Company: San Diego Gas & Electric Company (U 902 M)

Proceeding: 2024 General Rate Case Application: A.22-05-015/-016 (cons.)

Exhibit: SDG&E-220

#### **REBUTTAL TESTIMONY OF**

#### **DANIEL CASTILLO**

(SUPPLY MANAGEMENT, LOGISTICS, & SUPPLIER DIVERSITY)

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



May 2023

### **TABLE OF CONTENTS**

| I.   | SUM    | MARY           | OF DIFFERENCES              | 1        |
|------|--------|----------------|-----------------------------|----------|
| II.  | INTR   | ODUC           | CTION                       | 1        |
|      | A.     |                | ADVOCATES                   |          |
|      | B.     |                | MUNITY LEGAL SERVICES       |          |
| III. | REBU   |                | _ TO PARTIES' O&M PROPOSALS |          |
|      | A.     |                | J-SHARED SERVICES O&M       |          |
|      |        | 1.             | Non-Shared Services O&M     | 3        |
|      | B.     | SHA            | RED SERVICES O&M            | 5        |
|      |        | 1.             | Shared Services O&M         | <i>6</i> |
| IV.  | CONC   | CLUSI          | ON                          | <i>.</i> |
|      |        |                |                             |          |
| APPE | NDIX A | A – GI         | LOSSARY OF TERMS            | DC-A-1   |
| APPE | NDIX I | B – D <i>A</i> | ATA REOUEST RESPONSES       | DC-B-1   |

4

5

6

7

8

9

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11

12

13

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17

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### REBUTTAL TESTIMONY OF DANIEL CASTILLO (SUPPLY MANAGEMENT, LOGISTICS, & SUPPLIER DIVERSITY)

#### I. SUMMARY OF DIFFERENCES

| <b>TOTAL O&amp;M</b> - Constant 2021 (\$000) |                   |                   |        |  |  |  |  |  |
|--|-------------------|-------------------|--------|--|--|--|--|--|
|  | Base Year<br>2021 | Test Year<br>2024 | Change |  |  |  |  |  |
| SDG&E  | 19,816            | 20,719            | 903    |  |  |  |  |  |
| CAL<br>ADVOCATES                             | 19,816            | 20,719            | 903    |  |  |  |  |  |
| COMMUNITY<br>LEGAL                           |                   |                   |        |  |  |  |  |  |
| SERVICES                                     | 19,816            | 20,719            | 903    |  |  |  |  |  |

#### II. **INTRODUCTION**

This rebuttal testimony regarding San Diego Gas & Electric Company's (SDG&E's) request for Supply Management, Logistics, & Supplier Diversity addresses the following testimony from other parties:

- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates), as submitted by L. Mark Waterworth (Exhibit CA-11), dated March 27, 2023.
- Community Legal Services (CommLegal), as submitted by Tadashi Gondai, General Counsel (Exhibit CLS-01), dated March 27, 2023.

As a preliminary matter, the absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SDG&E with the proposal or contention made by these or other parties. The forecasts contained in SDG&E's direct testimony, performed at the project level, are based on sound estimates of its revenue requirements at the time of testimony preparation.

Direct Testimony (Exhibit SDG&E-20) covers several cost areas, including Procurement/Category Management, Strategy & Supply Chain Sustainability, and Logistics & Inventory Management. Cal Advocates does not oppose SDG&E's request. CommLegal does not recommend any cost reductions for SDG&E's request, and instead focuses on ways that CommLegal believes SDG&E should "strengthen" its supplier diversity program and report on its diversity-related efforts to the CPUC.

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SDG&E remains committed to supporting its supplier diversity program so that it may continue creating contracting and sourcing opportunities for diverse businesses. SDG&E is proud of its supplier diversity program, its results, and the positive impact it has had with diverse businesses and with SDG&E's communities over the years. These results are demonstrated in SDG&E's supplier diversity reports, filed annually with the California Public Utilities Commission. SDG&E agrees with CommLegal on the need to continue focusing on outreach and technical assistance for diverse business and training for supplier diversity staff; however, SDG&E disagrees with some of the specific tactics recommended by CommLegal, as outlined below.

