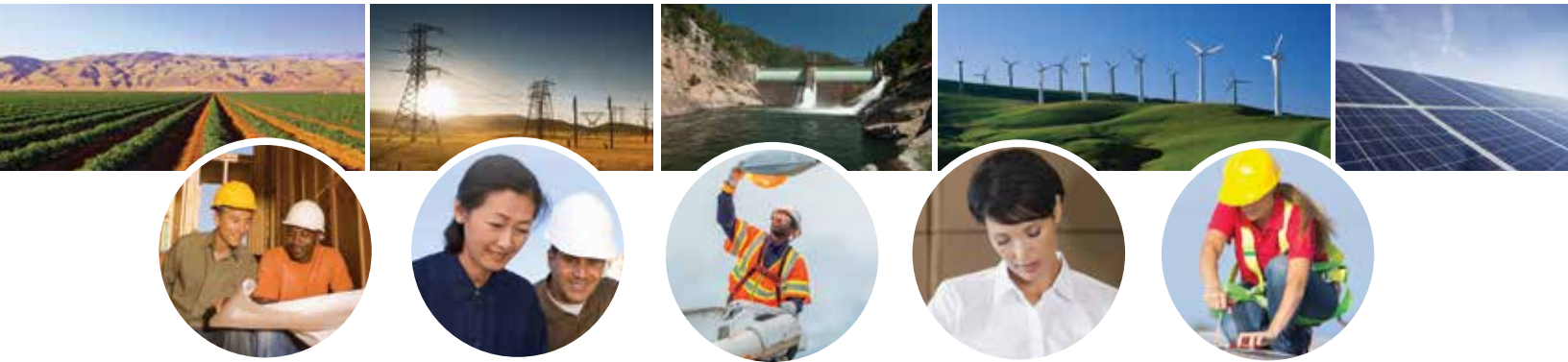


Supplier Diversity

2015 | 2016

ANNUAL REPORT | ANNUAL PLAN



All. In.



Together, Building
a Better California

**BEFORE THE PUBLIC
UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking into
Implementation of Public Utilities Code
Sections 8281-8286 Relating to Women,
Minority, Service-Disabled Veteran and
Lesbian, Gay, Bisexual and Transgender
Business Enterprises R. 91-02-0111

**PACIFIC GAS AND ELECTRIC
COMPANY (U 39 M)**

Annual Women-, Minority-,
Service-Disabled Veteran and
Lesbian, Gay, Bisexual and
Transgender-Owned Business
Enterprises Report for Calendar
Year 2015

Pacific Gas and Electric Company
Post Office Box 770000
San Francisco, CA 94177
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March 1, 2016

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2015 ANNUAL REPORT

Letter from the Presidents

PG&E 'All In' with Supplier Diversity

As one of California's longest-tenured businesses, PG&E recognized many years ago the value of cultivating a community of suppliers that reflects our state's wonderful diversity, increases economic opportunity in our local communities and enhances the quality of the service we provide to our customers. Today, we are "all in" when it comes to supporting diverse suppliers, and our results demonstrate this commitment.

Last year marked our 35th year since launching our Supplier Diversity Program, and importantly, it was our best year in supplier diversity. In 2015, PG&E spent an all-time high of \$2.5 billion with diverse suppliers, which is 44% of the company's total spend. That's even more remarkable when you consider that just 10 years ago PG&E's diverse spend was \$492 million, or 21.7% of the total.

This growth reflects the success of a variety of initiatives we have put in place. For example, we introduced the Prime Supplier Academy in 2015, which helps our largest suppliers develop their own supplier diversity programs and expand opportunities for diverse businesses to add value in PG&E's extended supply chain. Our Supplier Development Program also supports incumbent diverse suppliers with executive mentorship, technical assistance and new opportunity identification.

In addition, we have focused on raising awareness and broadening support for supplier diversity across the company. The theme of "All in" captures PG&E's cross-functional commitment to providing opportunities for California's diverse businesses. It also mirrors the company's "One PG&E" philosophy, which guides the way we work together within PG&E to deliver safe, reliable, affordable and clean energy to the 16 million people we serve.

As we prepare for California's energy future, the innovation and skills that our diverse business partners offer will continue to be important to our success. As our 35 years of experience has shown, supplier diversity improves the quality of our service. It strengthens the bonds we have with our local communities. And it makes a difference in the economic health of our state, supporting jobs and generating billions of dollars of economic activity.

We are proud to share our progress in this year's report, and we stand by our commitment to its continued success.



Nick Stavropoulos
President, Gas

Geisha Williams
President, Electric

Results Summary and Highlights

This is Pacific Gas and Electric Company's (PG&E) annual report to the California Public Utilities Commission (CPUC) on its progress in procuring goods and services from women, minority, service-disabled veteran (WMDVBE) and lesbian, gay, bisexual and transgender (LGBTBE) business enterprises—or jointly WMDVLGBTBEs.

In 2015, PG&E again exceeded the two billion dollar supplier diversity milestone, spending \$2.5 billion with diverse suppliers, or 44.0 percent of its total procurement. This is the fourth consecutive year that PG&E has exceeded the two billion dollar mark, an accomplishment achieved by only a handful of corporations in the nation. The company spent an overall \$5.6 billion on products and services to ensure safe, reliable and affordable service to its customers. This represented an increase of \$448.3 million or 8.7 percent when compared to the previous year. In comparison, diverse spend increased by more than \$356.8 million or 16.9 percent, significantly surpassing the procurement base's rate of increase.

For ten consecutive years, PG&E has exceeded the CPUC's General Order 156 (GO 156) goal of 21.5 percent. By sustaining its 40+ percent performance and by strengthening the quality of its supplier diversity program initiatives and diverse supply base, PG&E reinforces its commitment to an inclusive supply chain and to the economic development of the California communities it serves.

PG&E's Success in 2015

Through a focus on strategic sourcing, competitive bidding and supplier development, PG&E's breakthrough results in 2015 increased year-over-year in every major category:

- Total diverse spend reached an all-time high of \$2.5 billion. This represented a year-over-year increase of \$356.8 million or 16.9 percent.
- Total minority business enterprise (MBE) spend reached an all-time high of \$1.6 billion. This represented a year-over-year increase of \$226.1 million or 16.6 percent.
- Total women business enterprise (WBE) spend reached an all-time high of \$723.1 million. This represented a year-over-year increase of \$101.2 million or 16.3 percent.
- Combining minority women and WBE categories, PG&E spent more than \$1.2 billion with women-owned businesses. This represented a year-over-year increase of \$174.8 million or 17.4 percent.
- Service-disabled veteran business enterprise (DVBE) spend reached an all-time high of \$154.6 million. This represented a year-over-year increase of \$29.5 million or 23.6 percent.

Diverse Category Comparison 2014–2015

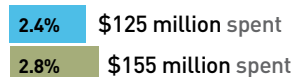
MBE



WBE



DVBE



PG&E's dedication to finding and developing qualified diverse suppliers helped the company significantly improve its utilization of MBEs in every ethnic category year over year:

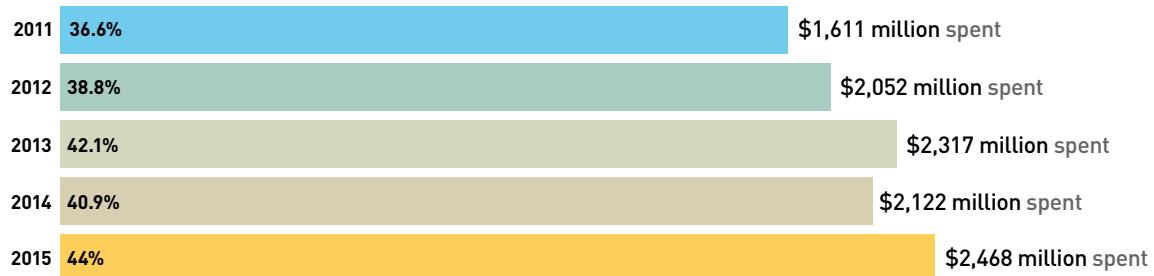
- Asian/Pacific American spend reached a high of \$395.0 million.
This represented a year-over-year increase of \$39.8 million or 11.2 percent.
- African American spend reached a high of \$440.5 million.
This represented a year-over-year increase of \$49.2 million or 12.6 percent.
- Hispanic American spend reached a high of \$602.4 million.
This represented a year-over-year increase of \$124.9 million or 26.2 percent.
- Native American spend reached a high of \$152.8 million.
This represented a year-over-year increase of \$12.2 million or 8.7 percent.
- Minority men spend reached a high of \$1.1 billion.
This represented a year-over-year increase of \$152.5 million or 15.5 percent.
- Minority women spend reached a high of \$456.8 million.
This represented a year-over-year increase of \$73.5 million or 19.2 percent.

PG&E's Five-Year Continuous Improvement Trend

PG&E is steadfast in incorporating supplier diversity into its procurement process. The company's diverse spend over the last five years demonstrates the progress it has made in all three diverse spend categories. Total spend increased \$1.2 billion or 27.3 percent over the last five years while diverse spend increased at a significantly faster rate, \$857.7 million or 53.3 percent.

- MBE spend increased \$574.4 million or 56.5 percent.
- WBE spend increased \$208.9 million or 40.6 percent.
- DVBE spend increased \$74.4 million or 92.9 percent.

PG&E Five Year Performance—WMDVBE 2011–2015



Each of the ethnic categories increased significantly over the past five years as well:

- Asian Pacific American spend increased \$176.4 million or 80.6 percent.
- African American spend increased \$174.6 million or 65.7 percent.
- Hispanic American spend increased \$193.2 million or 47.2 percent.
- Native American spend increased \$30.2 million or 24.7 percent.
- Minority men spend increased \$399.8 million or 54.4 percent.
- Minority women spend increased \$174.6 million or 61.9 percent.

As PG&E strives for continuous improvement, the company's Supplier Diversity, Sourcing and the Line of Business teams, will continue to work cross-functionally to develop new strategic initiatives to ensure sustainable supplier diversity results.

