Power Your Drive program, and we have filings for many more in both residential and commercial venues.

This program and the investments SDG&E and our customers will make are where our diverse suppliers can add the most value, by adding competition to our supply base and ensuring cost fairness.

2018 SUPPLIER DIVERSITY SUCCESS STORIES



Southland Electric, Inc., www.southlandelectricinc.com

Job creation: **123**
Sales increased: **\$10.3 million**
Community Contributions: **\$80,000**

"Although Southland Electric has worked with SDG&E for many years, our opportunities for growth skyrocketed when the supplier diversity team took me under their wing and invited me to participate in SDG&E's Best in Class program. SDG&E continues to support and inspire me to go for the gold!"

Leanne Petersen



Cordoba Corporation, www.cordobacorp.com

Job Creation: **45**
Sales Increased: **54%**
Local Capital Infusion: **\$10 million**
Community Contributions: **\$500,000+**

"Diversity is more than just a word at Cordoba - it is intrinsic to who we are and why we are successful. In fact, more than 60% of our staff are of a diverse background including minority, women and veteran employees. Cordoba is so honored to be an ambassador of this culture and to be able to partner with SDG&E in the San Diego area as we support important infrastructure projects and collaboratively partner to invest in the community." **Lucy Labruzzo**, Senior Vice President for Energy Infrastructure



A.M. Ortega Construction, Inc., www.amortega.com

Job Creation: **270**
Grand Opening: **\$2.5 million Technical Training Center**
Projects Completed: **400+**
New Equipment Purchased: **\$35 million**

"Inspired by SDG&E's Skills training center, our new Tom Graham training center allows our company to continue to grow safely. A.M. Ortega is always looking to broaden our supply base and, wherever possible, utilize other diverse companies that put safety first." **Maurice Ortega** - President



GIS Surveyors, Inc., www.gissurveyors.com

Job creation: **11**
Sales increased: **\$1.7 million**
Capital investment: **\$537,000**
SDGE contracts: **7**

"The Supplier Diversity Initiatives are always very impactful, and this year was no exception. These personalized experiences, hosted and funded by SDG&E, provided DBE companies with access to thought leaders and impactful business knowledge with tips and tools to develop and achieve success. As a result, GIS Surveyors has become a leading prime supplier of Geo-spatial technology/services. Following SDG&E's lead, we have introduced and mentored other DBE companies to successful sub-contracting opportunities."

Paul Loska, President/CEO

SUPPLIER & EMPLOYEE ENGAGEMENT AND FEEDBACK

Champion, Ambassador and Prime (CAP) Program

Every year Supplier Diversity identifies new change agents who have leadership qualities, positive attitudes and organizational knowledge. In 2018, Supplier Diversity expanded the Champion and Ambassador Program to incorporate the inclusion of prime suppliers to increase support in the areas of subcontracting.



Champions - help develop a supplier diversity strategy for their organization.



Ambassadors - help identify sourcing opportunities to incorporate diverse suppliers within their department's supply chain.



Primes - help identify disciplines for subcontracting opportunities and mentor diverse businesses.

Q: How are we creating the building blocks for a modernized power grid?



Patrick Kinsella, *SDG&E Supplier Diversity Executive*

A: SDG&E is the first utility in the nation to receive approval from the Federal Aviation Administration to research, test and train flight crews on Unmanned Aerial Vehicles, or drones, which are now used for surveying activities and detailed patrols of our transmission and distribution systems. Drones are now used to assist with stringing a new fiber optic cable between two transmission poles in a rugged area. What would have taken six to eight hours of strenuous and potentially dangerous work for our line crews is being completed in just eight minutes. Drones have also been used for investigative work determining that a Mylar balloon caused a local fire.



Ted Reguly, *SDG&E Supplier Diversity Champion*

A: In our infrastructure business, SDG&E has a chance to grow in a more discipline way. Challenging the conventional wisdom when necessary to better serve our customers. For example, as part of SDG&E efforts to lead in clean energy, SDG&E is now constructing the largest battery energy storage projects in America.

Q: How is SDG&E delivering on a better customer service experience?



Scott Crider, *SDG&E Supplier Diversity Executive*

A: In an era where speed and immediacy is important to customers, we established communications across multiple channels for quick responses day or night. Customers can reach us through their preferred methods such as Twitter, email, social media and telephone. For example, 85% of our Twitter responses are answered within one hour.



Warren Ruis, *SDG&E Supplier Diversity Champion*

A: SDG&E's electric vehicle charging expansion efforts are a perfect example of a way to give customers more choices and more comprehensive services. Our focus on innovative programs to save customers money while meeting greenhouse reduction goals are leading the nation!

Supplier Forum - This forum was created to engage with our top spend supplier base at SDG&E, explore strategies and discuss effective ways to help strengthen partnerships within the utility industry. A supplier survey was distributed to 45 of our top spend suppliers who comprise approximately 70 percent of our total spend. SDG&E had 75 attendees participate at the interactive forum. Two cross-functional panels of SDG&E Executives, Champions, Ambassadors, primes, and diverse businesses fostered a collaborative discussion focused on strengthening our supply chain. There were two panels, the first was to identify successful mentoring strategies that have helped diverse businesses grow and sustain in this fast-paced environment. The second was to share best practices and success stories that foster collaborative, sustainable relationships.

Q: How are SDG&E long-term investments improving operations and benefiting the customer?



Katie Speirs, SDG&E Supplier Diversity Executive

A: SDG&E has made significant investments in Emergency Management resources. Working through emergencies can be routine for Emergency Management and Aviation Services. But my team's resilience and commitment to operational excellence was put to the test this past year. Working around the clock, the team helped safeguard our employees and the community we served, provided enhanced situational awareness to our leadership, and effectively ensured SDG&E was prepared for responding to simultaneous emergency events. I personally worked alongside my team in several events, and know first-hand about their commitment and dedication.



Jorge DaSilva, SDG&E Supplier Diversity Champion

A: Since the 2007 wildfires in San Diego County, SDG&E has taken proactive steps to implement mitigation plans to modernize the electric system and reduce the risk of wild fires. This comprehensive plan also improves reliability of service to our customer. SDG&E continues to be a leader in innovation to modernize and enhance our system, while looking at creative ways to better serve our communities. Providing safe, clean and reliable energy to our customers is a 24/7/365 job and I take great pride in the work and commitment of our crews to ensure that we mitigate our highest risks and provide the highest level of safe and reliable service to our customers.

Q: How is SDG&E committed to reliability and safety?



John Jenkins, SDG&E Supplier Diversity Executive

A: **Reliability** - SDG&E continues to focus on modernizing our electric grid, the new technologies will enhance security and reliability of the electric infrastructure while mitigating impacts from environmental risk. For example; SDG&E is extending grid resiliency by replacing more than 3,000 wood poles to steel along with deploying America's largest utility-owned weather network—170 weather stations in fire-prone areas that help our crews pre-stage in communities that are expected to see the highest winds and may be in the path of danger.



Tashonda Taylor, SDG&E Supplier Diversity Champion

A: **Safety** - In my current role, my team partners with our safety department on improving contractor safety performance by holding contractors accountable to company standards and through programs such as ISNetwork (ISN) and Supplier Relations Management (SRM). My previous experience as the Safety Director, allowed me to build strong relationships, leverage best practices and emerging trends to influence contractors to enhance safety programs and strengthen their safety culture.

2018 Awards & Nominations

The National Veterans Opportunity Coalition
Partner Member of the Year

Veterans In Business
Plank Owner Award

Asian Business Association
CEO's Choice Award

Council for Supplier Diversity, San Diego
Outstanding Support for the Council Mission Award

Central San Diego Black Chamber of Commerce
Platinum Sponsorship Award

California Hispanic Chamber of Commerce
Appreciation Award

National Elite Disabled Veteran Business Enterprise Network
Leadership Award

Women's Business Enterprise Council - West, California Forum
Corporate Appreciation Award

National Association of Women Business Owners, San Diego
*Special Recognition of the Loyal and Dedicated Support of
NAWBO to Propel Women Entrepreneurs*

Women's Business Enterprise Council - West, California Forum
Corporate Influence and Impact

American Indian Chamber of Commerce of California
Thunderbird Award

Greater Los Angeles African American Chamber of Commerce
Corporation of the Year



In Memory of Aubry L. Stone

(August 10, 1944 - November 28, 2018)

President and CEO, California Black Chamber of Commerce

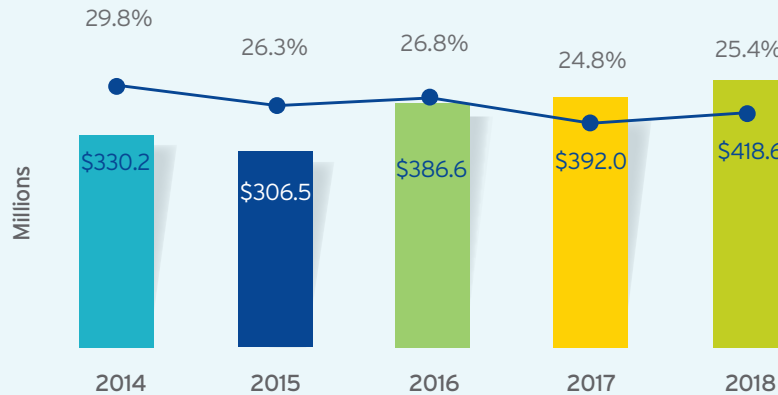
Aubry L. Stone will be remembered by one of his many sayings he would end most meetings and gatherings with "Fifty percent of winning is showing up"

Thank you for your leadership, you will be missed - SDG&E

Minority Business Enterprise (MBE) procurement

MBEs remain the largest segment of supplier diversity spending for SDG&E. In 2018, MBE spending exceeded \$418 million or 25.4 percent of our overall results. This represents a slight increase of .66 percent over 2017's MBE results of 24.8 percent. Our spending with Hispanic American suppliers increased by \$13.2 million over 2018.