#### A. CAL ADVOCATES

Cal Advocates does not oppose SDG&E's TY 2024 forecast of \$20.719 million.<sup>1</sup>

#### B. COMMUNITY LEGAL SERVICES

The following is a summary of CommLegal's position on SDG&E's testimony related to supplier diversity<sup>2</sup>:

- CommLegal does not oppose SDG&E's TY 2024 forecast of \$20.719 million.
- CommLegal recommends SDG&E focus on outreach and technical assistance to diverse business enterprises (DBEs).
- CommLegal recommends SDG&E should set more granular goals to increase the total number of DBEs overall with specific goals for small DBEs.
- CommLegal recommends SDG&E should set specific goals for prime suppliers for subcontracting with smaller DBEs.
- CommLegal recommends SDG&E should improve training for SDG&E supplier diversity staff.

Ex. CA-11 (Prepared Testimony of L. Mark Waterworth on behalf of CalAdvocates), March 27, 2023, at 8.

<sup>&</sup>lt;sup>2</sup> Ex. CLS-01 (Prepared Testimony of Tadashi Gondai on behalf of Community Legal Services), March 27, 2023, at 1-2.

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#### III. REBUTTAL TO PARTIES' O&M PROPOSALS

#### A. Non-Shared Services O&M

| NON-SHARED O&M - Constant 2021 (\$000) |                   |                   |        |  |  |  |  |  |
|--|-------------------|-------------------|--------|--|--|--|--|--|
|  | Base Year<br>2021 | Test Year<br>2024 | Change |  |  |  |  |  |
| SDG&E                                  | 14,290            | 15,569            | 1,279  |  |  |  |  |  |
| CAL                                    |                   |                   |        |  |  |  |  |  |
| ADVOCATES                              | 14,290            | 15,569            | 1,279  |  |  |  |  |  |
| COMMUNITY                              |                   |                   |        |  |  |  |  |  |
| LEGAL                                  |                   |                   |        |  |  |  |  |  |
| SERVICES                               | 14,290            | 15,569            | 1,279  |  |  |  |  |  |

CommLegal recommends SDG&E should report on the specific

efforts SDG&E makes regarding these items in the next GRC.

#### 1. Non-Shared Services O&M

#### Cal Advocates

Cal Advocates does not oppose the non-shared services forecast for TY 2024.

#### b. **Community Legal Services**

CommLegal does not oppose the forecast for TY 2024 but recommends the below. CommLegal recommends that SDG&E focus on supplier outreach and technical assistance by reinstating the Best in Class (BIC) program<sup>3</sup>, which was created in 2017. SDG&E opposes CommLegal's recommendation to reinstate the Best in Class program. The decline in diverse spend is not directly related to the discontinuation of the BIC program, as CommLegal suggests in their testimony. As noted in SDG&E's response to data request CLS-001 Q2, there has been a declining trend in diverse spend from 2017 through 2021, due to challenges in the market to locate certified diverse suppliers in key areas of spend.<sup>4</sup> Based on the unique needs of SDG&E's diverse supply base and stakeholder feedback, SDG&E refreshed and refined its Supplier Diversity program. SDG&E provided technical assistance to diverse suppliers through partnerships with various community-based organizations and internal stakeholders to help diverse suppliers build their financial and operational acumen. SDG&E also developed

*Id.* at 5.

Appendix B, SDG&E Response to Data Request No. CLS-006, Question 1b.

relationships with key stakeholders and prime tier one suppliers to increase their capacity and build relationships to become successful in sourcing opportunities. SDG&E plans to continue these programs and activities which have proven successful and contributed in part to SDG&E's increase in the percent of supplier diversity spend in 2022 (39.8%) compared to 2021 (39.1%).