Description of Internal and External Program Activities (Sec. 9.1.1)

A description of WMDVLGBTBE activities engaged in during the previous calendar year.

INTERNAL PROGRAM ACTIVITIES

Supplier Diversity Program Resources and Team Structure

Under PG&E's Supply Chain Responsibility Department, the Supplier Diversity Program supports the company in its mission to include WMDVLGBTBEs in the supply chain. The Director of Supply Chain Responsibility leads PG&E's supplier diversity, sustainability and ethical supply chain programs and is supported by a team of supply chain responsibility professionals. The Director reports to the Vice President of Supply Chain Management. The Supply Chain Responsibility team partnered with the sourcing organization, line of business (LOB) officers and their appointed Supplier Diversity LOB Champions to develop and implement strategies and programs to strengthen WMDVLGBTBE participation in PG&E's business.

PG&E's key work in supplier diversity includes:

- Establishing officer- and director-level supplier diversity goals for each LOB
- Tracking and reporting monthly supplier diversity spend results
- Leading cross-functional teams to achieve and sustain supplier diversity goals
- Advancing and implementing WMDVLGBTBE business development strategies
- Encouraging and supporting prime suppliers to develop their own robust supplier diversity initiatives
- Responding to WMDVLGBTBE prospective supplier inquiries
- Developing supplier diversity communications and training plans
- Managing technical assistance and supplier development
- Collaborating with diverse business community organizations
- Executing successful supplier diversity outreach events
- Ensuring compliance with General Order 156

Employee Education

In 2015, PG&E continued to educate and engage its employees about the Supplier Diversity Program's mission, goals and initiatives throughout the year. This was accomplished using multiple channels and tools.

Training

PG&E conducted formal and informal supplier diversity training throughout the company to offer counsel and assistance to employees. The Supplier Diversity team trained newly-appointed Supplier Diversity LOB Champions on their key role as drivers of supplier diversity efforts and results achievement within their line of business. This included education on how to drive accountability, uncover potential diversity opportunities and support the competitive success of WMDVLGBTBEs. Champions and key partners across the company were educated on how to identify specific diversity opportunities through value chain and spend data analysis. Team members conducted training sessions focused on upcoming projects and on how to work with direct suppliers to optimize diverse subcontracting.

Supplier Diversity Outreach Ambassador Program

To strengthen PG&E's supplier diversity outreach activities, the Supplier Diversity team continued to recruit and train volunteer Outreach Ambassadors throughout the company. In 2015, PG&E's Supplier Diversity Outreach Ambassador Program grew to more than 200 volunteers. Outreach Ambassadors, many of whom are buyers within PG&E's Sourcing organization, represent PG&E at various diverse business community events, sharing information about how to do business with PG&E. Through the efforts of Outreach Ambassadors, PG&E extended its outreach to thousands of prospective WMDVLGBTBEs that participated in matchmaking sessions, visited PG&E booths or attended diverse business conferences and trade shows, throughout PG&E's service territory.

Partnered Outreach with Employee Resource Groups

In 2015, PG&E's Supplier Diversity team partnered with its Employee Resource Groups (ERG) to organize a series of educational workshops targeting the needs of small and diverse suppliers. The workshops were also opportunities to engage officers to participate as keynote speakers and to educate employees on supplier diversity through the company's ERG network.

As part of Black Heritage Month, and in partnership with its Black ERG, PG&E hosted a San Francisco workshop for more than 70 Bay Area black business owners in February 2015. PG&E's Vice President of IT Operations welcomed the attendees before they received valuable training on access to capital and contract opportunities at PG&E and beyond. PG&E conducted similar workshops in 2015 for Hispanic Heritage Month in partnership with its Latino ERG, and Veteran's Month in partnership with its Veterans ERG. The Senior Vice President for Gas Operations provided the welcome remarks for the Hispanic Heritage Month small business workshop while the Principal for Enterprise and Operational Risk Management gave the welcome remarks for the veterans' event. PG&E also worked with its Pride ERG to conduct the inaugural 2015 LGBT Business Builder Workshop, held in San Francisco in collaboration with the Small Business Administration, the Golden Gate Business Association and the CPUC.

External and Internal Websites

PG&E updated its external Supply Chain Responsibility website in 2015 to distribute information on PG&E's Supplier Diversity Program in a more streamlined and user-friendly format. On the website, prospective suppliers can obtain PG&E's Supplier Code of Conduct and Supplier Qualification Manual. In addition, WMDVLGBTBEs can find information about the CPUC Supplier Clearinghouse's diverse business certification, PG&E's Technical Assistance Program and Prime Supplier Program. A section of the website dedicated to PG&E's "Diverse Suppliers Go Green" signature initiative includes resources and tools to help WMDVLGBTBEs advance sustainable business practices.

The Supplier Diversity Calendar of Events continued to be a valuable external website component. Updated monthly, this calendar lists supplier diversity outreach events, technical assistance trainings and other opportunities to meet with PG&E representatives throughout the year. PG&E also posted a number of upcoming bid opportunities on its website. In 2015, PG&E published more than three dozen contract opportunity announcements totaling more than \$350 million.

PG&E redesigned its Supplier Diversity Program's quarterly newsletter, *Powered by Diversity*, in 2015. It continued to be a key vehicle for sharing supplier diversity information on the external website. This quarterly newsletter was also distributed to internal and external stakeholders. It featured new information on best practices, success stories and recent activities.

PG&E's enterprise-wide internal website shared a wide range of company and product news, industry features and officer messages to its approximately 23,000 employees. During the year, *The Bulletin*, the top news section of the internal *PG&E@Work* home page, featured prominent supplier diversity success stories. These online news briefs provided educational information about supplier diversity accomplishments, new endeavors, outreach events, recognition and training. In 2015, 35 separate articles on supplier diversity appeared in PG&E's website news section.

The Supply Chain Responsibility team's internal website also kept employees updated on PG&E's supplier diversity program initiatives and processes. This website provided sourcing information as well as details on how to contact the team and identify WMDVLGBTBEs. In addition to the latest General Order 156 Annual Report, the website provided the company's supplier diversity history, definitions and information on diverse supplier certification.

Key Meetings and Conferences

Supplier diversity continued to be a strategic initiative discussed at PG&E meetings and conferences in 2015. PG&E highlighted supplier diversity goals and key initiatives in LOB and Sourcing staff meetings attended by Supplier Diversity team members as well as during quarterly Supplier Diversity LOB Champion meetings.

PG&E held its ninth annual Supplier Conference which includes both training and award presentations to top performing suppliers. All award-winning suppliers have embraced diversity within their supply chain. One of the eight winners recognized during the supplier awards ceremony was a diverse supplier. In addition, the conference educated suppliers on key PG&E initiatives such as supplier code of conduct, sustainability, safety requirements and supplier diversity.

Throughout 2015, PG&E's leadership reiterated the call for all employees to support company efforts to include diverse suppliers in competitive procurement processes. Supplier Diversity, Sourcing and LOB team members held meetings, on a regular basis, to ensure diverse suppliers were encouraged to help PG&E, particularly on high spend projects.

Employee Recognition

Throughout the year, PG&E recognized its LOB Champions, Sourcing team members and other key personnel for their noteworthy contributions to building PG&E's supplier diversity success. Recognition included certificates of appreciation, acknowledgment of their contributions during LOB Champion meetings and awards presented at various company meetings. At the 2015 Supplier Diversity and Sustainability Achievement Awards, senior PG&E officers presented special supplier diversity awards to employees with exceptional 2014 supplier diversity performance. PG&E's President recognized one individual with the "President's Award" for best exemplifying role model leadership in supplier diversity and sustainability. Other individuals and teams received awards for implementing best practices in the course of producing excellent supplier diversity results. The event's keynote speaker, Justin G. Nelson, president of the National Gay and Lesbian Chamber of Commerce, shared his experience of co-founding this organization and commended PG&E's industry-leading supplier diversity efforts.

Coverage of Results

PG&E used multiple channels to communicate its supplier diversity results to internal and external stakeholders in 2015. After filing the company's Supplier Diversity 2014 Annual Report and 2015 Annual Plan, PG&E distributed the report internally to Supplier Diversity LOB Champions, officers and other employees. The report was also distributed externally to the company's community partner organizations, as well as other California utilities and suppliers. Numerous local and national news outlets published articles regarding PG&E's \$2 billion spend with WMDVBEs in 2014. The company's *PG&E@Work* internal employee website featured a front-page story on the results. *CURRENTS*, the company's online publication for news and perspectives, published 13 stories throughout the year regarding supplier diversity. As in previous years, PG&E published year-end results in its online *Powered by Diversity* quarterly newsletter produced by the Supply Chain Responsibility team.

Monthly supplier diversity results were available company-wide through the company's supplier diversity reporting systems. The Supplier Diversity team responded to regular ad hoc requests for data and analytics. PG&E recognizes the importance of management review of metrics in driving performance, and continued to leverage reports to review processes that support goal achievement. PG&E's senior management team reviewed supplier diversity results in the company's key business metrics on a monthly basis. LOBs performing below goal were requested to provide a variance explanation and a list of actions required to close the gap.

At Supplier Diversity LOB Champion meetings, various LOB champions provided updates on current performance and shared key accomplishments, along with best practices. PG&E's Director of Supply Chain Responsibility led these cross-functional meetings that included Supplier Diversity, Sourcing and LOB representatives. The meetings often also included the Senior Vice President of Safety and Shared Services and Vice President of Supply Chain Management. PG&E also prepared supplier diversity results and presented on current progress for a meeting of the PG&E Board of Directors' Public Policy Committee.

Prime Supplier Program

In 2015, PG&E's supplier diversity subcontracting performance increased, with its prime suppliers reporting more than \$618.4 million in spending with WMDVBEs, representing an 8.7 percent increase over 2014. For many years, the Supplier Diversity Prime Supplier Program has helped PG&E suppliers increase the utilization of diverse suppliers in the supply chain through subcontracting and as business solution partners.