MBE-SDG&E 2014 TO 2018 (\$ AND %)



Kevin Chase, *Supplier Diversity Executive*



Q: In 2018, Supplier Diversity hosted an “IT Project and CIS Replacement Meet the Prime Forum” to allow diverse suppliers to engage with several of SDG&E’s IT Primes. How have these types of forums provided opportunities for suppliers?

A: Thanks to the successful forums that have introduced diverse businesses to our division, we have been able to utilize their unique, innovative talents to help us advance and excel. The partnership between IT and our DBEs fosters creativity and opportunity that allows us to be a competitive leader in our industry.



Dicran Arnold, *Director, Business Development, World Wide Technology, www.wwt.com*



“The soul of a successful supplier diversity program has two elements; a leader that is passionate and the support from the company’s top leadership. SDG&E understands that diverse suppliers can have a positive impact on the company’s bottom line and in their own communities.”

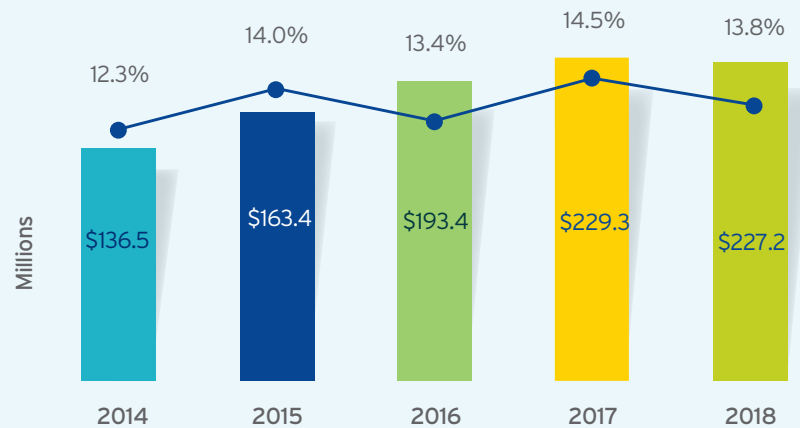
Q: As one of our newest Prime suppliers, what benefits have you experienced from working with the SDG&E supplier diversity programs?

A: SDGE’s Supplier Diversity team was essential to WWT becoming a supplier by supporting and helping us establish strong networks along the way. WWT understands that it takes time to develop a strategic partnership, having the diversity team support was critical to us becoming a successful supplier. WWT gives credit to the various supplier diversity teams for helping us achieve revenues over \$10B.

Women Business Enterprise (WBE) procurement

In 2018, spending with WBEs was \$227.2 million, or 13.8 percent. This is the eighth consecutive year our spending with WBEs has exceeded \$100 million, and the 13th consecutive year we have exceeded the CPUC goal of 5 percent. Increased subcontracting contributed to the high level of spending with WBEs.

WBE-SDG&E 2014 TO 2018 (\$ AND %)



Gillian Wright, *Supplier Diversity Executive*

Q: What is one piece of advice you would give to a diverse supplier looking to engage in business with your organization?

A: Look for a prime partner to develop a strategic relationship. We have seen our primes help our diverse suppliers in risk mitigation by providing insurance bonding, back office support, accounting/legal services, and office space. Another benefit of working with a prime contractor already experienced with our policies and standards is that they can share their best practices and lessons learned so that you don't have to make the same mistakes.



Jill Reber, *CEO, Primitive Logic, www.primitivelogic.com*

"We are going to change the way the world thinks about consulting. Our clients tell us 'Primitive Logic gets it – there is something different about your company.' That is not an accident. We are always looking out for our clients' best interests."

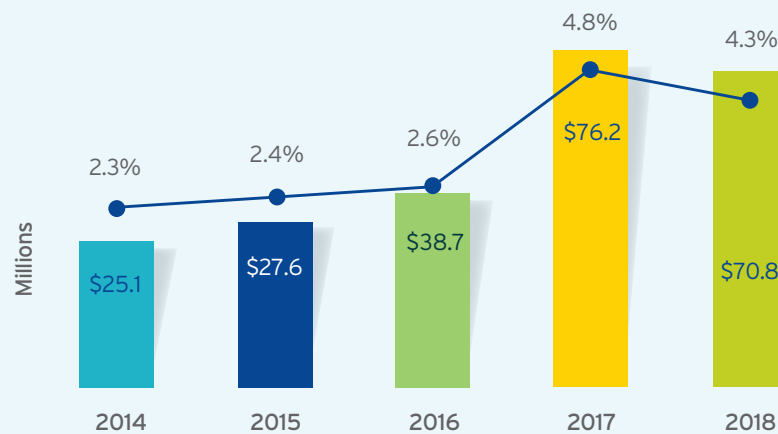
Q: As a growing partner with SDG&E, what advice would you provide to other new diverse suppliers who are entering the competitive market in technology?

A: The most important success factor is your people, their skills, and their ability to fit in and work with the SDG&E team. You won't be given work just because you are a woman-owned business. You have to prove that you can add value, and when you show that – the opportunities are limitless.

Service-Disabled Veteran Business Enterprise (DVBE) procurement

DVBE spending continues to remain strong, with over 4.3 percent, or \$70.8 million in 2018 DVBE spending. 2018 marks the tenth consecutive year in which SDG&E has exceeded the 1.5 percent goal. SDG&E continues to focus efforts on incorporating DVBEs in our core business spending as well as emerging projects.

DVBE-SDG&E 2014 TO 2018 (\$ AND %)



David Geier, *SDG&E Supplier Diversity Executive*

Q: What advice have you received that may help our diverse suppliers?

A: In business, there are always going to be challenges. It's not the challenge you will be judged on, but how you responded that matters. There is nothing more important than maintaining your personal integrity. It is the one thing you will always have absolute control over. Learn from your past and provide leadership to the future.



Steve Garcia, *President, Patriot General Engineering, Inc., www.patriotgen.com*

"The relationship and leadership responsibilities with SDG&E through Patriot General are unparalleled to anything I expected to be a part of outside the Marine Corp."

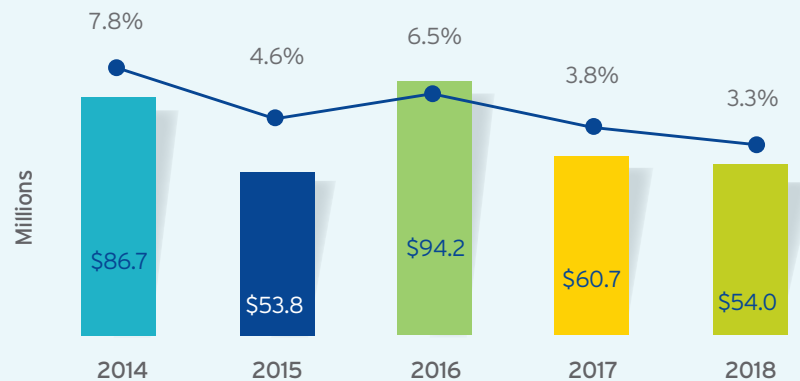
Q: As one of our growing diverse suppliers, what benefits and value have you experienced from participating in various supplier diversity mentoring programs?

A: Mentoring programs help suppliers better understand the utility's culture and how to gain success. We receive value from the assessment of our business presentations and collateral to ensure we meet or exceed the utility's requirements.

Minority Women Business Enterprise (MWBE) procurement

Spending with MWBEs was \$54.0 million in 2018. We remain committed to providing opportunities for minority women owned firms and will continue to focus on identifying new MWBE suppliers as well as providing growth opportunities to current MWBEs.

MINORITY WOMEN-SDG&E 2014 TO 2018 (\$ AND %)



Estela de Lianos, *SDG&E Supplier Diversity Executive*

“Diversity creates dimension in business, life, and the world.”

Q: Can you provide some insight on how you work with prime suppliers to help them meet their subcontracting supplier diversity commitments?

A: By working together with the prime suppliers we are able to encourage them to mentor qualified diverse businesses. As a pilot, we identified several diverse firms to train them on our internal processes and procedures. The diverse firms work hands-on with the SDG&E engineers/designers. This collaborative approach, working with our primes and diverse suppliers, has fostered a strong mentoring environment that allows our diverse suppliers to thrive. Together we all succeed.



Bianca Vobecky, *President & CEO, Vobecky Enterprises, Inc., www.vobecky.com*

“Surround yourself with positive people who understand your vision”

Q: What advice would you provide to other new diverse business suppliers who are entering the competitive market?

- Educate yourself as much as possible to the trends and all changes in the utility industry.
- Get all the diverse certifications that are available. This has opened many doors for me.
- Develop meaningful relationships with the diversity representatives in all companies they want to work with.
- I would encourage them to surround themselves with positive people.

Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) procurement

SDG&E spent more than \$5.6 million or 0.34 percent with LGBTBE businesses in 2018. This is an increase of more than 295% from the initial year of LGBTBE reporting. In 2019, we have set an aspirational goal of .5 percent spending for LGBTBE businesses. As part of our outreach efforts, we participated in the NGLCC's conference and southern California networking and matchmaking events.



Jim Cox, *President and CEO, Jim Cox Photography, www.jimcox.net*

"Being lifelong creative persons with a passion for photographing beautiful portraits of people, my husband Tom and I were especially thrilled to be one of the first LGBT businesses to be certified in California. So now our years-long clients SDG&E and SoCalGas are able to report their spend with us. A win-win for everybody!"