CommLegal recommends that SDG&E set a goal to increase their total number of diverse vendors by 2.5% per year - 571 by 2023 and 585 by 2024 - with special emphasis on small DBEs. SDG&E opposes CommLegal's recommendation to set specific goals to increase the total number of diverse vendors. SDG&E takes great pride in far exceeding the California Public Utilities Commission (CPUC) diversity goals for 18 consecutive years, which is a testament to SDG&E's commitment to supplier diversity. SDG&E's focus is to support all diverse businesses and continue to exceed the CPUC's voluntary goals. In 2022, almost half of SDG&E's diverse spend was with local suppliers in SDG&E's region, many of which are small businesses. Furthermore, SDG&E collaborates with many local organizations whose members are primarily small diverse businesses to find opportunities to integrate them into the supply chain. To focus specifically on increasing SDG&E's count of diverse suppliers with an emphasis on small DBE's would divert focus from the program as a whole and the benefit of all diverse suppliers, especially tier two suppliers.

CommLegal recommends that similar to SoCalGas, SDG&E should set diverse spending goals for prime suppliers to attain with their subcontractors.<sup>6</sup> CommLegal states that in response to data request CLS-001\_Q04, SDG&E indicated that it does not set separate internal aspirational goals for subcontractor spending with diverse suppliers.<sup>7</sup> SDG&E disagrees with this assertion and recommendation. CommLegal's question from data request CLS-001\_Q04 asked if SDG&E set separate internal aspirational goals for subcontractor spend. SDG&E's response to the data request stated that SDG&E does not set a separate internal aspirational goal for subcontractor spend.<sup>8</sup> However, SDG&E does set diverse subcontracting goals for its prime suppliers. Similar to SoCalGas, these goals are set in individual supplier agreements.

<sup>&</sup>lt;sup>5</sup> Ex. CLS-01 (Tadashi Gondai) at 8.

<sup>&</sup>lt;sup>6</sup> *Id.* at 9.

<sup>&</sup>lt;sup>7</sup> *Ibid.*, fn. 23.

<sup>&</sup>lt;sup>8</sup> Appendix B, SDG&E Response to Data Request No. CLS-001, Question 4.

CommLegal recommends that SDG&E should increase training for SDG&E supplier diversity staff.<sup>9</sup> CommLegal states the following in their testimony:

What is clear is that SDG&E's percentage of supplier diversity spending has decreased from 43.9% in 2018 to 39.8% in 2022, which is a substantial (9.3%) decrease and that, as discussed above, SDG&E has decreased their diversity spending goal by 4.9%. The lack of appropriate training for supplier diversity staff may factor into the drop in performance of SDG&E's SD department. Therefore, CommLegal recommends that SDG&E provide more robust training to their supplier diversity staff, focused particularly on how to identify and engage with more small DBEs.<sup>10</sup>

SDG&E agrees in principle with CommLegal's position. SDG&E agrees with CommLegal to provide more training to supplier diversity staff to continue to develop skillsets to grow SDG&E's supplier diversity program, and that is something that SDG&E is focused on continuous improvement to execute. SDG&E's efforts have already reversed the downward trend in 2022, with its percentage spend with diverse businesses compared to 2021.

CommLegal recommends that SDG&E report on the specific efforts that were made regarding the items outlined above in the next GRC. SDG&E disagrees with CommLegal's recommendation. SDG&E will continue to work to identify program accomplishments in traditional and required reporting channels. SDG&E reports its efforts, including results, goals and plans for its supplier diversity program to the CPUC on an annual basis through the Supplier Diversity Annual Report. Accordingly, no additional reporting is needed.

#### B. Shared Services O&M

| <b>SHARED O&amp;M</b> - Constant 2021 (\$000) |                   |                   |        |  |  |  |  |  |
|---|-------------------|-------------------|--------|--|--|--|--|--|
|   | Base Year<br>2021 | Test Year<br>2024 | Change |  |  |  |  |  |
| SDG&E   | 5,526             | 5,150             | -376   |  |  |  |  |  |
| CAL<br>ADVOCATES                              | 5,526             | 5,150             | -376   |  |  |  |  |  |
| COMMUNITY<br>LEGAL                            |                   |                   |        |  |  |  |  |  |
| SERVICES                                      | 5,523             | 5,150             | -376   |  |  |  |  |  |

Ex. CLS-01 (Tadashi Gondai) at 12.