PG&E encouraged its prime suppliers, with over \$500,000 in annual business with the company, to submit a supplier diversity plan, set a supplier diversity performance goal and report on subcontracting with diverse suppliers. Prime suppliers were asked to report subcontracting monthly, detailing their progress toward these goals. In order to support prime suppliers through this process, PG&E conducted monthly Prime Supplier Program Webinar sessions. These training sessions reviewed the Prime Supplier Program's major components, including history, metrics, the creation and maintenance of a robust supplier diversity plan, how to report into the PG&E Prime Supplier Subcontracting Reporting system, and audit requirements. Trainings highlighted PG&E's *Prime Supplier Program Guide*, a downloadable and comprehensive supplier diversity resource. Other PG&E resources included a list of Prime Supplier Program Frequently Asked Questions.

In 2015, the Supplier Diversity and Sourcing teams continued to work with prime suppliers to develop and increase the use of diverse suppliers. PG&E asked these suppliers to support supplier diversity by examining their operations to identify every opportunity for diverse supplier participation. Some strategic suppliers developed plans that established diverse suppliers as business solution partners. Additionally, Supplier Diversity and Sourcing actively managed the performance of key prime suppliers to ensure they were on course to meet their year-end subcontracting goals.

At the end of 2015 and for the sixth year in a row, PG&E hired a MBE audit firm to perform an annual voluntary audit of its reported prime supplier subcontracting spend to ensure accurate reporting from prime suppliers. Audit findings were reflected in the 2015 reported results.

Prime Supplier Academy Launched in 2015

In 2015, PG&E's Supply Chain Responsibility team launched the Prime Supplier Academy. The Prime Supplier Academy delivered a series of courses and programs using multiple mediums such as workshops, webinars, course materials and PowerPoint presentations. The Academy's training workshops helped prime suppliers enhance their success as they designed plans to meet supply chain responsibility requirements in several areas including supplier diversity.

More than 80 supplier representatives attended the Academy's first module on "The Value of Supply Chain Responsibility." This three-hour workshop defined supply chain responsibility at PG&E as a program that encompassed supplier diversity, environmental sustainability and ethical supply chain practices. The training covered critical insights regarding why supply chain diversity and sustainability played an increasingly important role in corporate strategies. The workshop also introduced tools to support prime suppliers in creating, operating and improving successful supply chain responsibility initiatives. The in-person workshop was followed up by a web-based training on similar content later in the year.

In addition to trainings on supply chain sustainability, the Academy also rolled out a workshop on "Connections: Business Matchmaking" to further support the effectiveness of a supplier's WMDVLGBTBE program. This two-hour workshop provided prime suppliers with step-by-step instructions on how to gain support for and execute a successful diverse business matchmaking event. The training also reviewed different approaches to conducting a business matchmaker and the best way to develop prospective diverse supplier relationships.

Technical Assistance and Capacity Building

PG&E’s Technical Assistance Program (TAP) continued to provide capacity-building education and coaching for WMDVLGBTBEs of all sizes. Much of this was accomplished by partnering with and supporting community-based organizations (CBO) and other expert organizations.

PG&E’s TAP is based on the structure defined in the Order Instituting Rulemaking 09-07-027 Three-Tier Technical Assistance Plan for WMDVLGBTBEs:

Tier 1: Smaller WMDVLGBTBEs	Tier 2: Midsize WMDVLGBTBEs	Tier 3: Advanced Technology/Emerging Market WMDVLGBTBEs
1-3 years’ experience, less than \$1M revenue	3+ years’ experience, revenue more than \$1M	5+ years’ experience, demonstrated readiness to grow
<ul style="list-style-type: none"> • Diverse Suppliers are Cyber-Secure • Diverse Suppliers are Safe • Diverse Suppliers Go Green • Diverse Suppliers Go Global • Access to Capital/Credit Training • SBA Partnership Workshops 	<ul style="list-style-type: none"> • UCLA MDE Program • University of Washington MBE Program • UC Berkeley Financial Analysis Course • ISO 9001/14001 Certification Training • Diverse Suppliers are Cyber-Secure • Diverse Suppliers are Safe • Diverse Suppliers Go Green • Diverse Suppliers Go Global • SBA Partnership Workshops 	<ul style="list-style-type: none"> • University of California Advanced Technology Management Institute • ISO 9001/14001 Certification Training

PG&E Signature Initiatives

Diverse Suppliers are Cyber-Secure

Launched in 2014 and one of the first cyber-security initiatives in the country specifically created for the diverse business community, “Diverse Suppliers are Cyber-Secure” helps the small and diverse business community become safer and more competitive. The initiative raises cyber-security awareness, shares some of the risks associated with web-based connectivity, details some of the approaches a small business can take to cost-effectively assess its vulnerability and suggests available resources to help small businesses reduce their risk.

In 2015, PG&E Supplier Diversity sponsored and participated in three cyber-security workshops for small and diverse businesses. During San Francisco Small Business Week, PG&E presented a workshop titled “How Small Businesses Can Be Cyber-Secure.” This workshop included cyber-security experts from both the FBI and the private sector. Later in the year, PG&E also partnered with the Astra Women’s Business Alliance to conduct a workshop on “Future Trends of Cyber Security.” During this workshop, industry experts discussed best practices on how to become more competitive by strengthening a small business’ cyber-security infrastructure. At the end of 2015, PG&E partnered with the Fresno Metro Black Chamber of Commerce to present a cyber security panel on “Safeguarding Your Business—Advice from the Experts.”

Diverse Suppliers are Safe

This initiative was launched in 2012 to educate diverse suppliers on the importance of developing, maintaining and improving their company's safety plans. In 2015, PG&E offered an enhanced "Diverse Suppliers are Safe" program by incorporating subject matter expert presentations into the workshops. For example, the "Diverse Suppliers are Safe" portion of a Central Coast small business workshop included a PG&E sourcing manager's presentation on recent safety-related examples from PG&E's support of the 2015 summer fires in Northern California. PG&E also incorporated its current safety requirements like the ISNetworld® safety qualification and Gold Shovel certification into the presentation, as well as discussed a national "Call Before You Dig" campaign. PG&E conducted five Diverse Suppliers are Safe workshops in 2015, several of which were in collaboration with the U.S. Small Business Administration and California CBOs.

Diverse Suppliers Go Green

This signature initiative includes online resources and group-based workshops aimed at helping WMDVLGBTBEs develop and implement their own environmental business strategy. In 2015, PG&E hosted two Diverse Suppliers Go Green workshops. One workshop, conducted in partnership with the U.S. Department of Commerce San Francisco MBDA Center, attracted more than 90 firms to PG&E's Pacific Energy Center.

Diverse Suppliers Go Global

This signature initiative educates WMDVLGBTBEs on how global markets and supply chains can be leveraged to strengthen and grow their businesses. PG&E conducted this presentation in partnership with the SBA in Fresno, CA. More than 80 firms from the Central and San Joaquin valleys attend this workshop. In addition to teaching firms about mastering the global supply chain, this event briefed attendees on the different financial programs available to them for going global.

UCLA Management Development for Entrepreneurs Program

In 2014, PG&E sponsored five WMDVBES to attend the UCLA MDE Program. The MDE Program is PG&E continued to sponsor five WMDVLGBTBEs to attend UCLA Anderson School of Business' graduate-level business management certificate program that supports supplier development.

University of Washington Minority Business Executive Program

PG&E continued to offer scholarships to WMDVLGBTBEs to attend University of Washington Foster School of Business' Minority Business Executive Program. The program is affiliated with the National Minority Supplier Development Council and is designed to assist diverse business leaders in facing current and future business challenges. In 2015, three WMDVLGBTBEs from the Bay Area received scholarships to attend this program.

International Organization for Standardization (ISO) Certification Training Scholarships

PG&E continued to sponsor educational workshops for WMDVLGBTBEs to understand the value of managing supply chain risk and improving quality via ISO certification. PG&E co-developed the first dual ISO 9001/14001 web-based certification training for WMDVLGBTBEs at significantly reduced costs. Scholarships are offered to WMDVLGBTBEs through the Supplier Development Program.

Small Business Administration (SBA) Collaboration

For the past four years, PG&E has partnered with the SBA to provide capacity-building training to the small and diverse business community. In 2015, PG&E hosted or co-hosted more than 10 of these workshops. These workshops took place throughout PG&E's service territory, with between 50 to 100+ attendees per workshop. During these half-day workshops, PG&E presented topics such as how to do business with the utilities and how to submit a successful request for proposal, while the SBA utilized their small business expertise to educate attendees on other related business development training topics.

Workshop topics included:

Access to Contracts

- How to Complete a Request for a Proposal at PG&E
- Benefits of the 8(a) Program
- The Importance of Certifications
 - California Public Utilities Commission
 - California Department of General Services
 - National Minority Supplier Development Council
 - Women's Business Enterprise National Council
 - National Gay and Lesbian Chamber of Commerce

Access to Capital

- SBA Loan Programs
- Financial Education
 - How to Apply for a Loan
 - Understanding Financial Statements
 - Key Financial Ratios
 - Guarantor Risk
 - Strategies for Strengthening Risk Profiles
 - Understanding Credit Profiles

Access to Capital and Business Growth Training

PG&E continued to sponsor the Alliance for Community Development's annual conference that provides small and diverse entrepreneurs the opportunity to meet with venture capital firms. The sponsorship also included additional small/micro-business training on access to traditional and non-traditional forms of capital throughout the year.

Additionally, as part of its commitment to the White House SupplierPay Initiative, PG&E developed the Accelerated Pay Program in 2015, a needs-based program that provided technical and financial assistance to small and diverse businesses with cash flow challenges. PG&E was the first utility and one of the initial 26 companies to sign onto President Obama's SupplierPay Initiative, an initiative launched in 2014 to encourage large corporations to help small business suppliers address financial challenges. In 2015, PG&E identified a handful of small business suppliers for accelerated payment and/or financial technical assistance.