Q: Since General Order 156 included the reporting LGBTQ, how has this impacted your business?

A: We have photographed for SDG&E and SoCalGas for several years now. And it was through them that we heard about the new law; we were then one of the first certified LGBTQ businesses in California. This enabled California utilities to expand their supply chain within the LGBTQ community.

DESCRIPTION OF WMDVLGBTBE WITH CA MAJORITY WORKFORCE

SDG&E is unable to provide this data as the Supplier Clearinghouse does not collect this information.

9.1.3 ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES

Expenses for the 2017 Supplier Diversity program include items such as collateral development, networking events, technical assistance, capacity building, CPUC Supplier Clearinghouse payments, office support services and other program expenses.

Expenses Category	Cost (In thousands)
Wages	\$526
Program Expense	\$220
Consultants	\$54
Total	\$800

9.1.4 SDG&E EXCEEDS ALL WMDVLGBTBE CATEGORY GOALS SET BY THE CPUC

Through carefully managed programs and the full support of management, SDG&E continues to exceed CPUC spending goals in nearly every category.

Category	2018 Results	2018 Goals
Minority Men	22.18%	0.00%
Minority Women	3.29%	0.00%
Minority Business Enterprise (MBE)	25.46%	15.00%
Women Business Enterprise (WBE)	13.82%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.34%	TBD
Other 8(a)	0.00%	TBD
Service-Disabled Veteran- Business Enterprises (DVBE)	4.31%	1.50%
Total WMDVLGBTBE	43.94%	21.50%

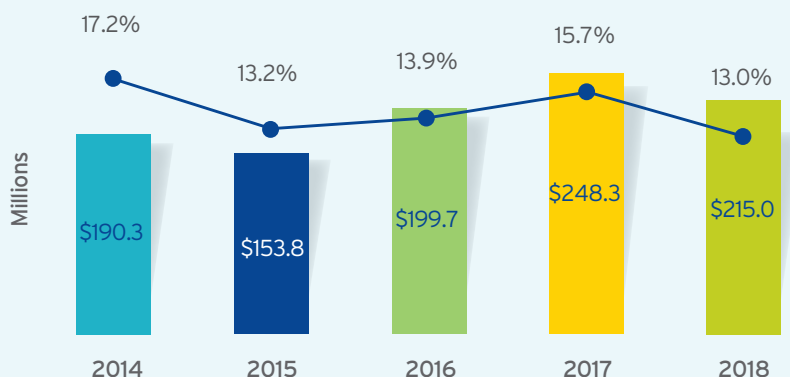
% - PERCENTAGE OF NET PROCUREMENT

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS

Supplier diversity subcontracting - SDG&E 2014 to 2018

We continue to have strong performance in subcontracting with our diverse suppliers. In 2018, \$215 million or 13.0 percent in supplier diversity spending was primarily attributable to increased subcontracting with Hispanic American and Service-Disabled Veteran businesses.

SUBCONTRACTING-SDG&E 2014 TO 2018 (\$ AND %)



2018 SDG&E	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)*	Total WMDVLGBTBE
Direct \$	\$ 285,952,296	\$ 25,879,744	\$ 311,832,040	\$ 155,219,211	\$ 5,083,069	\$ 35,229,358	\$ -	\$ 507,363,678
Subcontracting \$	\$ 78,655,166	\$ 28,193,653	\$ 106,848,819	\$ 72,019,403	\$ 573,406	\$ 35,595,465	\$ -	\$ 215,037,094
Total \$	\$ 364,607,462	\$ 54,073,397	\$ 418,680,859	\$ 227,238,614	\$ 5,656,475	\$ 70,824,823	\$ -	\$ 722,400,771
Direct %	17.39%	1.57%	18.97%	9.44%	0.31%	2.14%	0.00%	30.86%
Subcontracting %	4.78%	1.71%	6.50%	4.38%	0.03%	2.16%	0.00%	13.08%
Total %	22.18%	3.29%	25.46%	13.82%	0.34%	4.31%	0.00%	43.94%
Net Procurement**	\$ 1,644,222,587							

* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT

9.1.6 LIST OF WMDVLGBTBE COMPLAINTS

There were no formal complaints filed against SDG&E with the CPUC or lawsuits filed in 2018 in relation to SDG&E's Supplier Diversity program.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

The General Order 156 Ruling issued on November 14, 2003 ended exclusions, resulting in specific categories no longer being deducted from the fundamental procurement amount.



Josh Knoefler, P.E., Business Development Manager, Burns & McDonnell, www.burnsmcd.com

Q: You have been a long-term partner with SDG&E as a Prime for many years. What advice would you provide to other new diverse businesses that want to partner with Burns & McDonnell?

A: Relationships should be mutually beneficial and commitment to nurturing this philosophy is critical to the success of a long-term partnership. Engagement in philanthropical efforts is part of who we are and a key component of giving back to communities as well as to our clients. As an employee owned company, Burns & McDonnell looks for partners to continually solicit feedback, challenge, and improve to deliver the very best service we can as a team.

9.1.8 DESCRIPTION OF EFFORTS IN UNDERUTILIZED AREAS

SDG&E continues to focus on increasing the number of diverse suppliers as well as the spend in low utilization categories. In the financial services area, \$.8 million was spent with diverse firms in 2018, or 5.0 percent. In legal services area, \$1.3 million was spent with diverse firms, or 13.8 percent.



Erika Schimmel-Guiles, SDG&E Supplier Diversity Champion

"I am thankful for the opportunity to partner with Supplier Diversity to help broaden our access to local diverse talent which strengthens our portfolio of suppliers. Leveraging the supplier Symposium has enabled us to assess new talent that is dedicated, committed and excited about working with SDG&E. Through our diverse partnerships we can cultivate long lasting, sustainable and profitable relationships."



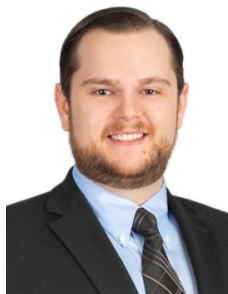
John Prsha, SDG&E Supplier Diversity Ambassador

"I believe Supplier Diversity is fundamental to creating strategic value for the company. In collaboration with our stakeholders, this team can cultivate and build strong supplier relationships that meet and exceed the expectations of our business units. Within our Category Management planning, I see Supplier Diversity not only as an opportunity to diversify our supply base, but an opportunity to incorporate specialty businesses to strengthen our portfolio of suppliers. It has truly been great to see so many success stories from this program."



Laura Frazee, SDG&E Supplier Diversity Ambassador

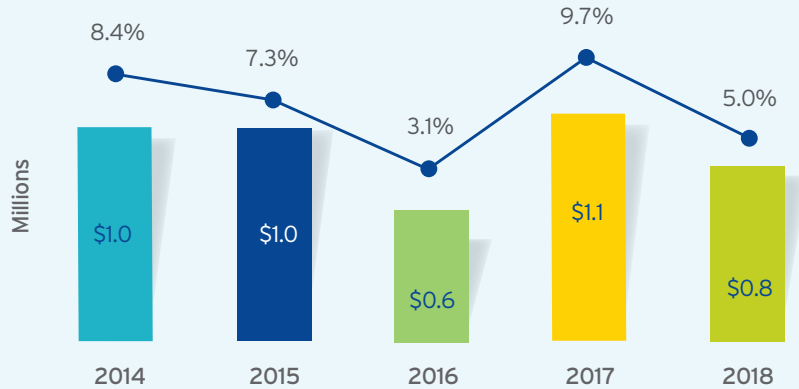
"Introducing leading-edge and ambitious diverse suppliers to our stakeholders is worthwhile as it provides advanced solutions to the business unit, broadens our supply base, and yields mutual success for SDG&E and the community."



Stephen Dennis, SDG&E Supplier Diversity Ambassador

"SDG&E's supply management and supplier diversity team have maintained a collaborative relationship to ensure that proficient, diverse businesses are provided every opportunity to grow as an integral part of our company's culture. With the implementation of employee-driven programs, SDG&E is committed to fostering an environment where diverse subcontractors and prime suppliers are provided the necessary guidance to showcase their capabilities and contribute to SDG&E's continued success in supplier diversity."

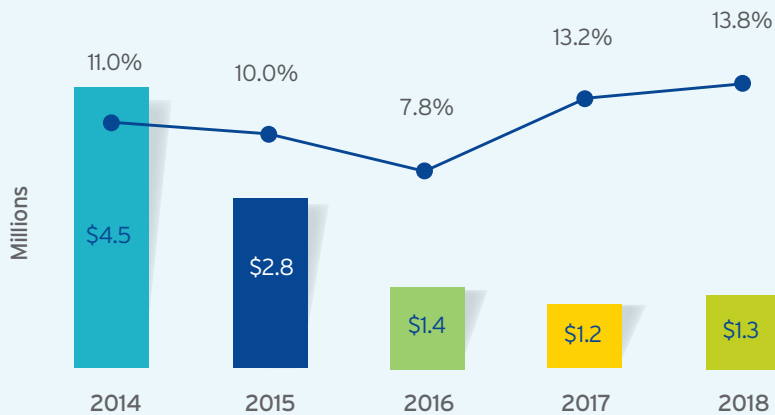
FINANCE - SDG&E 2014 TO 2018 (\$ AND %)



FINANCIAL SERVICES

The financial services community remains an important part of SDG&E's outreach efforts. Our executives and stakeholders are aware of the importance of penetrating this service sector and are assisting in actively seeking out qualified diverse suppliers for specific financial reviews and audits. Our executives, directors and managers continue to participate in numerous financial networking events designed to give exposure to diverse suppliers.