<sup>&</sup>lt;sup>10</sup> *Id.* at 11-12.

#### 1. Shared Services O&M

#### a. CAL ADVOCATES

Cal Advocates does not oppose the shared services forecast for TY 2024.

#### b. Community Legal Services

CommLegal does not oppose the shared services forecast for TY 2024.

#### IV. CONCLUSION

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To summarize, Cal Advocates agrees with SDG&E's forecast for TY 2024. SDG&E appreciates and respects CommLegal's comments and recommendations. However, for the reasons stated in this rebuttal, SDG&E respectfully requests that the Commission adopt SDG&E's forecast and programs as proposed.

This concludes my prepared rebuttal testimony.

# APPENDIX A GLOSSARY OF TERMS

## APPENDIX A

### **GLOSSARY OF TERMS**

| ACRONYM       | DEFINITION   |  |  |  |  |  |
|---------------|--|--|--|--|--|--|
| BY            | Base Year  |  |  |  |  |  |
| Cal Advocates | The Public Advocates Office of the California Public Utilities |  |  |  |  |  |
|               | Commission   |  |  |  |  |  |
| CBO           | Community Based Organizations                                  |  |  |  |  |  |
| CommLegal     | Community Legal Services                                       |  |  |  |  |  |
| CPUC          | California Public Utilities Commission                         |  |  |  |  |  |
| DBE           | Diverse Business Enterprise                                    |  |  |  |  |  |
| GRC           | General Rate Case  |  |  |  |  |  |
| O&M           | Operations & Maintenance                                       |  |  |  |  |  |
| SD            | Supplier Diversity   |  |  |  |  |  |
| SDGE          | San Diego Gas & Electric Company                               |  |  |  |  |  |
| SMEs          | Subject Matter Experts   |  |  |  |  |  |
| SoCalGas      | Southern California Gas Company                                |  |  |  |  |  |
| TY            | Test Year  |  |  |  |  |  |

## Appendix B

## **SDG&E** Responses to Data Requests

CLS-001\_Q1-8

CLS-006\_Q1-4

# Appendix B SDG&E Response to CLS-001\_Q1-8

**Proceeding Name:** A2205015\_016 - SoCalGas and SDGE 2024 GRC

Publish To: National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

1. Please provide a copy of the GO156 Annual Report SDGE filed each year from 2017 to 2022. If any year's report is currently unavailable, please give an estimate of when it will be provided.

### SDG&E Response 1:

The GO156 Annual Reports can be found on the CPUC website using the following link: <a href="https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/business-and-community-outreach/supplier-diversity-program/go-156-procurement-reports-and-plans.">https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/business-and-community-outreach/supplier-diversity-program/go-156-procurement-reports-and-plans.</a>

The 2022 Annual report is expected to be filed on March 1st, 2023.

**Proceeding Name:** A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

2. Aside from the goals of GO156, what were the internal aspirational goals for spending with diverse suppliers at SDGE for each year of the prior GRC period, and were they attained?

#### **SDG&E** Response 2:

The internal aspirational goals for spending with diverse suppliers at SDG&E were as follows:

| Year | Goal | Results |
|------|------|---------|
| 2017 | 40%  | 44.6%   |
| 2018 | 40%  | 43.9%   |
| 2019 | 40%  | 40.9%   |
| 2020 | 40%  | 41.6%   |
| 2021 | 42%  | 39.1%   |

**Proceeding Name:** A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

3. What are the internal aspirational goals for spending with diverse suppliers at SDGE for each year of the upcoming GRC period?

#### **SDG&E** Response 3:

SDG&E objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase "upcoming GRC period." Subject to and without waiving the foregoing objection, SDG&E responds as follows:

SDG&E's aspirational goals are established annually. SDG&E's aspirational goal for 2023 is 40%.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

4. Does SDGE have separate internal aspirational goals for subcontractor spending with diverse suppliers? If so, please list these goals for each year of the prior GRC period (and state whether they were attained) and for each year of the upcoming GRC period.