One of the first suppliers to participate in this program was a small, local construction WMDVLGBTBE with a PG&E master services agreement. In addition to benefitting from several PG&E-sponsored one-on-one coaching sessions with a professional advisor, in the Fall of 2015, this firm received a scholarship to UC Berkeley's "Financial Analysis for Non-Financial Executives", a course designed to help successful entrepreneurs better understand the financial capabilities of their business. The goal of PG&E's Accelerated Pay Program is to support the cash flow concerns of certain small and diverse suppliers, while also providing participants with the valuable technical assistance and tools to graduate from the program as quickly as possible.

University of California Advanced Technology Management Institute

The Advanced Technology Management Institute (ATMI) completed the second ATMI program in February 2015, with nine WMDVLGBTBE participants. The program was launched in 2011 by PG&E and several other California utilities as an executive training initiative for mature WMDVLGBTBEs to position their businesses and compete for utility opportunities in emerging technology. The initiative is managed by UCLA's Anderson School of Business, with collaboration from UC Berkeley, UC Davis and UC San Diego.

The program, which includes a combination of graduate business school course work, mentoring, utility knowledge-sharing and peer networking, has enabled the attending WMDVLGBTBEs to transform their strategies and/or restructure, rebrand or repackage their service offerings to address potential emerging technology opportunities at the utilities. As a result of the program, some firms have identified new service or product innovations, and most have become engaged with a broader audience at their existing utility sponsor or established relationships at a broader set of utilities. PG&E looks forward to building on these successes as ATMI plans for its third program.

Supplier Development Program

In 2015, PG&E continued to build the capacity of its diverse suppliers through its formal Supplier Development Program. This program provides participants with executive mentorship, business analysis and development plans. PG&E selected a new group of five WMDVLGBTBE participants in 2015. Program accomplishments can be attributed to the active participation of PG&E senior executive mentors a cross-functional assessment team and diverse owners committed to developing their businesses.

During the summer, and for the second year in a row, PG&E honored five companies who graduated from its Supplier Development Program. During the graduation luncheon, the five companies received recognition for their achievements during their tenure in the program. In addition, PG&E introduced the Supplier Development Program's new participants. More than 10 PG&E officers attended the graduation luncheon and the National Director of the U.S. Department of Commerce's Minority Business Development Agency presented the keynote speech.

WMDVLGBTBE participants in the Supplier Development Program benefited from:

- Executive mentorship
- Cross-functional supplier development team support
- Quality certification training scholarships (ISO 9001/14001)
- Educational scholarships to advanced management development programs
- Detailed business analysis (i.e.: strengths, weaknesses, opportunities, threats analysis)
- Customized business development plans

EXTERNAL PROGRAM ACTIVITIES

Lesbian Gay Bisexual Transgender Business Enterprise (LGBTBE) Inclusion at PG&E

During the first quarter of 2015, PG&E proudly hosted the first stop of a nationwide LGBT Business Builder series of workshops at its San Francisco headquarters. This historic workshop, developed by the U.S. Small Business Administration (SBA) in collaboration with the National Gay and Lesbian Chamber of Commerce (NGLCC), Golden Gate Business Association (GGBA) and the CPUC, was designed to remove barriers and increase access to strategic growth opportunities for America's LGBTBEs. The workshop provided the more than 200 attendees with information on how to take advantage of business opportunities now available in California as a result of California Assembly Bill 1678. This law, which went into effect in 2015, requires utilities to give LGBTBEs the same access to contracts as other WMDVBes. SBA Administrator, Maria Contreras-Sweet the event's keynote speaker, praised PG&E's efforts at nurturing small- and medium-sized businesses.

PG&E's support of LGBTBEs predates Assembly Bill 1678's requirement and the addition of LGBTBEs to General Order 156. In 2012, PG&E was proud to be the first utility to include LGBTBEs, certified by the NGLCC, in its Supplier Diversity Program and corporate supplier diversity policy. Since then, PG&E has integrated a number of system enhancements, processes and procedures to support LGBTBE inclusion in procurement:

- Updated its internal reporting system and report formats to include CPUC-certified LGBTBE spend
- Updated all procurement templates related to supplier diversity to include the LGBTBE category
- Actively shared its contract opportunity announcements with the LGBTBE business community
- Discussed LGBTBE inclusion strategies at its LOB Champion meetings and Sourcing meetings
- Incorporated LGBTBE inclusion in its Prime Supplier Program, including monthly Prime Supplier Program webinars and the online Prime Supplier Program Guide
- Reviewed the CPUC Supplier Clearinghouse database of certified LGBTBEs and provided certified firms to the relevant lines of business for consideration
- Included qualified LGBTBEs in PG&E-hosted business matchmaking events, including a Human Resources business matchmaker in March 2015 and a Shared Services business matchmaker in September 2015
- Encouraged its NGLCC-certified LGBTBEs to become CPUC-certified
- Incorporated multiple LGBTBE events into its annual outreach plans to educate prospective suppliers on the value of CPUC certification
- Conducted multiple Technical Assistance Program workshops, including one on leadership development and one on how to do business with PG&E, to build capacity for LGBTBEs
- Partnered with LGBTBE community publications like Bay Area Reporter and Affinity Magazine to educate LGBTBEs about PG&E's inclusive supplier diversity program

As part of its commitment in 2015 to educate this business sector about the value of certification and growing LGBTBEs, PG&E continued to develop its relationships with LGBT organizations like the NGLCC and San Francisco-based Golden Gate Business Association (GGBA), America's first LGBT chamber of commerce. PG&E shared feedback with these organizations on its supplier needs and opportunity areas to engage more LGBTBEs.

PG&E sponsored and attended several events focusing on identifying and developing LGBTBEs.

Some of these recent events included:

- The Many Faces - One Dream Tour, a LGBT workshop held in conjunction with the SBA and GGBA in San Francisco (2014)
- A half-day TAP workshop on the Foundations of Leadership Development in San Francisco that included 25 LGBT supplier attendees (2014)
- The inaugural LGBT Business Builder Workshop, held in San Francisco in collaboration with SBA, NGLCC, GGBA and CPUC (2015)
- The Sacramento LGBT Business Builder, where PG&E participated on a panel discussion on supplier diversity (2015)
- The Financial Services Diversity Leadership Awards in New York City, where PG&E's Chief Financial Officer was recognized with the Outstanding Corporate Leader Award for outstanding achievements in diversity and leadership in the financial services sector (2015)
- The GGBA Power Luncheon, which celebrated LGBTBE leadership in the Bay Area (2015)
- The NGLCC National Business and Leadership Conference, in Fort Lauderdale, Florida (2015)
- The GGBA Pop-Up Business Expo, in San Francisco (2015)
- The NGLCC National Dinner, which celebrated outstanding achievements in diversity and leadership in the LGBT and allied business community (2015)

PG&E is also exploring partnerships with additional local LGBT chambers in its territory.

With less than 40 LGBTBEs currently certified through the CPUC's Supplier Clearinghouse, PG&E's focus continues to be on working with the LGBTBE business community to educate firms on the value of certification. PG&E has increased its work with NGLCC-certified LGBTBEs over the past few years and is now encouraging these LGBTBEs to become CPUC-certified. PG&E is also focused on providing technical assistance and capacity-building assistance and ensuring LGBTBEs have full access to compete for potential business opportunities. PG&E strives to grow LGBTBE participation in its Supplier Diversity Program and looks forward to reporting on the successes of its multi-pronged LGBTBE efforts in the coming years.

Disabled Veterans Business Enterprises (DVBE) Outreach

In 2015, PG&E continued to support internal and external activities to promote DVBE inclusion, engage the DVBE community, provide training and connect qualified DVBEs to contracting opportunities.

In November 2015, PG&E hosted its third annual “Boots to Business” workshop for DVBEs in partnership with the SBA and the California Department of General Services. “Boots to Business” is a SBA program that introduces transitioning military service members to the fundamentals of small business ownership and available SBA tools and resources. More than 40 veterans attended the workshop at PG&E’s San Francisco office. PG&E’s Veterans ERG president delivered the workshop’s welcome remarks. In addition to learning about what it takes to become a PG&E supplier, attendees received information regarding the California Department of General Services’ certifications for DVBEs and other veteran-owned businesses. Attendees also learned about PG&E’s sourcing process. A PG&E sourcing manager provided a comprehensive overview of PG&E’s request for proposal process as well as how to respond online via a bid management tool. The workshop also reviewed the importance of critical safety requirements like the ISNetworld® safety qualification and Gold Shovel certification. The workshop concluded with a panel of three PG&E prime suppliers that discussed their own supplier diversity programs and targeted efforts to work with DVBEs.

PG&E continued to work closely with the California Disabled Veteran Business (DVB) Alliance and the Elite Service-Disabled Veteran-Owned Business (SDVOB) Network to identify DVBEs for direct and subcontracting opportunities and to participate in important matchmaking and community outreach events. PG&E was a corporate sponsor of the California DVB Alliance Annual Keeping the Promise Small Business Conference and Expo. Supplier Diversity and PG&E Sourcing representatives participated in a business matchmaking session at this event. PG&E was also a corporate sponsor of the Annual Elite SDVOB Network National Convention of Service-Disabled Veteran-Owned Businesses. PG&E participated in a panel discussion and in a business matchmaking session at this event.

Loan Fund

PG&E supported access to capital for diverse suppliers. As in years past, PG&E continued as an investor in the Business Consortium Fund (BCF). The BCF is a minority business development company created by the National Minority Supplier Development Council to provide contract financing to certified MBEs through a network of local participating banks.

Advertising

In 2015, PG&E continued to execute on its communication plan to educate the diverse business community, supplier diversity advocates and the broader business community on its supplier diversity successes through advertisements in diversity publications and event program brochures. PG&E advertisements highlighted its more than \$2 billion spent in 2014 with diverse suppliers. The advertisements also emphasized PG&E's 30+ year dedication to advancing supplier diversity and helping diverse suppliers increase their competitive position.