LEGAL - SDG&E 2014 TO 2018 (\$ AND %)



LEGAL SERVICES

SDG&E recognizes the importance of working with diverse legal firms to increase spending. In 2018, spending with diverse law firms was \$1.3 million, representing 13.8 percent.

SDG&E's Supplier Diversity team works closely with the Supplier Diversity Ambassador from Legal Services to identify qualified diverse firms in the areas of general law, securities, real estate, intellectual property, workers' compensation, venture capital projects, employment law, and asset recovery.

SDG&E also sees the value in promoting utilization of diverse attorneys and paralegals at non-diverse firms. In 2018, SDG&E spent \$4.1 million with minority and female attorneys and nearly \$42,000 with diverse paralegal firms.

2018 SDG&E Legal Spend: Diverse Paralegal Work Within Non-DBE Legal Firms Paralegal Time Billed in 2018		Total*
Minority Men	African American	\$0
	Asian Pacific American	\$625
	Hispanic American	\$2,110
	Native American	\$0
	Other	\$0
	Total Minority Men	\$2,735
Minority Women	African American	\$0
	Asian Pacific American	\$12,560
	Hispanic American	\$1,137
	Native American	\$0
	Other	\$150
	Total Minority Women	\$13,847
	Total Minority Business Enterprise (MBE)	\$16,582
	Women Business Enterprise (WBE)	\$25,459
	Service Disabled Veteran Business Enterprise (DVBE)	\$0
	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$0
	Non-DBE	\$109,250
	Grand Total: All DBE/Non-DBE	\$151,291

**Note: Figures are estimated

2018 SDG&E Legal Spend: Diverse Attorney Work Within Non-DBE Legal Firms Attorney Time Billed in 2018		Total*
Minority Men	African American	\$50,047
	Asian Pacific American	\$87,031
	Hispanic American	\$57,750
	Native American	\$0
	Other	\$456,612
	Total Minority Men	\$651,440
Minority Women	African American	\$45,850
	Asian Pacific American	\$26,976
	Hispanic American	\$92,136
	Native American	\$2,568
	Other	\$27,620
	Total Minority Women	\$195,150
	Total Minority Business Enterprise (MBE)	\$846,590
	Women Business Enterprise (WBE)	\$3,285,319
	Service Disabled Veteran Business Enterprise (DVBE)	\$0
	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$0
	Non-DBE	\$3,956,712
	Grand Total: All DBE/Non-DBE	\$8,088,621

**Note: Figures are estimated

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E preserves all documents and data related to its Supplier Diversity annual report for (a) three years or (b) the timeframe that is in compliance with SDG&E's internal document retention policy, whichever comes later. SDG&E will provide these documents and data to the CPUC upon request.

9.1.10 SUMMARY OF PURCHASES IN PRODUCT AND SERVICE IN ADDITIONAL CATEGORIES

Per General Order 156, this section reports the summary of purchases in product and service categories that include renewable and non-renewable energy, wireless communications, broadband, smart grid and rail projects, in addition to current reporting categories. For our renewable energy-related projects, we have outlined some of our accomplishments below.

- SDG&E continues to outperform California's renewable standards requirements. In fact, in 2018, around 45 percent of the energy delivered to our customers came from renewable energy-related projects.

ELECTRIC PROGRAM INVESTMENT CHART (EPIC)

EPIC was previously established by the CPUC in D.11-12-035 to provide public interest investments in applied research and development, technology demonstration and deployment, market support, and market facilitation of clean energy technologies and approaches for the benefit of ratepayers of California investor-owned utilities (IOUs). D.12-05-037 established the purposes and governance structure for EPIC and D.13-11-025 clarified many of the program's regulatory requirements.

EPIC is designed to provide funding for electric utility research, development, and demonstration (RD&D). Specific funding allotments are made to four EPIC program administrators, including SDG&E. The EPIC program is intended to run until 2020 and is comprised of three triennial program cycles (i.e., EPIC-1, EPIC-2, EPIC-3).

In compliance with GO 156 requirements, we are incorporating by reference "SDG&E 2017 EPIC Annual Report", which was submitted to the CPUC February 28, 2018. This report provides detailed information about SDG&E's EPIC plans, projects and spend.

2019 Supplier Diversity Annual Plan

10.1.1 GOALS

SDG&E is committed to a 40 percent supplier diversity goal. To achieve this goal, we will focus on helping our diverse suppliers build a sustainable business model.

- Achieve 40 percent in spending with diverse suppliers.
- Expand our existing Champions, Ambassadors, and Primes (CAP) program to help advance the supplier diversity programs.
- Offer a comprehensive set of payment options to improve cash flow.

Discover: "Discovering New Suppliers"

"Commitment to excellence inspires our team to provide superior service to our customers."



Mark Steiner, *President & Owner, M.A. Steiner Construction, Inc., www.masteinerconst.com*

Q: As a new supplier in 2018, how did Supplier Diversity help you gain new contracts at SDG&E?

A: The SDG&E supplier diversity team was instrumental in providing our company with preparation, attention to detail and strategic positioning that allowed us to receive a small pilot opportunity in construction. The combined experience with Best-In-Class technical assistance program and SDG&E mentoring not only provided invaluable insight and guidance on how to increase growth through partnerships.

Develop: "Developing a Strong Foundation"

"All decisions are good, the only bad ones are the ones you don't make."



Juan Padilla, *Owner of JP Gunite, Inc., www.jpgunite.com*

Q: You demonstrated great success at SDG&E in the construction industry. How have you been able to continually grow in a highly saturated market?

A: J.P. Gunite, Inc. has been able to achieve success in this industry by implementing this founding principle in everyday work culture: work hard with integrity and recognition will follow.

Grow: "Growing your Business"

"Continuous education and training of our engineers and others in the industry has been, and will continue to be, the key element of ASEC's success."



Kate Khavari, *President, ASEC Engineering, www.asec-engineers.com*

Q: You have demonstrated great success as both a prime supplier and subcontractor. What new strategies are you implementing to further grow your business?

A: ASEC has demonstrated its success as a prime supplier and subcontractor by working on projects for both the Transmission Engineering group and the Civil/Structural group. ASEC is implementing internal training and adding new employees to increase the number of business lines so that we can perform additional work for SDG&E and others in the future.

Sustain: "Sustaining for the Future"

"Delivering Client and Community Value."



Kevin Narcomey, *President & CEO, Osceola Consulting, www.osceolac.com*

Q: "What value has your company returned to the community?"

A: Osceola hopes to continue to leverage our different business models to creatively provide services that both meet client needs as well as promote job creation and community growth. In 2018 alone, Osceola returned nearly \$10M in diverse spend to the community. "SDG&E is a major player in the industry and having the company as a strategic client is important for Osceola Consulting and our efforts across the industry."

Diverse supplier annual short-, mid-, and long-term goals by product and service categories by percentage of spending

The SDG&E supplier diversity goal is to exceed the requirements of General Order 156, in our short-, mid-, and long-term goals. Since the makeup of our diverse suppliers is ever changing, we have not established specific goals within each sub-category.

San Diego Gas & Electric					2018					G.O. #156 Sec. 10.1.1					
WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category															
	Short-Term (2019)				Mid-Term (2021)					Long-Term (2022)					
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE
PRODUCTS	15.00%	5.00%	0.50%	1.50%	22.00%	15.00%	5.00%	0.50%	1.50%	22.00%	15.00%	5.00%	0.50%	1.50%	22.00%
SERVICES	15.00%	5.00%	0.50%	1.50%	22.00%	15.00%	5.00%	0.50%	1.50%	22.00%	15.00%	5.00%	0.50%	1.50%	22.00%
TOTAL	15.00%	5.00%	0.50%	1.50%	22.00%	15.00%	5.00%	0.50%	1.50%	22.00%	15.00%	5.00%	0.50%	1.50%	22.00%

10.1.2 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES

INTERNAL

SDG&E will review and augment the internal activities detailed in Section 9.1.1 of this report to build upon the success of our program, with continued focus on working capital accessibility. We are identifying strategies to increase diverse supplier participation for each portfolio, major project and department.

EXTERNAL

SDG&E will continue to build upon the successful external strategies described in Section 9.1.1 of this report. The SCORE program continues to be successful at developing new diverse suppliers and we will continue to offer additional opportunities to our SCORE suppliers. The success of SDG&E's technical assistance program will continue in 2019 through the efforts of our staff and community partners.

10.1.3 PLANS FOR RECRUITING WMDVLGBTBE WHERE WMDVLGBTBE UTILIZATION HAS BEEN LOW

In legal and financial services, we plan to continue our outreach and mentoring activities with the goal of engaging our legal and financial teams early in the process to promote inclusion.

10.1.4 PLANS FOR RECRUITING WMDVLGBTBE IN ANY EXCLUDED CATEGORY

SDG&E has eliminated all excludable items in compliance with General Order 156.

10.1.5 SUBCONTRACTING ACTIVITIES

Expanding on our past success of having prime contractors engage diverse subcontractors, we will continue to enhance activities outlined in Section 9.1.5 of this report. We will continue to improve upon processes for tracking and comparing subcontracting commitments to actual prime contractor subcontracting spending.

SDG&E assigns a supplier diversity professional to every major prime contractor with a subcontracting commitment. These efforts enable the Supplier Diversity team to better manage the prime contractors' performance and identify opportunities for continuous improvements.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.



2018 Supplier Diversity
Power Procurement annual report

POWER Procurement

SDG&E continues to lead the procurement of electric and fuel resources with diverse suppliers, spending nearly \$64 million or 19.2 percent in electric and gas purchases, approaching the California Public Utility Commission (CPUC) General Order 156 goal of 21.5 percent.