#### SDG&E Response 4:

SDG&E objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase "upcoming GRC period." Subject to and without waiving the foregoing objection, SDG&E responds as follows:

No, SDG&E does not have separate internal aspiration goals for subcontractor spending. SDG&E's aspirational goals include subcontractor spending.

**Proceeding Name:** A2205015\_016 - SoCalGas and SDGE 2024 GRC

Publish To: National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

5. Does SDGE include subcontractor spending with diverse suppliers in calculating SDGE's diversity spend percentage?

### **SDG&E** Response 5:

Yes, please see response to Question 4.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

**Publish To:** National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

6. Provide detailed information regarding the percentage and total dollar amount of contracts awarded by SDGE annually since 2017 to minority business enterprises. Please break down the businesses by owner ethnicity, and for Asian American owned businesses, differentiate by major pan-Asian subethnic groups (such as Chinese, Japanese, Korean, Filipino, Vietnamese, etc.) to the extent that such information is available.

#### **SDG&E** Response 6:

In accordance with GO156, SDG&E reports diverse spending on a cash payment basis to diverse businesses. Additionally, SDG&E reports spend based on the minority business categories as defined by GO156. Asian Pacific American is the category defined by GO156. SDG&E does not track or report by the subethnic group.

## SDG&E Minority Business Enterprise (\$000)

|                                    | 2017    |         |       | 2018    |         | 2019  |       | 2020    |       |    | 2021    |       |    |         |       |
|------------------------------------|---------|---------|-------|---------|---------|-------|-------|---------|-------|----|---------|-------|----|---------|-------|
|                                    | Spend % |         |       | Spend % |         |       | Spend | %       | Spend |    | %       | Spend |    | %       |       |
| African American                   | \$      | 38,261  | 2.4%  | \$      | 40,521  | 2.5%  | \$    | 55,317  | 3.6%  | \$ | 61,743  | 3.0%  | \$ | 87,484  | 3.7%  |
| Asian Pacific American             | \$      | 77,199  | 4.9%  | \$      | 79,840  | 4.9%  | \$    | 54,458  | 3.5%  | \$ | 72,550  | 3.5%  | \$ | 85,619  | 3.6%  |
| Hispanic American                  | \$      | 221,025 | 14.0% | \$      | 234,195 | 14.2% | \$    | 207,129 | 13.3% | \$ | 241,770 | 11.5% | \$ | 201,670 | 8.4%  |
| Native American                    |         | 55,539  | 3.5%  | \$      | 64,125  | 3.9%  | \$    | 52,156  | 3.4%  | \$ | 79,355  | 3.8%  | \$ | 86,394  | 3.6%  |
| Total Minority Business Enterprise |         | 392,023 | 24.9% | \$      | 418,681 | 25.5% | \$    | 369,060 | 23.7% | \$ | 455,418 | 21.7% | \$ | 461,167 | 19.3% |

**Proceeding Name:** A2205015\_016 - SoCalGas and SDGE 2024 GRC

**Publish To:** National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

7. Provide detailed information on technical assistance and capacity building programs offered by SDGE to develop minority business enterprises. Specify how much was spent for each program and which organizations received funding and participated.

#### SDG&E Response 7:

SDG&E partners with multiple community-based organizations and other institutions to provide technical assistance to diverse suppliers to help them build their financial acumen and develop the tools and resources to grow their business.

Some of these programs include:

#### Ethnic Chamber and Organizations Events

SDG&E attends events with different chambers and associations where SDG&E participates as panelists and tradeshow exhibitors alongside other utilities and corporations. SDG&E provides information on SDG&E's Supplier Diversity Program and how to do business with SDG&E. SDG&E participates in multiple events every year which includes cohorts with the San Diego Black Chamber's Urban Business Resource Center that provided technical assistance to African American Businesses.

#### Supplier Symposiums

SDG&E's Supplier Diversity department has partnered with the Council for Supplier Diversity to host supplier symposiums in different categories of large spend, to introduce diverse suppliers to key decision makers in sourcing activities. This includes prime suppliers that provide mentorship to diverse businesses as subcontractors in large projects, to develop their skills and experience to be able to become prime suppliers.