PG&E advertised in the following diverse publications:

- *Affinity Magazine*
- *Bay Area Reporter*
- *Diversity/Careers in Engineering and IT*
- *Diversity Plus*
- *MBE Magazine*
- *Minority Business News USA*
- *Professional Women's Magazine*
- *Women's Enterprise USA*
- *Vetpreneur Magazine*
- *U.S. Veterans Magazine*

In addition, PG&E was featured in a number of external publications that recognized the company's commitment to supplier diversity, including:

- *Black Enterprise*: 2015 40 Best Companies for Diversity
- *Black EOE Journal*: Black EOE Journal Recognizes PG&E as 2015 "Best" Supplier Diversity Program
- *DiversityBusiness.Com*: 2015 Top 50 Organizations for Multicultural Business Opportunities.
- *Fresno News*: Diversity in Contracting Opportunities Workshop
- *GSC Pros*: Joan Kerr of PG&E to Speak on Supply Chain Diversity
- *MarketWatch*: PG&E at the Forefront of 21st Century Economy
- *NerdWallet.com*: Small Business Success Story—OutSmart Office Solutions & LGBT Certification
- *PR Newswire*: Women's Business Enterprise National Council (WBENC) List of America's Top Corporations for Women Business Enterprises
- *Reuters*: PG&E received a perfect score of 100 percent on the Corporate Equality Index
- *Reuters*: Women's Business Enterprise National Council (WBENC) List of America's Top Corporations
- *San Francisco Business Journal*: Historic day—SBA kicks off national LGBT outreach in San Francisco
- *WEUSA*: PG&E's support for WBEs is unmatched 30 years and billions of dollars later

Awards and Recognition

PG&E's efforts and accomplishments in promoting diversity in areas such as community, workforce and supply chain have been widely recognized over the years. In 2015, PG&E was:

- Named "Best Companies for Diversity" by California Black Chamber of Commerce
- Named "Corporation of the Year" by the Western Regional Minority Supplier Development Council, as well as PG&E's Sourcing Director named "Executive of the Year"
- Inducted into the U.S. Hispanic Chamber of Commerce's "Million Dollar Club" for spending more than \$450 million with Hispanic-owned businesses
- Named "2015 America's Top Corporations for Women's Business Enterprises" by Women's Business Enterprise National Council
- Ranked in the top five Regional Utilities for Diversity by DiversityInc
- Ranked in the top 40 Companies for Diversity by Black Enterprise Magazine
- Ranked No. 25 in "2015 America's Top 50 Organizations for Multicultural Business Opportunities" by DiversityBusiness.com
- Recognized PG&E's Director of Supply Chain Responsibility with the "2015 MBDA National Director Award"
- Received a 100 percent on the Corporate Equality Index by Human Rights Campaign Foundation
- Named in the "2015 101 Corporate List" by MBN USA Magazine, representing the 101 most admired companies in supplier diversity
- Named "Top Supplier Diversity Program and Top Diversity Employer" by Black EOE Journal

Outreach

PG&E participated in more than 80 supplier diversity outreach events in 2015. PG&E actively participated in local, state and national supplier diversity outreach events to meet and promote WMDVLGBTBEs, to introduce prime suppliers to WMDVLGBTBEs, to share best practices with other corporations and to encourage companies to embrace supplier diversity excellence. PG&E also educated prospective and incumbent WMDVLGBTBEs on how to successfully compete to win PG&E business.

Throughout the year, PG&E's Supplier Diversity Outreach Ambassadors (including officers, directors, sourcing managers, procurement specialists and supplier diversity professionals) engaged with the diverse business community. PG&E also invited its prime suppliers to join the company at numerous supplier diversity outreach events. These representatives staffed event booths, attended workshops, supported diverse business matchmaking, participated in panel discussions and presented on technical assistance topics. In addition to networking, PG&E representatives engaged in information exchange and business discussions with WMDVLGBTBEs, prime suppliers, local community-based and national diversity organizations.

Outreach Activities

PG&E sponsored and/or participated in the following activities:

- Alliance for Community Development—PROPEL Small Business Growth Program Graduates Celebration
- American Indian Chamber of Commerce of California—Annual Native American Heritage Month Luncheon
- American Indian Chamber of Commerce of California—EXPO '15 Annual Conference
- ANEW America—Microbusiness Expo and Celebration
- ASTRA Women's Business Alliance—Annual Expo and Matchmaker
- ASTRA Women's Business Alliance—Astra Women's Business Alliance 2015 S.T.E.A.M. Summit
- ASTRA Women's Business Alliance—Procurement Summit and Awards Banquet
- Bay Area Business Roundtable—Oakland Business Matchmaker
- Business Matchmaking—Bakersfield Business Matchmaking Event
- Business Matchmaking—Oakland Business Matchmaking Event
- Business Matchmaking—San Jose Business Matchmaking Event
- California Asian Pacific Chamber of Commerce—Annual Dinner and Reception
- California Asian Pacific Chamber of Commerce—State of Small Business Annual Luncheon
- California Black Chamber of Commerce—20th Ron Brown Commerce Summit and Gala
- California Department of Veterans—CalVet Veteran Business Forum
- California DVB Alliance—Annual Keeping the Promise Small Business Conference and Expo
- California DVB Alliance—Next Generation DVBE Summit Meeting
- California Hispanic Chamber of Commerce—Annual Convention and Expo
- California Small Business Day in Sacramento
- CPUC—Small Business Expo and Matchmaking Event in San Diego
- CPUC—Small Business Expo and Matchmaking Event in South San Francisco
- DiversityBusiness.com—14th Annual Multicultural Business Awards Ceremony and Conference
- Edison Electric Institute—Annual Supplier Diversity Conference
- Elite SDVOB Network—Elite Veteran Small Business Expo 2015
- Fresno Metro Black Chamber of Commerce—Central Valley Diversity Business Expo
- Fresno Metro Black Chamber of Commerce—Diverse Suppliers are Cyber-Secure Workshop
- Golden Gate Business Association—2015 Pop-Up Expo
- Golden Gate Business Association—2015 Pride Business Expo
- Golden Gate Business Association—May MEGA Make Contact
- The Greenlining Institute—Annual Economic Summit
- Inner City Advisors—All In 2015 Small Business Conference

- Minority Business Development Agency—Diverse Suppliers are Safe Workshop
- Minority Business Development Agency—Diverse Suppliers Go Green Workshop
- National Association of Minority Companies—2015 National Leadership Diversity Summit and Awards Ceremony
- National Association of Women Business Owners—Improving Your Cyber Security Savvy for Better Business Outcomes Workshop
- National Association of Women Business Owners—Propel Your Business Conference
- National Black Caucus of State Legislators—2015 Energy Summit
- National Gay and Lesbian Chamber of Commerce—2015 National Business & Leadership Conference
- National Gay and Lesbian Chamber of Commerce—2015 Procurement Conference and National Dinner Awards
- National Minority Supplier Development Council—2015 Annual Conference and Business Opportunity Fair
- National Minority Supplier Development Council—2015 Minority Business Leadership Awards Dinner
- National Minority Supplier Development Council—Annual Program Managers’ Seminar
- Northern California Certified Small Businesses Association—Certified Small Business August Meeting
- PG&E—2015 Environmental, Corporate Real Estate Services and Gas Targeted Business Matchmaker
- PG&E—Annual Supplier Awards Dinner and Supplier Conference
- PG&E—Black Heritage Month Diverse Suppliers are Safe Workshop (in partnership with SBA)
- PG&E—Veteran’s Month Boots to Business Veterans Business Workshop (in partnership with CA DGS and SBA)
- PG&E—Diverse Suppliers Go Global Workshop (in partnership with the California Hispanic Chamber of Commerce)
- PG&E—Diverse Suppliers Go Green Webinar Presentation
- PG&E—Forum on Small Businesses
- PG&E—General Construction Contracting Forum and Business Matchmaker
- PG&E—Hispanic Heritage Month Diverse Suppliers are Safe Workshop (in partnership with SBA, MBDA)
- PG&E—LGBT Business Builder in Collaboration (in partnership with NGLCC, GGBA, SBA, and CPUC)
- PG&E—Sharpening Your Business Pitch Workshop (in partnership with Accenture)
- San Francisco Small Business Week—1st Women in Construction Expo
- San Francisco Small Business Week—Diverse Suppliers are Cyber-Secure Workshop

- U.S. Hispanic Chamber of Commerce—2015 Annual Conference
- U.S. Pan Asian American Chamber of Commerce—Asian American and Minority Procurement Connections
- U.S. Pan Asian American Chamber of Commerce—CelebrAsian Business Opportunity Conference 2015
- Western Regional Minority Supplier Development Council—2015 Awards Gala
- Western Regional Minority Supplier Development Council—2015 Minority Business Expo and Opportunity Fair
- Western Regional Minority Supplier Development Council—Annual Meeting & Holiday Luncheon
- Women’s Business Enterprise National Council—2015 National Conference and Business Fair
- Women’s Business Enterprise National Council—Summit and Salute Conference

PG&E’s Supplier Diversity team actively participated in the following organizations:

- Alliance for Community Development of the San Francisco Bay Area: Board Member
- American Indian Chamber of Commerce: Advisory Board
- California Asian Chamber of Commerce: Advisory Board
- California Disabled Veteran Business Alliance: Corporate Advisory Board
- California Utilities Diversity Council: Corporate Member, Procurement Committee Co-Chair
- Edison Electric Institute: Supplier Diversity Advisory Board
- Electric Utility Industry Sustainable Supply Chain Alliance: Advisory Board
- Institute for Supply Management: Supplier Diversity Group Board Member
- National Gay and Lesbian Chamber of Commerce: Procurement Council Member
- National Minority Supplier Development Council: Board of Directors, Advisory Board and Strategic Planning Committee
- Sustainable Purchasing Leadership Council: Board Member
- Western Region Minority Supplier Development Council: Board Member
- WE Connect International: Treasurer

PG&E also supports other local organizations through its Community Affairs and Government Affairs departments.