In addition, SDG&E was the first utility to achieve California's renewables goal of 33 percent five years ahead of target. In 2018, around 45 percent of the energy delivered to our customers came from renewable energy-related projects. We procured nearly \$59 million or 28 percent of our natural gas purchases with diverse suppliers.

Technical assistance, mentoring and program development are cornerstones of our success. To help increase diverse suppliers' participation in electric and fuel procurement, we will continue to utilize one-on-one mentoring, cultivate relationships between prime contractors and diverse suppliers, and provide diverse suppliers greater access to the Western Systems Power Pool (WSPP).



Kendall Helm, *SDG&E Supplier Diversity Executive*

"SDG&E's focus on sustainability requires us to seek out and support diverse suppliers to bring forth the diverse perspectives that underpin long-term growth."

Q: Power Procurement is experiencing significant changes. How can diverse businesses navigate the changes in Power Procurement?

A: California is moving toward a new power procurement model. Diverse businesses must stay abreast of changes in rules, structures, and buyers so that they can effectively target their commercial efforts. I expect the diverse businesses that seek to leverage their alignment with local communities will benefit most.

9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES

INTERNAL ACTIVITIES

Executive Support and Supplier Diversity Commitment

Our Supplier Diversity team works closely with the Electric and Fuel Procurement team to achieve their supplier diversity procurement goals. We collaborate to find new ways to enhance the supplier diversity program and expand the diverse supplier pool.

Under the leadership of Kendall Helm, Vice President - Energy Supply, we meet quarterly to analyze upcoming procurement needs and discuss inclusion opportunities for diverse suppliers.

Champions and Ambassadors

SDG&E Champions and Ambassadors are a tremendous asset to our initiatives. They work closely with the Supplier Diversity team promoting creativity, developing strategic proposals and participating in matchmaking events. This year, we developed a new Champion for Electric and Fuel Procurement who helped foster a new diverse perspective in the organization.



EXTERNAL/OUTREACH ACTIVITIES

Mentoring

Our mentoring efforts continue to be very important in the power procurement commodity and we believe they are essential for the success of our diverse suppliers. In 2019, the need for access to capital will continue to be a major challenge for many diverse suppliers. We plan to coordinate with financial institutions and to provide technical assistance programs to help diverse suppliers strengthen their readiness and ability to achieve additional sources of capital.

9.1.2 SUMMARY OF WMDVLGBTBE PURCHASES AND/OR CONTRACTS

Natural gas

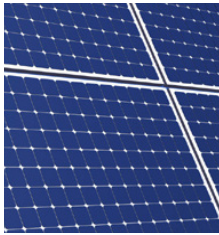
SDG&E remains committed to creating opportunities for diverse natural gas suppliers and we are proud to report that our purchases from diverse natural gas suppliers were nearly \$59 million.

Goal Progress

SDG&E reported a successful 19.2 percent supplier diversity spending in energy products for 2018. In procuring natural gas for our electric generation plants, SDG&E purchased nearly \$59 million, or 28 percent, of all our natural gas from diverse suppliers in 2018.

Subcontractors - PRE-Commercial Development (COD)

SDG&E encourages partnering and teaming arrangements between developers and diverse suppliers. In 2018, nearly \$18.9 million was spent with diverse suppliers during pre-commercial development and construction phases. The pre-commercial development (COD) spending cannot be counted toward General Order 156 requirements. SDG&E will continue to identify significant opportunities for diverse supplier participation for subcontracting spending in electric power plant construction.



2018

Pre-COD diverse supplier spend over \$18.9 million



9.1.3 ITEMIZATION OF WMDVLGBTBE EXPENSES

Program expenses are included in Section 9.1.3 in the 2018 Supplier Diversity Products and Services Section.

9.1.4 GOAL PROGRESS

In procuring natural gas for our electric generation plants, SDG&E purchased nearly \$59 million, or 28 percent, of all our natural gas from diverse suppliers in 2018. Overall, SDG&E achieved spend of 19.2 percent or nearly \$64 million for power procurement.

9.1.5 SUBCONTRACTORS

SDG&E encourages partnering and teaming arrangements between developers and diverse suppliers. In 2018, nearly \$18.9 million was spent with diverse suppliers during pre-commercial development and construction phases. The pre-commercial development spending cannot be counted towards General Order 156 requirements. SDG&E will continue to identify significant opportunities for diverse suppliers for subcontracting spending in electric power plant construction.

9.1.6 COMPLAINTS

There were no formal complaints filed in 2018.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

Per the CPUC's decision to end excludable categories for gas procurement, SDG&E no longer reduces the procurement base with Canadian and offshore volumes.

For electric procurement, purchases excluded from reporting are: physical or financial purchase transactions with the California Independent System Operator (CAISO), other investor-owned utilities, utilities, federal entities, state entities, municipalities and cooperatives

9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

The electric commodity market is an underutilized area for diverse supplier participation; through SDG&E's efforts outlined in Section 9.1.1, we continue to inform and educate diverse suppliers about potential opportunities.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E will comply with all regulations.

9.1.10(A) PARTICIPATION RESULTS BY FUEL CATEGORY

Please see chart in Appendix G for the summary of results by fuel category.

9.1.10(B) MARKET CONDITIONS AND OUTREACH

SDG&E's obligation to procure least cost, best-fit electricity from suppliers and to manage risk exposure by finding and vetting suppliers who meet SDG&E's credit requirements presents very specific challenges in power procurement. It is often difficult for diverse suppliers with limited access to credit to mount a plausible case for their proposals against large electric generators financed by investment firms or commercial banks. SDG&E continues to work with individual diverse suppliers on credit requirements and access to credit strategies in order to foster their participation in the electricity market.

SDG&E and other utility buyers use a specialized credit instrument, the Funds Transfer Agency Agreement (FTAA), to assist small suppliers in short-term procurement opportunities. The FTAA facilitates entry into a capital-intensive portion of our power procurement process for diverse suppliers without having to utilize their available lines of credit.

2019 Supplier Diversity Power Procurement Annual Plan

10.1.1 GOALS

Category	2019 Goals
Minority Owned (MBE)	15.0%
Woman Owned (WBE)	5.0%
Service-Disabled Veteran (SDVBE)	1.5%
Total	21.5%

10.1.2 DESCRIPTIONS OF WMDVLGBTBE PROGRAM ACTIVITIES

In 2019, SDG&E plans to continue its successful program for including diverse suppliers in gas procurement and the electric commodity market as outlined in Section 9.1.1.

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN UNDERUTILIZED AREAS

Refer to Sections 9.1.10(B) and 10.1.2 of this report for analysis and corresponding planned activities to recruit diverse suppliers in all of the areas considered underutilized.

10.1.4 PLANS FOR RECRUITING WMDVLGBTBES IN ANY EXCLUDED CATEGORY

Due to the nature of the excluded categories mentioned in Section 9.1.7, SDG&E will not plan any specific activities for these excluded categories.

10.1.5 SUBCONTRACTING ACTIVITIES

SDG&E will work together with other market participants to help expand the interpretation of General Order 156 for electric procurement, such that all related costs will become opportunities for diverse suppliers. SDG&E will work closely with the other utilities and the CPUC to incorporate diverse suppliers prior to the COD of a project as this represents significant opportunities with fewer barriers to entry. SDG&E will work with developers and their engineering, procurement and construction (EPC) contractors to utilize diverse suppliers in the development phase of a project.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.

AREAS OF FOCUS FOR 2019

Mentoring

In 2019, Power Procurement will continue our very successful mentoring efforts for diverse suppliers and expand our online workshops. These workshops will continue to share insight needed into requirements for upcoming RFOs.

Training

SDG&E will continue to help diverse suppliers develop their potential through participation in our technical assistance programs that offer specific, related training to overcome the barriers identified such as access to capital and financial acumen. Through this training they will learn the steps to qualifying for access to the levels of capital required to compete for our sizable contracts.

Subcontracting

SDG&E strongly supports the incorporation of diverse suppliers into our developers' strategies through subcontracting opportunities. We have made it a priority to track the progress of both new diverse suppliers we have introduced to our developers and the developers' sub-contracting efforts for pre-COD opportunities.

Collaborating

SDG&E will continue to develop programs specifically to address the unique challenges of participation in the power commodity. Our participation in joint utility meetings to discuss strategies, exchange best practices and lessons learned will enable a broader base of diverse suppliers in our power supply chain.