For the programs hosted by SDG&E, SDG&E estimates approximately \$5,000 on average per event; costs may vary based on the size of the event.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: National Diversity Coalition, formerly the Joint Minority Parties

**Date Received:** 1/23/2023 **Date Responded:** 2/6/2023

8. For any technical assistance and capacity building programs offered by SDGE to develop minority business enterprises, explain any target goals for the programs, whether such goals were attained, and how the programs were evaluated. (SDGE-20 at DC-4, DC-11)

#### **SDG&E** Response 8:

SDG&E partners with community-based organizations and other intuitions to provide technical assistance programs throughout the year. SDG&E does not set a predetermined internal goal for these programs.

# Appendix B SDG&E Response to CLS-006\_Q1-4

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

Date Received: 3/1/2023

Date Responded: 3/10/2023

1. SDGE's response to CLS-001 Q2 and Q3, along with SDGE-20 at DC-4, show that SDGE is decreasing its internal aspirational goals for spending with diverse suppliers by 2 percentage points or 4.9% – from 42% in 2021 and 2022 to 40% in 2023.

a. Please explain the reasons for the decrease.

#### **SDG&E** Response 1a:

SDG&E remains committed to its Supplier Diversity Program. SDG&E's aspirational goal of 40% far exceeds the CPUC's recommended goal of 22%, which SDG&E has exceeded for 18 consecutive years. The change in SDG&E's aspirational goal is based on challenges in the market to locate certified diverse suppliers in key areas of spend.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

**Publish To:** Community Legal Services (CommLegal)

Date Received: 3/1/2023

Date Responded: 3/10/2023

#### **Question 1-Continued**

b. Does SDGE expect the issues which caused SDGE to decrease its internal aspiration goal to continue to affect SDGE's spending performance with diverse suppliers beyond 2022?

#### **SDG&E** Response 1b:

SDG&E sets its aspirational goals on an annual basis, taking into consideration supplier diversity market data and challenges from the prior year. It is challenging to predict if these issues will continue in the future.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

Date Received: 3/1/2023

Date Responded: 3/10/2023

### **Question 1-Continued**

c. What was the percentage of SDGE spend with diverse suppliers for 2022 (entitled "Results" in SDGE response to CLS-001 Q2)?

## **SDG&E** Response 1c:

The 2022 spend with diverse suppliers was 39.75%.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

**Publish To:** Community Legal Services (CommLegal)

Date Received: 3/1/2023

Date Responded: 3/10/2023

2. CLS-001 Q9 states, "For any technical assistance, supplier outreach, and capacity building programs offered by SDGE to develop minority business enterprises, explain any modifications that have occurred over the past five years, and any planned modifications to such programs during the next GRC cycle. (SDGE-20 at DC-4, DC-11)" SDGE only answered as to its technical assistance program. Please answer completely as to supplier outreach and capacity building.

#### SDG&E Response 2:

SDG&E's supplier outreach and capacity building programs have been consistent year over year. SDG&E continues to test its programs and offerings with external experts and influenced by supplier feedback directly to ensure relevance and usefulness. While SDG&E does not anticipate core offerings and outreach materially changing, SDG&E is open to new and innovative ways to improve the program.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

**Date Received:** 3/1/2023 **Date Responded:** 3/10/2023

- 3. In response to CLS-001 Q15, SDGE explains that the creation of its Best In Class ("BIC") program is responsible for the unusually high adjusted-recorded Supplier Diversity costs in 2017.
- a. Did SDGE offer the BIC program in 2020, 2021, and 2022? If so, how many BIC events were held each year?

#### SDG&E Response 3a:

Due to COVID-19 restrictions, SDG&E did not offer the BIC Program in 2020, 2021 and 2022.

**Proceeding Name:** A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

Date Received: 3/1/2023

Date Responded: 3/10/2023

### **Question 3-Continued**

b. Does SDGE plan to offer the BIC program in 2023 and beyond? If so, how many BIC events does SDGE anticipate holding annually?