Summary of Purchases (Sec. 9.1.2)

Supplier Diversity Annual Results by Ethnicity

	Direct \$	Sub \$	Total \$	%	
MEN	Asian/Pacific American	204,202,200	64,866,916	269,069,116	4.80%
	African American	255,866,193	51,726,831	307,593,024	5.48%
	Hispanic American	315,137,016	144,186,590	459,323,606	8.19%
	Native American	72,605,549	25,332,342	97,937,891	1.75%
	Total Minority Men	847,810,958	286,112,679	1,133,923,637	20.22%
WOMEN	Asian/Pacific American	101,312,456	24,638,156	125,950,612	2.25%
	African American	119,806,664	13,117,437	132,924,100	2.37%
	Hispanic American	124,400,377	18,688,054	143,088,431	2.55%
	Native American	23,614,909	31,238,589	54,853,497	0.98%
	Total Minority Women	369,134,405	87,682,236	456,816,641	8.14%
Minority Business Enterprise (MBE)	1,216,945,364	373,794,914	1,590,740,278	28.36%	
Women Business Enterprise (WBE)	538,767,854	184,357,245	723,125,099	12.89%	
Subtotal: Women, Minority Business Enterprise (WMBE)	1,755,713,218	558,152,159	2,313,865,377	41.25%	
Service-Disabled Veteran Business Enterprise (DVBE)	94,365,581	60,230,189	154,595,770	2.76%	
Total WMDVBE	1,850,078,799	618,382,348	2,468,461,147	44.01%	

Gross Procurement	5,609,162,224
Exclusions	-
Net Procurement	5,609,162,224

Totals may not add due to rounding.

Summary of Purchases (Sec. 9.1.2)

Supplier Diversity **Direct Procurement** by Product and Service Categories

	Products ¹		Services ²		Total ³		
	DIRECT \$	%	DIRECT \$	%	DIRECT \$	%	
MEN	Asian/Pacific American	85,341,812	7.39%	118,860,389	2.67%	204,202,200	3.64%
	African American	83,394,536	7.22%	172,471,657	3.87%	255,866,193	4.56%
	Hispanic American	196,450,240	17.00%	118,686,776	2.66%	315,137,016	5.62%
	Native American	47,591,140	4.12%	25,014,409	0.56%	72,605,549	1.29%
	Total Minority Men	412,777,728	35.73%	435,033,231	9.77%	847,810,958	15.11%
WOMEN	Asian/Pacific American	70,291,911	6.08%	31,020,545	0.70%	101,312,456	1.81%
	African American	37,767	0.00%	119,768,897	2.69%	119,806,664	2.14%
	Hispanic American	43,501,184	3.77%	80,899,193	1.82%	124,400,377	2.22%
	Native American	8,909,920	0.77%	14,704,988	0.33%	23,614,909	0.42%
	Total Minority Women	122,740,782	10.62%	246,393,624	5.53%	369,134,405	6.58%
Minority Business Enterprise (MBE)	535,518,509	46.35%	681,426,854	15.30%	1,216,945,364	21.70%	
Women Business Enterprise (WBE)	87,446,970	7.57%	451,320,884	10.13%	538,767,854	9.61%	
Total: Women, Minority Business Enterprise (WMBE)	622,965,479	53.92%	1,132,747,739	25.43%	1,755,713,218	31.30%	
Service-Disabled Veteran Business Enterprise (DVBE)	4,705,567	0.41%	89,660,014	2.01%	94,365,581	1.68%	
Total WMDVBE	627,671,046	54.33%	1,222,407,753	27.45%	1,850,078,799	32.98%	

Gross Procurement	5,609,162,224
Exclusions	-
Net Procurement	5,609,162,224
Total Product Procurement	1,155,376,490
Total Service Procurement	4,453,785,733
Net Procurement	5,609,162,224

¹Percentages for "Products" expenditures are WMDVBE expenditures compared to "Total Product Procurement" expenditures.

²Percentages for "Services" expenditures are WMDVBE expenditures compared to "Total Service Procurement" expenditures.

³Percentages for "Total" expenditures are WMDVBE expenditures compared to "Net Procurement" expenditures.

Totals may not add due to rounding.

Supplier Diversity **Subcontract Procurement** by Product and Service Categories

		Products		Services		Total ¹	
		SUB \$	%	SUB \$	%	SUB \$	%
MEN	Asian/Pacific American	N/A	N/A	N/A	N/A	64,866,916	1.16%
	African American	N/A	N/A	N/A	N/A	51,726,831	0.92%
	Hispanic American	N/A	N/A	N/A	N/A	144,186,590	2.57%
	Native American	N/A	N/A	N/A	N/A	25,332,342	0.45%
	Total Minority Men	N/A	N/A	N/A	N/A	286,112,679	5.10%
WOMEN	Asian/Pacific American	N/A	N/A	N/A	N/A	24,638,156	0.44%
	African American	N/A	N/A	N/A	N/A	13,117,437	0.23%
	Hispanic American	N/A	N/A	N/A	N/A	18,688,054	0.33%
	Native American	N/A	N/A	N/A	N/A	31,238,589	0.56%
	Total Minority Women	N/A	N/A	N/A	N/A	87,682,236	1.56%
Minority Business Enterprise (MBE)		N/A	N/A	N/A	N/A	373,794,914	6.66%
Women Business Enterprise (WBE)		N/A	N/A	N/A	N/A	184,357,245	3.29%
Total: Women, Minority Business Enterprise (WMBE)		N/A	N/A	N/A	N/A	558,152,159	9.95%
Service-Disabled Veteran Business Enterprise (DVBE)		N/A	N/A	N/A	N/A	60,230,189	1.07%
Total WMDVBE		N/A	N/A	N/A	N/A	618,382,348	11.02%

Gross Procurement	5,609,162,224
Exclusions	-
Net Procurement	5,609,162,224
Total Product Procurement	1,155,376,490
Total Service Procurement	4,453,785,733
Net Procurement	5,609,162,224

¹Percentages for "Total" expenditures are WMDVBE expenditures compared to total "Net Procurement" expenditures.

Totals may not add due to rounding.

Summary of Purchases (Sec. 9.1.2)

Table 6a: 2015 Combined Minority and Caucasian Women Procurement Results for Large Utilities (in Dollars and as a Percentage of Total Corporate Procurement)

	Minority Women	Caucasian Women	Combined Women	Total Corporate
Direct \$	\$369,134,405	\$538,767,854	\$907,902,260	\$5,609,162,224
%	6.58%	9.61%	16.19%	
Subcontracting \$	\$87,682,236	\$184,357,245	\$272,039,480	
%	1.56%	3.29%	4.85%	
Combined \$	\$456,816,641	\$723,125,099	\$1,179,941,740	
%	8.14%	12.89%	21.04%	

Table 7a: 2015 DVBE Procurement Results for Large and Small Utilities (in Dollars and as a Percentage of Total Corporate Procurement)

DVBE	%	Total Corporate
\$154,595,770	2.76%	\$5,609,162,224

Table 1a: 2015 Supplier Diversity Procurement Results for Large Utilities

	Total Procurement	MBE	WBE	DVBE	Total WMDVBE
Direct \$	\$5,609,162,224	\$1,216,945,364	\$538,767,854	\$94,365,581	\$1,850,078,799
%		21.70%	9.61%	1.68%	32.98%
Subcontracting \$		\$373,794,914	\$184,357,245	\$60,230,189	\$618,382,348
%		6.66%	3.29%	1.07%	11.02%
Combined \$		\$1,590,740,278	\$723,125,099	\$154,595,770	\$2,468,461,147
%		28.36%	12.89%	2.76%	44.01%

Totals may not add due to rounding

WMDVBE Procurement Standard Industrial Classification (SIC) Code Legend

	Major Group Description	Description of Items
07	Agricultural Services	Ornamental Shrub and Tree Services, Ornamental Floriculture
15	General Business Contractors	Industrial Buildings and Warehouses, Residential Building, other than Single-Family
17	Special Trade Contractors	Carpentry Work, Concrete, Electrical, Excavation
24	Lumber and Wood Products	Wood Poles
25	Furniture and Fixtures	Office Furniture, Metal Household Furniture
26	Paper and Allied Products	Envelopes, Coated Paper, Paper Mills
27	Printing and Publishing	Bookbinding and Related Work, Typesetting, Commercial Printing
28	Chemicals and Allied Products	Chemical Preparation, Industrial Chemicals, Paints, Varnishes
29	Petroleum and Coal Products	Lubricating Oils and Greases
30	Rubber and Misc. Plastics Products	Plastic Products, Rubber and Plastic Hoses
32	Stone, Clay and Glass Products	Concrete Products, Ready-Mixed Concrete, Cement
33	Primary Metal Industries	Primary Metal Products, Steel Pipe
34	Fabricated Metal Products	Heating Equipment, Fabricated Structural Metal, Miscellaneous Fabricated Wire Products
35	Industrial Machinery and Equipment	Mechanical Power Transmission Equipment, Steam, Gas, and Hydraulic Turbines and Turbine Generator Set Units
36	Electronic and Other Electric Equipment	Switchgear and Switchboard Apparatus, Power, Distribution, and Speciality Transformers
37	Transportation Equipment	Truck and Bus Bodies, Aircraft Engines and Engine Parts
38	Instruments and Related Products	Instruments For Measuring and Testing of Electricity and Electrical Signals
39	Miscellaneous Manufacturing Industries	Signs and Advertising Specialties, Marking Devices
42	Trucking and Warehousing	Local Trucking
45	Transportation by Air	Air Transportation

	Major Group Description	Description of Items
46	Pipelines, Except Natural Gas	Pipelines
47	Transportation Services	Arrangement of Transportation of Freight and Cargo
48	Communications	Telephone Communications, Communications Services
49	Electric, Gas and Sanitary Services	Refuse Systems, Electric Services (Hydroelectric Power Generation)
50	Wholesale Trade-Durable Goods	Electrical Apparatus and Equipment, Wiring Supplies and Construction Materials, Computers
51	Wholesale Trade-Nondurable Goods	Petroleum and Petroleum Products Wholesalers, Stationery and Office Supplies
52	Building Materials and Garden Supplies	Hardware Stores, Lumber and Other Building Materials
55	Automotive Dealers and Service Stations	Motor Vehicle Dealers
56	Apparel and Accessory Stores	Miscellaneous Apparel and Accessory Stores
58	Eating and Drinking Places	Eating and Drinking Places
63	Insurance Carriers	Fire, Marine and Casualty Insurance
65	Real Estate	Real Estate Agents Managers
72	Personal Services	Hotels and Motels
73	Business Services	Help Supply Services, Computer Programming Services, Advertising Agencies
75	Auto Repair, Services and Parking	Top, Body and Upholstery Repair Shops and Paint Shops, Automotive Repair Shops
76	Miscellaneous Repair Services	Electrical and Electronic Repair Shops
78	Motion Pictures	Motion Picture and Video Tape Production
80	Health Services	Offices and Clinics Of Doctors Of Medicine
81	Legal Services	Law Firms
87	Engineering and Management Services	Engineering Services, Accounting, Auditing, and Bookkeeping Services, Management Consulting Services