Organizations & events

American Association of Blacks in Energy

- National Conference

Asian Business Association

- Digital Marketing Tools Workshops

Asian Business Association Orange County (ABA-OC)

- Annual Recognition and Achievement

Asian Business Association San Diego (ABA-SD)

- Annual Lunar New Year Celebration
- Rice Club Luncheons

Asian Business Association San Diego (ABA-SD)

- Talk Series

American Indian Chamber of Commerce, California (AICC)

- Annual Scholarship & Awards Luncheon
- Annual Native American Heritage Luncheon
- Annual Conference Business Expo

Black Business Association (BBA)

- Awards Dinner in Recognition of African American Heritage
- Awards Dinner Gala
- Salute to Black Women Business Conference & Awards Luncheon
- Procurement Exchange Summit

Cal Asian Chamber of Commerce

- California Asian Business Summit

California Black Chamber of Commerce (CBCC)

- Legislative "Welcome" Reception and Capital Policy Luncheon
- Foundation Youth Scholarship
- Ron Brown Summit and Conference

California DVBE Alliance (CADVBE)

- Keeping the Promise Business Expo
- Salute to Veterans Day Breakfast

California Hispanic Chamber of Commerce (CAHCC)

- Annual Conference

Central San Diego Black Chamber of Commerce (CSDBCC)

- Annual Awards Gala
- Underrepresented Contractor's Workshops
- Talk Series - Business Bytes

Diversity Professional Connect

- Diversity Forum & Sharing of Best Practices

Edison Electric Institute (EEI)

- Annual Supplier Diversity Conference

Elite Service Disabled Veteran Owned Business (SDVOB)

- Annual National Convention of Service Disabled Veterans & Small Businesses Conference
- Sponsorship & Appreciation Luncheon

Greater LA African American Chamber of Commerce (GLAAACC)

- Economic Awards Dinner

Greenlining

- Annual Economic Summit
- Greenlining Annual Report Card

National Association of Regulatory Utility Commissioners

- Gaining the Competitive Advantage

National Association of Women Business Owners-LA (NAWBO-LA)

- NAWBO Awards Luncheon

National Association of Women Business Owners-SD (NAWBO-SD)

- NAWBO-SD Bravo Awards
- Networking Conference

National Gay & Lesbian Chamber of Commerce (NGLCC)

- Annual Gala Leadership Conference
- National International Business & Leadership Conference

National Minority Supplier Development Council (NMSDC)

- National Council Conference and Business Opportunity Fair

San Diego Business Journal

- Diversity and Inclusion Workshop

Southern California Economic Summit

Southern California Minority Business Development Council (SCMBDC)

- Minority Business Opportunity Day
- Supplier of The Year (SOTY) Awards Gala
- Leadership Excellence Awards Dinner

Women's Business Enterprise Council - West (WBEC-WEST)

- San Diego & LA Corporate Connection Dine Around
- Procurement Opportunity Conference and Platinum Supplier Program

Women's Business Enterprise National Council (WBENC)

- National Conference

SDG&E WMDVLGBTBE annual results by ethnicity

		2018			
		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	\$ 51,518,445	\$ 8,086,418	\$ 59,604,863	3.63%
	African American	\$ 18,388,191	\$ 10,824,390	\$ 29,212,581	1.78%
	Hispanic American	\$ 154,744,548	\$ 57,045,943	\$ 211,790,491	12.88%
	Native American	\$ 61,301,113	\$ 2,698,414	\$ 63,999,527	3.89%
	Total Minority Male	\$ 285,952,296	\$ 78,655,166	\$ 364,607,462	22.18%
Minority Female	Asian Pacific American	\$ 8,619,603	\$ 11,615,864	\$ 20,235,467	1.23%
	African American	\$ 10,561,642	\$ 746,491	\$ 11,308,134	0.69%
	Hispanic American	\$ 6,698,498	\$ 15,705,919	\$ 22,404,417	1.36%
	Native American	\$ -	\$ 125,379	\$ 125,379	0.01%
	Total Minority Female	\$ 25,879,744	\$ 28,193,653	\$ 54,073,397	3.29%
Total Minority Business Enterprise (MBE)	\$ 311,832,040	\$ 106,848,819	\$ 418,680,859	25.46%	
Women Business Enterprise (WBE)	\$ 155,219,211	\$ 72,019,403	\$ 227,238,614	13.82%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$ 5,083,069	\$ 573,406	\$ 5,656,475	0.34%	
Disabled Veteran Business Enterprise (DVBE)	\$ 35,229,358	\$ 35,595,465	\$ 70,824,823	4.31%	
Other 8(a)*	\$ -	\$ -	\$ -	0.00%	
TOTAL WMDVLGBTBE	\$ 507,363,678	\$ 215,037,094	\$ 722,400,771	43.94%	
Net Procurement**	\$ 1,644,222,587				

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

SDG&E WMDVLGBTBE procurement by product and service categories - direct

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Direct	\$ 19,034,713	4.53%	\$ 32,483,732	2.65%	\$ 51,518,445	3.13%
	African American	Direct	\$ 8,396,971	2.00%	\$ 9,991,220	0.82%	\$ 18,388,191	1.12%
	Hispanic American	Direct	\$ 56,344,697	13.40%	\$ 98,399,851	8.04%	\$ 154,744,548	9.41%
	Native American	Direct	\$ 1,441,218	0.34%	\$ 59,859,895	4.89%	\$ 61,301,113	3.73%
	Total Minority Male	Direct	\$ 85,217,599	20.27%	\$ 200,734,698	16.40%	\$ 285,952,296	17.39%
Minority Female	Asian Pacific American	Direct	\$ 6,684,871	1.59%	\$ 1,934,733	0.16%	\$ 8,619,603	0.52%
	African American	Direct	\$ 69,733	0.02%	\$ 10,491,909	0.86%	\$ 10,561,642	0.64%
	Hispanic American	Direct	\$ 2,584,621	0.61%	\$ 4,113,877	0.34%	\$ 6,698,498	0.41%
	Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Total Minority Female	Direct	\$ 9,339,225	2.22%	\$ 16,540,519	1.35%	\$ 25,879,744	1.57%
Total Minority Business Enterprise (MBE)	Direct	\$ 94,556,823	22.49%	\$ 217,275,217	17.75%	\$ 311,832,040	18.97%	
Women Business Enterprise (WBE)	Direct	\$ 52,527,620	12.49%	\$ 102,691,591	8.39%	\$ 155,219,211	9.44%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Direct	\$ 9,089	0.00%	\$ 5,073,980	0.41%	\$ 5,083,069	0.31%	
Disabled Veteran Business Enterprise (DVBE)	Direct	\$ 1,378,779	0.33%	\$ 33,850,579	2.77%	\$ 35,229,358	2.14%	
Other 8(a)*	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
TOTAL WMDVLGBTBE	Direct	\$ 148,472,311	35.31%	\$ 358,891,367	29.33%	\$ 507,363,678	30.86%	
Total Product Procurement \$		\$ 420,465,033						
Total Service Procurement \$		\$ 1,223,757,554						
Net Procurement**		\$ 1,644,222,587						
Total Number of WMDVLGBTBEs that Received Direct Spend		335						

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT

SDG&E WMDVLGBTBE procurement by product and service categories - subcontracting

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Sub	\$ 675,625	0.16%	\$ 7,410,794	0.61%	\$ 8,086,418	0.49%
	African American	Sub	\$ 2,278,875	0.54%	\$ 8,545,515	0.70%	\$ 10,824,390	0.66%
	Hispanic American	Sub	\$ 25,087,975	5.97%	\$ 31,957,968	2.61%	\$ 57,045,943	3.47%
	Native American	Sub	\$ 825,841	0.20%	\$ 1,872,573	0.15%	\$ 2,698,414	0.16%
	Total Minority Male	Sub	\$ 28,868,316	6.87%	\$ 49,786,850	4.07%	\$ 78,655,166	4.78%
Minority Female	Asian Pacific American	Sub	\$ 3,261,508	0.78%	\$ 8,354,356	0.68%	\$ 11,615,864	0.71%
	African American	Sub	\$ -	0.00%	\$ 746,491	0.06%	\$ 746,491	0.05%
	Hispanic American	Sub	\$ 3,017,234	0.72%	\$ 12,688,685	1.04%	\$ 15,705,919	0.96%
	Native American	Sub	\$ -	0.00%	\$ 125,379	0.01%	\$ 125,379	0.01%
	Total Minority Female	Sub	\$ 6,278,742	1.49%	\$ 21,914,912	1.79%	\$ 28,193,653	1.71%
Total Minority Business Enterprise (MBE)	Sub	\$ 35,147,057	8.36%	\$ 71,701,762	5.86%	\$ 106,848,819	6.50%	
Women Business Enterprise (WBE)	Sub	\$ 11,064,194	2.63%	\$ 60,955,209	4.98%	\$ 72,019,403	4.38%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Sub	\$ -	0.00%	\$ 573,406	0.05%	\$ 573,406	0.03%	
Disabled Veteran Business Enterprise (DVBE)	Sub	\$ 5,034,536	1.20%	\$ 30,560,929	2.50%	\$ 35,595,465	2.16%	
Other 8(a)*	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
TOTAL WMDVLGBTBE	Sub	\$ 51,245,787	12.19%	\$ 163,791,306	13.38%	\$ 215,037,094	13.08%	
Total Product Procurement \$		\$ 420,465,033						
Total Service Procurement \$		\$ 1,223,757,554						
Net Procurement**		\$ 1,644,222,587						