#### **SDG&E** Response 3b:

There are currently no plans to continue the BIC program in 2023 and beyond.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

**Date Received:** 3/1/2023 **Date Responded:** 3/10/2023

#### **Question 3-Continued**

c. If the BIC program was discontinued, please list the year it was discontinued and explain the reason(s) why it was discontinued.

#### **SDG&E** Response 3c:

The BIC program was discontinued in 2020 due to COVID-19 restrictions. SDG&E plans to continue to focus and enhance the technical assistance programs and diverse supplier outreach through SDG&E's supplier symposiums and meet and greet events.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

Date Received: 3/1/2023

Date Responded: 3/10/2023

### **Question 3-Continued**

d. Please provide the costs for the BIC program for the years 2017, 2018, and 2019, broken down by labor and non-labor costs.

## SDG&E Response 3d:

Best In Class Non-Labor Expenses:

2017 - \$89k

2018 - \$18k

2019 - \$59k

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

Date Received: 3/1/2023 Date Responded: 3/10/2023

#### **Question 3-Continued**

e. Please describe the BIC program and any associated events in detail. f. How does SDGE evaluate the success of the BIC program? Provide the results of this evaluation for all years the BIC program has been in operation.

#### **SDG&E** Response 3e:

The BIC program was designed for well established companies that combine learning, networking and leadership development modeled after some of the most successful business leaders. As a result, many of these companies have secured prime roles within major capital projects and have restructured their operations to better align with utility requirements.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

**Publish To:** Community Legal Services (CommLegal)

Date Received: 3/1/2023 Date Responded: 3/10/2023

4. SDGE's response to CLS-001 Q17 states that, "[t]he lower non-labor costs from 2020-2021 [for SDGE's supplier diversity department] were a result of less in-person events, conferences and associated travel costs due to COVID-19."

a. Is SDGE planning to resume the same number of in-person events and conferences for the supplier diversity department as in pre-Covid years before 2020 during the 2024 GRC period? If not, why not?

#### **SDG&E** Response 4a:

SDG&E plans to gradually increase the number of in-person events and conferences; however, SDG&E is not requesting additional funding beyond what was spent in 2021 in this rate case.

Proceeding Name: A2205015 016 - SoCalGas and SDGE 2024 GRC

Publish To: Community Legal Services (CommLegal)

**Date Received:** 3/1/2023 **Date Responded:** 3/10/2023

#### **Question 4-Continued**

b. Please list the in-person events and conferences hosted by SDGE's supplier diversity department and the associated costs of each (including travel costs) for the years 2017, 2018, and 2019.

### SDG&E Response 4b:

The in-person events and conferences hosted by SDG&E's supplier diversity department can be found in SDG&E's Supplier Diversity Annual Report published on the California Public Utilites Commission website. Below are the links to each year's report, with the associated page number referenced.

| Year | Supplier Diversity Annual Report Link                     | Page # | Total<br>Cost |
|------|---|--------|---------------|
| 2017 | https://www.cpuc.ca.gov/-/media/cpuc-                     | 4      | \$189k        |
|      | website/divisions/news-and-outreach/documents/bco/go-     |        |               |
|      | 156-procurement-plans/2017/san-diego-2017.pdf             |        |               |
| 2018 | https://www.cpuc.ca.gov/-/media/cpuc-                     | 4      | \$113k        |
|      | website/files/uploadedfiles/cpucwebsite/content/about_us/ |        |               |
|      | businesscommunityoutreach/go156procurementplans/2018      |        |               |
|      | /sdge-2018-supplier-diversity-annual-report.pdf           |        |               |
| 2019 | https://www.cpuc.ca.gov/-/media/cpuc-                     | 4      | \$147k        |
|      | website/files/uploadedfiles/cpucwebsite/content/about_us/ |        |               |
|      | businesscommunityoutreach/go156procurementplans/2019      |        |               |
|      | /sdge-supplier-diversity-2019-annual-report-and-2020-     |        |               |
|      | annual-plan.pdf   |        |               |