Supplier Diversity Procurement by Standard Industrial Classification (SIC) Code—Detail (9.1.2)

		Asian/Pacific American		African American		Hispanic American		Native American		Total Minority Men	Total Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Total: Women, Minority Business Enterprise (WMBE)	Service-Disabled Veteran Business Enterprise (DVBE)	Total WMDVBE	Total Exp	
		Men	Women	Men	Women	Men	Women	Men	Women									
07	Agricultural Services	\$	\$10,231,584	\$3,819,771	\$1,524,883	\$0	\$33,695,550	\$2,176,401	\$719,453	\$77,962	\$46,171,470	\$6,074,133	\$52,245,603	\$37,993,926	\$90,239,530	\$676	\$90,240,206	\$279,376,574
		%	3.66%	1.37%	0.55%	0%	12.06%	0.78%	0.26%	0.03%	16.53%	2.17%	18.70%	13.60%	32.30%	0%	32.30%	
15	General Business Contractors	\$	\$2,534,918	\$449,442	\$38,382,290	\$2,908	\$73,416,686	\$14,084,045	\$4,834,311	\$22,278,587	\$119,168,205	\$36,814,982	\$155,983,188	\$126,526,900	\$282,510,087	\$30,631,558	\$313,141,645	\$677,398,902
		%	0.37%	0.07%	5.67%	0%	10.84%	2.08%	0.71%	3.29%	17.59%	5.43%	23.03%	18.68%	41.71%	4.52%	46.23%	
17	Special Trade Contractors	\$	\$201,460	\$92,545	\$208,402	\$0	\$23,732,091	\$3,050,415	\$19,375,000	\$2,236,164	\$43,516,952	\$5,379,124	\$48,896,076	\$89,082,527	\$137,978,603	\$33,877,829	\$171,856,432	\$336,287,894
		%	0.06%	0.03%	0.06%	0%	7.06%	0.91%	5.76%	0.66%	12.94%	1.60%	14.54%	26.49%	41.03%	10.07%	51.10%	
24	Lumber and Wood Products	\$	\$548,647	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$548,647	\$0	\$548,647	\$1,123,328	\$1,671,976	\$0	\$1,671,976	\$13,979,612
		%	3.92%	0%	0%	0%	0%	0%	0%	0%	3.92%	0%	3.92%	8.04%	11.96%	0%	11.96%	
25	Furniture and Fixtures	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,933	\$2,933	\$0	\$2,933	\$2,567,045
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.11%	0.11%	0%	0.11%	
26	Paper and Allied Products	\$	\$0	\$0	\$0	\$0	\$0	\$1,421,158	\$0	\$0	\$0	\$1,421,158	\$1,421,158	\$0	\$1,421,158	\$0	\$1,421,158	\$2,005,572
		%	0%	0%	0%	0%	0%	70.86%	0%	0%	0%	70.86%	70.86%	0%	70.86%	0%	70.86%	
27	Printing and Publishing	\$	\$419,707	\$13,125	\$0	\$0	\$51,091,979	\$119,232	\$8,452,965	\$0	\$59,964,651	\$132,357	\$60,097,008	\$1,929,620	\$62,026,628	\$0	\$62,026,628	\$131,603,227
		%	0.32%	0.01%	0%	0%	38.82%	0.09%	6.42%	0%	45.56%	0.10%	45.67%	1.47%	47.13%	0%	47.13%	
28	Chemicals and Allied Products	\$	\$239,454	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$239,454	\$0	\$239,454	\$1,331,658	\$1,571,112	\$0	\$1,571,112	\$19,921,123
		%	1.20%	0%	0%	0%	0%	0%	0%	0%	1.20%	0%	1.20%	6.68%	7.89%	0%	7.89%	
29	Petroleum and Coal Products	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,264	\$10,264	\$0	\$10,264	\$231,471
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4.43%	4.43%	0%	4.43%	
30	Rubber and Misc. Plastics Products	\$	\$0	\$0	\$0	\$0	\$825,367	\$199,178	\$0	\$0	\$825,367	\$199,178	\$1,024,545	\$2,066,873	\$3,091,418	\$49,982	\$3,141,400	\$26,549,955
		%	0%	0%	0%	0%	3.11%	0.75%	0%	0%	3.11%	0.75%	3.86%	7.78%	11.64%	0.19%	11.83%	
32	Stone, Clay and Glass Products	\$	\$0	\$0	\$0	\$0	\$0	\$346,297	\$0	\$0	\$0	\$346,297	\$346,297	\$150,753	\$497,050	\$0	\$497,050	\$14,345,297
		%	0%	0%	0%	0%	0%	2.41%	0%	0%	0%	2.41%	2.41%	1.05%	3.46%	0%	3.46%	
33	Primary Metal Industries	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$166,949	\$166,949	\$0	\$166,949	\$1,822,409
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9.16%	9.16%	0%	9.16%	
34	Fabricated Metal Products	\$	\$0	\$11,529,609	\$0	\$0	\$7,118,879	\$0	\$0	\$0	\$7,118,879	\$11,529,609	\$18,648,488	\$36,512	\$18,685,000	\$0	\$18,685,000	\$44,876,013
		%	0%	25.69%	0%	0%	15.86%	0%	0%	0%	15.86%	25.69%	41.56%	0.08%	41.64%	0%	41.64%	
35	Industrial Machinery and Equipment	\$	\$7,835,004	\$0	\$53,585,995	\$0	\$7,503,913	\$252,743	\$48,988	\$0	\$68,973,900	\$252,743	\$69,226,643	\$8,613,164	\$77,839,806	\$290,325	\$78,130,132	\$212,979,193
		%	3.68%	0%	25.16%	0%	3.52%	0.12%	0.02%	0%	32.39%	0.12%	32.50%	4.04%	36.55%	0.14%	36.68%	
36	Electronic and Other Electric Equipment	\$	\$6,535,296	\$0	\$0	\$0	\$154,364	\$0	\$0	\$0	\$6,689,660	\$0	\$6,689,660	\$15,057,284	\$21,746,944	\$765,134	\$22,512,078	\$95,082,412
		%	6.87%	0%	0%	0%	0.16%	0%	0%	0%	7.04%	0%	7.04%	15.84%	22.87%	0.80%	23.68%	
37	Transportation Equipment	\$	\$0	\$0	\$0	\$0	\$0	\$47,501,748	\$0	\$0	\$47,501,748	\$0	\$47,501,748	\$0	\$47,501,748	\$2,139,165	\$49,640,913	\$50,332,473
		%	0%	0%	0%	0%	0%	0%	94.38%	0%	94.38%	0%	94.38%	0%	94.38%	4.25%	98.63%	
38	Instruments and Related Products	\$	\$1,716,353	\$329,976	\$10,899,374	\$0	\$421,952	\$0	\$0	\$0	\$13,037,680	\$329,976	\$13,367,656	\$855,648	\$14,223,303	\$4,197,034	\$18,420,337	\$87,794,320
		%	1.95%	0.38%	12.41%	0%	0.48%	0%	0%	0%	14.85%	0.38%	15.23%	0.97%	16.20%	4.78%	20.98%	
39	Miscellaneous Manufacturing Industries	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$746,232
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
42	Trucking and Warehousing	\$	\$0	\$0	\$0	\$795,493	\$353,685	\$58,648	\$0	\$4,474,368	\$353,685	\$5,328,508	\$5,682,194	\$3,268,107	\$8,950,301	\$2,022,680	\$10,972,981	\$15,490,866
		%	0%	0%	0%	5.14%	2.28%	0.38%	0%	28.88%	2.28%	34.40%	36.68%	21.10%	57.78%	13.06%	70.84%	
45	Transportation by Air	\$	\$0	\$0	\$0	\$552,971	\$0	\$0	\$0	\$0	\$552,971	\$0	\$552,971	\$6,148,717	\$6,701,688	\$0	\$6,701,688	\$19,922,042
		%	0%	0%	0%	0%	2.78%	0%	0%	0%	2.78%	0%	2.78%	30.86%	33.64%	0%	33.64%	
46	Pipelines, Except Natural Gas	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Supplier Diversity Procurement by SIC Code—Detail (9.1.2) continued