APPENDIX E IN FOLD-OUT ▶





SDG&E WMDVLGBTBE procurement by product category detail

SIC Category		African American		Asian American		Hispanic American		Native Am
		Male	Female	Male	Female	Male	Female	Male
23 - Apparel & Oth Finished Prods Made From Fabric	\$	-	-	192	-	-	-	-
	%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
26 - Paper & Allied Prods	\$	-	-	-	-	327,282	-	-
	%	0.00%	0.00%	0.00%	0.00%	92.03%	0.00%	0.00%
28 - Chemicals & Allied Prods	\$	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29 - Petroleum Refining & Related Industries	\$	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 - Rubber & Misc Plastics Prods	\$	-	-	463	-	-	-	-
	%	0.00%	0.00%	0.20%	0.00%	0.00%	0.00%	0.00%
32 - Stone, Clay, Glass & Concrete Prods	\$	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33 - Primary Metal Industries	\$	-	-	334,684	-	9,540	-	-
	%	0.00%	0.00%	8.15%	0.00%	0.23%	0.00%	0.00%
34 - Fabricated Metal Prods, Exc Machinery	\$	-	-	342,115	-	2,693,274	1,061	26,927
	%	0.00%	0.00%	1.83%	0.00%	14.40%	0.01%	0.14%
35 - Industrial & Commercial Machinery & Computer Equip	\$	8,304,828	-	-	-	275,256	456,212	-
	%	45.30%	0.00%	0.00%	0.00%	1.50%	2.49%	0.00%
36 - Electronic & Oth Elec Equip & Components	\$	-	-	18,723,646	-	3,533,158	-	-
	%	0.00%	0.00%	12.61%	0.00%	2.38%	0.00%	0.00%
37 - Transportation Equip	\$	-	-	-	141,831	257,463	-	118,382
	%	0.00%	0.00%	0.00%	1.78%	3.23%	0.00%	1.48%
38 - Measuring, Analyzing & Controlling Instrumentation	\$	-	-	-	152	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39 - Misc Manufacturing Industries	\$	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50 - Wholesale Trade; Durable Goods	\$	1,356,879	-	184,304	9,693,028	72,258,978	5,144,582	1,324,295
	%	0.83%	0.00%	0.11%	5.96%	44.42%	3.16%	0.81%
51 - Wholesale Trade; Nondurable Goods	\$	134,327	69,733	-	73,346	363,930	-	404,610
	%	0.69%	0.36%	0.00%	0.38%	1.88%	0.00%	2.09%
52 - Bldg Matls, Hardware, Garden Supply	\$	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 - Automotive Dirs & Gasoline Service Stations	\$	879,812	-	-	-	1,686,757	-	392,845
	%	8.74%	0.00%	0.00%	0.00%	16.76%	0.00%	3.90%
57 - Home Furniture, Furnishings & Equip Stores	\$	-	-	124,933	-	-	-	-
	%	0.00%	0.00%	15.98%	0.00%	0.00%	0.00%	0.00%
58 - Eating & Drinking Places	\$	-	-	-	38,021	27,033	-	-
	%	0.00%	0.00%	0.00%	1.34%	0.95%	0.00%	0.00%
59 - Misc Retail	\$	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Products Procurement	\$	10,675,846	69,733	19,710,337	9,946,378	81,432,672	5,601,855	2,267,059
	%	2.54%	0.02%	4.69%	2.37%	19.37%	1.33%	0.54%

Total Product Procurement \$	\$ 420,465,033
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Total Service Procurement \$	\$ 1,223,757,554
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Net Procurement**	\$ 1,644,222,587
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NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT

American	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
Female	-	192	701,843	-	-	702,035	2,005,997
	0.00%	0.01%	34.99%	0.00%	0.00%	35.00%	
	-	327,282	-	-	2,169	329,450	355,643
	0.00%	92.03%	0.00%	0.00%	0.61%	92.64%	
	-	-	77,019	-	-	77,019	811,775
	0.00%	0.00%	9.49%	0.00%	0.00%	9.49%	
	-	-	665,115	-	70,460	735,575	816,176
	0.00%	0.00%	81.49%	0.00%	8.63%	90.12%	
	-	463	-	-	2,551	3,014	226,279
	0.00%	0.20%	0.00%	0.00%	1.13%	1.33%	
	-	-	-	-	-	-	2,522,662
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	-	344,224	-	-	-	344,224	4,105,128
	0.00%	8.39%	0.00%	0.00%	0.00%	8.39%	
	-	3,063,377	951,872	-	-	4,015,249	18,709,657
	0.00%	16.37%	5.09%	0.00%	0.00%	21.46%	
	-	9,036,297	427,099	-	-	9,463,396	18,334,783
	0.00%	49.28%	2.33%	0.00%	0.00%	51.61%	
	-	22,256,804	13,597,852	-	1,308,319	37,162,976	148,491,279
	0.00%	14.99%	9.16%	0.00%	0.88%	25.03%	
	-	517,676	172,041	-	-	689,717	7,979,881
	0.00%	6.49%	2.16%	0.00%	0.00%	8.64%	
	-	152	2,057,968	-	-	2,058,120	19,058,200
	0.00%	0.00%	10.80%	0.00%	0.00%	10.80%	
	-	-	447,556	-	-	447,556	500,244
	0.00%	0.00%	89.47%	0.00%	0.00%	89.47%	
	-	89,962,065	28,485,517	-	4,946,625	123,394,207	162,655,252
	0.00%	55.31%	17.51%	0.00%	3.04%	75.86%	
	-	1,045,946	15,700,796	-	83,191	16,829,933	19,400,754
	0.00%	5.39%	80.93%	0.00%	0.43%	86.75%	
	-	-	-	-	-	-	476,167
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	-	2,959,414	108,294	-	-	3,067,708	10,066,986
	0.00%	29.40%	1.08%	0.00%	0.00%	30.47%	
	-	124,933	11	-	-	124,944	781,891
	0.00%	15.98%	0.00%	0.00%	0.00%	15.98%	
	-	65,055	196,214	9,089	-	270,358	2,845,403
	0.00%	2.29%	6.90%	0.32%	0.00%	9.50%	
	-	-	2,617	-	-	2,617	320,875
	0.00%	0.00%	0.82%	0.00%	0.00%	0.82%	
	-	129,703,880	63,591,814	9,089	6,413,315	199,718,098	420,465,033
	0.00%	30.85%	15.12%	0.32%	1.53%	47.50%	

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SDG&E WMDVLGBTBE procurement by service category detail

SIC Category	African American		Asian American		Hispanic American		Native American		Minority Business Enterprise (MBE)	
	Men	Women	Men	Women	Men	Women	Men	Women		
07 - Agricultural Svcs	\$	1,650,156	-	1,395,266	-	130,523	121,246	-	-	3,297,191
	%	4.80%	0.00%	4.06%	0.00%	0.38%	0.35%	0.00%	0.00%	9.59%
13 - Oil & Gas Extraction	\$	-	-	-	-	-	70,338	-	-	70,338
	%	0.00%	0.00%	0.00%	0.00%	0.00%	5.36%	0.00%	0.00%	5.36%
15 - Bldg Const-General Contractors	\$	-	-	-	2,455,759	11,288,874	-	23,285	-	13,767,919
	%	0.00%	0.00%	0.00%	4.76%	21.88%	0.00%	0.05%	0.00%	26.69%
16 - Heavy Const Oth Than Bldg Construction	\$	79,851	-	111,298	-	67,523,498	154,277	38,045,188	-	105,914,112
	%	0.02%	0.00%	0.03%	0.00%	20.89%	0.05%	11.77%	0.00%	32.76%
17 - Const-Special Trade Contractors	\$	8,490,175	-	3,771,139	909,845	10,469,441	5,841,910	289,969	-	29,772,479
	%	5.47%	0.00%	2.43%	0.59%	6.74%	3.76%	0.19%	0.00%	19.17%
27 - Printing Publishing & Allied Industries	\$	-	-	85,351	-	1,664	21,029	-	-	108,044
	%	0.00%	0.00%	4.24%	0.00%	0.08%	1.05%	0.00%	0.00%	5.37%
42 - Motor Freight Transportation & Warehousing	\$	3,436,049	279	-	960	1,168,919	4,924,711	-	-	9,530,919
	%	13.34%	0.00%	0.00%	0.00%	4.54%	19.12%	0.00%	0.00%	37.00%
45 - Transportation By Air	\$	883,883	-	-	-	-	-	-	-	883,883
	%	20.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.23%
47 - Transportation Svcs	\$	5	-	-	-	-	-	1,868	-	1,873
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.00%	0.13%
48 - Communications	\$	-	-	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
49 - Electric Gas & Sanitary Svcs	\$	8,901	-	-	152,065	285,494	535,176	-	-	981,636
	%	0.24%	0.00%	0.00%	4.11%	7.71%	14.46%	0.00%	0.00%	26.52%
60 - Depository Institutions	\$	-	-	-	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
62 - Security & Commodity Brokers Dirs Exchanges	\$	122,500	-	-	-	472,500	-	-	-	595,000
	%	1.35%	0.00%	0.00%	0.00%	5.20%	0.00%	0.00%	0.00%	6.54%
64 - Insurance Agents Brokers & Service	\$	-	11,427	-	-	-	-	-	-	11,427
	%	0.00%	0.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.86%
65 - Real Estate	\$	1,419,125	-	-	-	118,723	-	-	-	1,537,848
	%	49.54%	0.00%	0.00%	0.00%	4.14%	0.00%	0.00%	0.00%	53.69%
73 - Business Svcs	\$	1,075,261	10,314,647	1,994,482	1,270,530	4,622,554	4,310,656	21,765,216	125,379	45,478,725
	%	0.47%	4.48%	0.87%	0.55%	2.01%	1.87%	9.46%	0.05%	19.76%
75 - Automotive Repair Svcs & Parking	\$	-	-	-	-	947,950	29,576	-	-	977,526
	%	0.00%	0.00%	0.00%	0.00%	41.34%	1.29%	0.00%	0.00%	42.63%
76 - Misc Repair Svcs	\$	-	-	-	-	405,495	-	-	-	405,495
	%	0.00%	0.00%	0.00%	0.00%	12.63%	0.00%	0.00%	0.00%	12.63%
80 - Health Svcs	\$	-	-	-	203,225	-	-	-	-	203,225
	%	0.00%	0.00%	0.00%	32.28%	0.00%	0.00%	0.00%	0.00%	32.28%
81 - Legal Svcs	\$	-	-	4,263	72,063	59,385	-	-	-	135,711
	%	0.00%	0.00%	0.04%	0.75%	0.62%	0.00%	0.00%	0.00%	1.41%
87 - Engrg Accounting Research Mgmt	\$	718,556	912,048	31,321,039	5,224,641	30,011,215	681,191	1,150,041	-	70,018,732
	%	0.23%	0.29%	10.04%	1.67%	9.62%	0.22%	0.37%	0.00%	22.44%
89 - Svcs Not Elsewhere Classified	\$	652,274	-	1,211,688	-	2,851,583	112,451	456,900	-	5,284,897
	%	1.43%	0.00%	2.65%	0.00%	6.23%	0.25%	1.00%	0.00%	11.55%
Total Services Procurement	\$	18,536,735	11,238,401	39,894,526	10,289,089	130,357,819	16,802,562	61,732,468	125,379	288,976,979
	%	1.51%	0.92%	3.26%	0.84%	10.65%	1.37%	5.04%	0.01%	23.61%

Total Product Procurement \$	\$ 420,465,033
Total Service Procurement \$	\$ 1,223,757,554

Net Procurement**	\$ 1,644,222,587
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NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 %- PERCENTAGE OF NET PROCUREMENT

Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
1,912,320	-	-	-	5,209,511	34,380,158
5.56%	0.00%	0.00%	0.00%	15.15%	
18,770	-	-	-	89,108	1,311,952
1.43%	0.00%	0.00%	0.00%	6.79%	
1,856,059	-	13,054,638	-	28,678,616	51,589,105
3.60%	0.00%	25.31%	0.00%	55.59%	
11,027,600	-	6,963,050	-	123,904,762	323,279,731
3.41%	0.00%	2.15%	0.00%	38.33%	
48,060,573	-	16,191,756	-	94,024,807	155,343,502
30.94%	0.00%	10.42%	0.00%	60.53%	
128,881	-	19,257	-	256,182	2,011,110
6.41%	0.00%	0.96%	0.00%	12.74%	
1,457,392	-	13,093,390	-	24,081,701	25,760,690
5.66%	0.00%	50.83%	0.00%	93.48%	
18,655	-	-	-	902,538	4,369,639
0.43%	0.00%	0.00%	0.00%	20.65%	
196,656	-	-	-	198,529	1,450,953
13.55%	0.00%	0.00%	0.00%	13.68%	
2,205	-	-	-	2,205	2,841,193
0.08%	0.00%	0.00%	0.00%	0.08%	
-	-	-	-	981,636	3,700,820
0.00%	0.00%	0.00%	0.00%	26.52%	
-	-	-	-	-	727,440
0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	-	-	595,000	9,094,791
0.00%	0.00%	0.00%	0.00%	6.54%	
-	-	-	-	11,427	1,326,187
0.00%	0.00%	0.00%	0.00%	0.86%	
888,543	-	-	-	2,426,391	2,864,398
31.02%	0.00%	0.00%	0.00%	84.71%	
46,127,358	5,486	5,816,500	-	97,428,069	230,112,640
20.05%	0.00%	2.53%	0.00%	42.34%	
-	-	-	-	977,526	2,293,283
0.00%	0.00%	0.00%	0.00%	42.63%	
19,848	-	-	-	425,343	3,211,812
0.62%	0.00%	0.00%	0.00%	13.24%	
-	-	-	-	203,225	629,644
0.00%	0.00%	0.00%	0.00%	32.28%	
1,196,488	-	-	-	1,332,199	9,633,657
12.42%	0.00%	0.00%	0.00%	13.83%	
29,057,609	5,641,900	8,804,601	-	113,522,841	312,055,023
9.31%	1.81%	2.82%	0.00%	34.57%	
21,677,844	-	468,316	-	27,431,057	45,769,828
47.36%	0.00%	1.02%	0.00%	59.93%	
163,646,800	5,647,386	64,411,508	-	522,682,673	1,223,757,554
13.37%	1.81%	5.26%	0.00%	42.71%	

Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

Data On Number of Suppliers										
Revenue Reported to CHS					Utility-Specific 2018 Summary					
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Grand Total	MBE	WBE	LGBTBE	DVBE	Grand Total
Under \$1M	104	79	5	43	231	246	207	5	33	491
Under \$5 million	61	76	0	0	137	51	30	0	8	89
Under \$10 million	38	41	1	1	81	9	11	1	2	23
Above \$10 million	110	56	0	2	168	7	4	0	3	14
TOTAL	313	252	6	46	617	313	252	6	46	617

Revenue and Payment Data										
Revenue Reported to CHS					Utility-Specific 2018 Summary					
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Grand Total	MBE	WBE	LGBTBE	DVBE	Grand Total
Under \$1M	31.3	30.5	1.3	0	63.2	32.4	30.1	0.1	4.5	67.1
Under \$5 million	151.4	187.0	0	0	338.4	104.4	63.8	0.0	17.9	186.0
Under \$10 million	272.4	282.9	5.3	5.6	566.2	67.2	74.3	5.6	11.7	158.7
Above \$10 million	43,459.3	10,344.0	0	407.9	54,211.2	214.8	59.0	0.0	36.7	310.5
TOTAL	43,914.5	10,844.4	6.6	413.5	55,179.0	418.7	227.2	5.6	70.8	722.4

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
CHS: SUPPLIER CLEARINGHOUSE

Major SDG&E WMDVLGBTBE purchase categories

CATEGORY	EXAMPLES OF SERVICES DESCRIPTIONS	2018 Total \$ (In Millions)	2018 Percentage of Total Spend
Electric Operations	Engineering, Procurement and Construction (EPC), Engineering Services, Smart Grid, Electric Construction Services, Vegetation Management, Cable/Wire, Transformers, Equipment Rental, Aviation Services, Wildfire Mitigation Support, Traffic Control, Grading/Paving/Civil Services, Substation Site Development, Foundations	\$885.5	53.1%
Information Technology	PC Equipment, Hardware/Software, Licensing, Application Development, Network/Telecommunication Equipment and Support, Helpdesk, Consulting	\$156.8	9.5%
Customer Services	Energy Efficiency, Advertising & Marketing, Fulfillment & Distribution Services, Printing & Related Services, Appliance Recycling	\$148.9	9.1%
Gas Operations	Engineering, Materials, Construction, Welding Inspection, Locating & Testing Services	\$148.0	9.0%
Operations Support	Furniture, Office Maintenance & Repair, Landscaping & Maintenance, Building Leasing, Relocation, Environmental Services, Land Survey, Food & Catering, Building Security & Monitoring	\$113.4	6.9%
Power Supply	Electricity & Gas Commodity, Power Plant Maintenance, Turbine Maintenance	\$27.6	1.7%
Professional Services	Legal, Tax Consulting, Audit Services, Insurance & Benefits, Bond Issuance	\$25.1	1.5%
Fleet Services	Trucks, Vehicles & Equipment, Fuel & Oils, Tires, Auto Parts and Services, Vehicle Disposal	\$23.2	1.4%

Supplier diversity glossary of terms

CBO

Community based organization

DBE

Diverse Business Enterprise, SDG&E's term for WMDVLGBTBE

DVBE

Service Disabled Veteran-owned Business Enterprise

GO 156

In May 1988, the California Public Utilities Commission (CPUC) issued General Order 156 (GO 156). Under GO 156, all investor-owned electric, gas, water and telecommunication utility companies with gross annual revenues in excess of \$25 million and their regulated subsidiaries and affiliates, were required to develop and implement programs to increase the utilization of woman and minority owned businesses. Voluntary procurement goals are 5% for women, 15% for minorities and 1.5% for service-disabled veterans.

LGBTBE

In Decision 15-06-007, the CPUC required that Lesbian, Gay, Bisexual or Transgender Business Enterprises (LGBTBE) be included in General Order 156 reporting. There are no established goals at this time.

MBE

Minority-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

MWBE

Minority female-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

Other 8(a)

Other groups or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act. Other 8(a) may include non-WMDVLGBTBE firms.

QuickPay

This initiative requires federal agencies to speed up payments to small business contractors, with the goal of paying within 15 days. SDG&E's Supplier Quick Pay Program is based upon this federal initiative.

SCORE

Small Contractor Opportunity Realization Effort provides opportunities for new and growing diverse suppliers companies to demonstrate their abilities to work with utilities through low dollar, short term agreements, typically under \$75,000.

SQPP

Supplier Quick Pay Program - Helps small businesses by increasing their working capital, so they can grow their businesses and hire more workers. In the SQPP initiative, SDG&E commits to pay qualified small suppliers faster with payment terms of net 15 day with no discount.

SUBCONTRACTING

Subcontracting refers to any agreement or arrangement between a contractor and any party or person (in which the parties do not stand in the relationship of an employer and an employee.)

- 1) For the furnishing of supplies or services, which, in whole or in part, are necessary to the performance of any one or more contracts; or
- 2) Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.

TECHNICAL ASSISTANCE

Technical Assistance - Provides well rounded and comprehensive programs to increase business acumen for diverse business owners at all levels and across functional business areas.

Tier 1 - Supplier Objectives: Identify core capabilities and develop metrics for supporting growth. Address business challenges and risk. Develop an action plan and a toolkit to overcome barriers.

Tier 2 - Supplier Objectives: Focus on capacity expansion and increasing revenue. Establish a strategic growth plan and identify methods to maximize profits.

Tier 3 - Supplier Objectives: Focus on key areas of expertise and leveraging subcontractors for areas that are not part of a supplier's core competency. Create value-added and innovative products and services. Proactively anticipate and prepare for future change. Develop a sustainable business model.

WBE

Women-owned Business Enterprise

WMBE

Women and Minority-owned Business Enterprise

WMDVBE

Women, Minority and Service Disabled Veteran-owned Business Enterprise

WMDVLGBTBE

Women, Minority, Service Disabled Veteran and Lesbian, Gay, Bisexual or Transgender Business Enterprise



P.O. Box 129831 | San Diego, CA 92112-9831 | 1-800-411-7343 | Connect at sdge.com

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