		Asian/Pacific American		African American		Hispanic American		Native American		Total Minority Men	Total Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Total: Women, Minority Business Enterprise (WMBE)	Service-Disabled Veteran Business Enterprise (DVBE)	Total WMDVBE	Total Exp	
		Men	Women	Men	Women	Men	Women	Men	Women									
47	Transportation Services	\$	\$0	\$84,433	\$1,532,308	\$0	\$126,302	\$976,315	\$118,945	\$3,219,109	\$1,777,555	\$4,279,857	\$6,057,412	\$5,399,857	\$11,457,269	\$0	\$11,457,269	\$36,291,001
		%	0%	0.23%	4.22%	0%	0.35%	2.69%	0.33%	8.87%	4.90%	11.79%	16.69%	14.88%	31.57%	0%	31.57%	
48	Communications	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,383,936	\$1,383,936	\$0	\$1,383,936	\$12,272,493	
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11.28%	11.28%	0%	11.28%	
49	Electric, Gas and Sanitary Services	\$	\$5,706,712	\$632,253	\$2,172,526	\$752,347	\$1,232,697	\$37,633,673	\$1,122,530	\$0	\$10,234,466	\$39,018,273	\$49,252,739	\$31,922,184	\$81,174,923	\$643,630	\$81,818,553	\$133,825,122
		%	4.26%	0.47%	1.62%	0.56%	0.92%	28.12%	0.84%	0%	7.65%	29.16%	36.80%	23.85%	60.66%	0.48%	61.14%	
50	Wholesale Trade-Durable Goods	\$	\$64,772,188	\$74,675,501	\$291,442	\$12,710	\$186,423,279	\$66,226,397	\$42,998	\$9,411,766	\$251,529,906	\$150,326,373	\$401,856,280	\$67,793,897	\$469,650,177	\$7,770	\$469,657,947	\$624,977,350
		%	10.36%	11.95%	0.05%	0%	29.83%	10.60%	0.01%	1.51%	40.25%	24.05%	64.30%	10.85%	75.15%	0%	75.15%	
51	Wholesale Trade-Nondurable Goods	\$	\$1,677,212	\$1,150	\$0	\$0	\$1,760,529	\$2,040	\$0	\$0	\$3,437,742	\$3,190	\$3,440,931	\$4,925,935	\$8,366,866	\$244,393	\$8,611,259	\$25,287,588
		%	6.63%	0%	0%	0%	6.96%	0.01%	0%	0%	13.59%	0.01%	13.61%	19.48%	33.09%	0.97%	34.05%	
52	Building Materials and Garden Supplies	\$	\$0	\$0	\$0	\$0	\$0	\$56,175	\$0	\$0	\$0	\$56,175	\$56,175	\$4,881,153	\$4,937,328	\$0	\$4,937,328	\$14,092,530
		%	0%	0%	0%	0%	0%	0.40%	0%	0%	0%	0.40%	0.40%	34.64%	35.04%	0%	35.04%	
55	Automotive Dealers and Service Stations	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$1,013	\$0	\$1,013	\$0	\$1,013	\$0	\$1,013	\$0	\$1,013	\$519,301
		%	0%	0%	0%	0%	0%	0%	0.20%	0%	0.20%	0%	0.20%	0%	0.20%	0%	0.20%	
56	Apparel and Accessory Stores	\$	\$0	\$0	\$416,647	\$0	\$0	\$0	\$0	\$0	\$416,647	\$0	\$416,647	\$1,379,210	\$1,795,857	\$0	\$1,795,857	\$4,388,618
		%	0%	0%	9.49%	0%	0%	0%	0%	0%	9.49%	0%	9.49%	31.43%	40.92%	0%	40.92%	
58	Eating and Drinking Places	\$	\$4,676,582	\$0	\$35,731,220	\$5,963	\$1,661,476	\$6,714	\$805,437	\$436,888	\$42,874,715	\$449,566	\$43,324,281	\$240,512	\$43,564,793	\$0	\$43,564,793	\$217,057,483
		%	2.15%	0%	16.46%	0%	0.77%	0%	0.37%	0.20%	19.75%	0.21%	19.96%	0.11%	20.07%	0%	20.07%	
63	Insurance Carriers	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500,442
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
65	Real Estate	\$	\$919,514	\$569,685	\$21,463	\$582,503	\$1,157,798	\$1,576,518	\$0	\$73,714	\$2,098,775	\$2,802,420	\$4,901,196	\$19,136,329	\$24,037,525	\$700,013	\$24,737,538	\$67,024,800
		%	1.37%	0.85%	0.03%	0.87%	1.73%	2.35%	0%	0.11%	3.13%	4.18%	7.31%	28.55%	35.86%	1.04%	36.91%	
72	Personal Services	\$	\$64,967	\$0	\$29,475	\$0	\$1,127,181	\$0	\$379,410	\$0	\$1,601,033	\$0	\$1,601,033	\$301,102	\$1,902,135	\$524,250	\$2,426,385	\$8,321,909
		%	0.78%	0%	0.35%	0%	13.54%	0%	4.56%	0%	19.24%	0%	19.24%	3.62%	22.86%	6.30%	29.16%	
73	Business Services	\$	\$16,213,117	\$8,709,638	\$37,231,604	\$128,494,010	\$24,072,234	\$3,053,189	\$2,837,443	\$4,801,492	\$80,354,399	\$145,058,331	\$225,412,730	\$94,842,122	\$320,254,851	\$33,957,533	\$354,212,385	\$810,737,149
		%	2.00%	1.07%	4.59%	15.85%	2.97%	0.38%	0.35%	0.59%	9.91%	17.89%	27.80%	11.70%	39.50%	4.19%	43.69%	
75	Auto Repair, Services and Parking	\$	\$0	\$0	\$0	\$0	\$572	\$0	\$0	\$0	\$572	\$0	\$572	\$9,091	\$9,663	\$1,062	\$10,725	\$2,393,141
		%	0%	0%	0%	0%	0.02%	0%	0%	0%	0.02%	0%	0.02%	0.38%	0.40%	0.04%	0.45%	
76	Miscellaneous Repair Services	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,566,679
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
78	Motion Pictures	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$211,560
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
80	Health Services	\$	\$0	\$1,206,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,206,674	\$1,206,674	\$0	\$1,206,674	\$0	\$1,206,674	\$1,926,514
		%	0%	62.64%	0%	0%	0%	0%	0%	0%	0%	62.64%	62.64%	0%	62.64%	0%	62.64%	
81	Legal Services	\$	\$738,433	\$3,193,816	\$827,477	\$0	\$1,876,181	\$738,366	\$0	\$0	\$3,442,092	\$3,932,182	\$7,374,274	\$15,911,592	\$23,285,865	\$292,844	\$23,578,710	\$103,184,027
		%	0.72%	3.10%	0.80%	0%	1.82%	0.72%	0%	0%	3.34%	3.81%	7.15%	15.42%	22.57%	0.28%	22.85%	
87	Engineering and Management Services	\$	\$144,037,968	\$20,642,994	\$124,737,917	\$2,278,165	\$41,017,917	\$11,110,927	\$11,697,650	\$7,843,448	\$321,491,451	\$41,875,535	\$363,366,986	\$180,633,015	\$544,000,001	\$44,249,893	\$588,249,894	\$1,496,271,882
		%	9.63%	1.38%	8.34%	0.15%	2.74%	0.74%	0.78%	0.52%	21.49%	2.80%	24.28%	12.07%	36.36%	2.96%	39.31%	
Total		\$	\$269,069,116	\$125,950,612	\$307,593,024	\$132,924,100	\$459,323,606	\$143,088,431	\$97,937,891	\$54,853,497	\$1,133,923,637	\$456,816,641	\$1,590,740,278	\$723,125,099	\$2,313,865,377	\$154,595,770	\$2,468,461,147	\$5,609,162,224
		%	4.80%	2.25%	5.48%	2.37%	8.19%	2.55%	1.75%	0.98%	20.22%	8.14%	28.36%	12.89%	41.25%	2.76%	44.01%	

Totals may not add due to rounding

PG&E's Supplier Diversity Program is multi-faceted and focuses on diverse supplier development throughout its direct and subcontracting processes. The number of unique WMDVBES doing business in PG&E's supply chain increased from 992 in 2014 to 1002 in 2015, representing an additional 10 WMDVBES and a 1.0 percent year-over-year increase.

Program Expenses (Sec. 9.1.3)

Expense Category	2015 Actuals
Wages	\$1,825,162
Other Employee Expense	\$204,613
Program Expense	\$1,020,233
Reporting Expense	\$362,645
Training	\$44,075
Consultants*	\$0
Other	\$125,562
Total	\$3,582,290

*Consultants: PG&E portion of the cost of the CPUC Clearinghouse, previously in this category, was moved to Program Expenses.

Wages: Salary and payroll-related costs of employees working on WMDVLGBTBE matters

Other Employee Expenses: Office space, travel and other non-wage costs

Program Expenses: Material, staff augmentation, CPUC Clearinghouse, technical assistance and outreach, audit and other costs directly related to programs.

Reporting Expenses: IT system, computer, other expenses related to preparing reports to the CPUC.

Training: Costs related to employee training.

Other: Miscellaneous costs/credits that do not fall in other categories.

Description of Progress in Meeting or Exceeding Set Goals (Sec. 9.1.4)

	2015 Results	2015 Goals
Minority Men	20.22%	12.00%
Minority Women	8.14%	3.00%
Minority Business Enterprise (MBE)	28.36%	15.00%
Women Business Enterprise (WBE)	12.89%	5.00%
Subtotal Women, Minority Business Enterprise (WMBE)	41.25%	20.00%
Service-Disabled Veteran Business Enterprise (DVBE)	2.76%	1.50%
Total WMDVBE	44.01%	21.50%

Totals may not add due to rounding.

PG&E spent 44.0 percent of its total procurement with WMDVBES. This amount represents \$2.5 billion spent with WMDVBES.

For the tenth year in a row, PG&E exceeded the CPUC goal of 21.5 percent. This was accomplished through the consistent inclusion of diversity in its sourcing and supplier development processes. PG&E will continue to focus on ways to refine and improve processes within the program.

Summary of Utilization of WMDVBE Subcontractors (Sec. 9.1.5)

	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (DVBE)	Total WMDVBE
Direct \$	847,810,958	369,134,405	1,216,945,364	538,767,854	1,755,713,218	94,365,581	1,850,078,799
Subcontracting \$	286,112,679	87,682,236	373,794,914	184,357,245	558,152,159	60,230,189	618,382,348
Total \$	1,133,923,637	456,816,641	1,590,740,278	723,125,099	2,313,865,377	154,595,770	2,468,461,147
Direct %	15.11%	6.58%	21.70%	9.61%	31.30%	1.68%	32.98%
Subcontracting %	5.10%	1.56%	6.66%	3.29%	9.95%	1.07%	11.02%
Total %	20.22%	8.14%	28.36%	12.89%	41.25%	2.76%	44.01%

Gross Procurement \$	5,609,162,224
Exclusion \$	-
Net Procurement \$	5,609,162,224

Totals may not add due to rounding.

Supplier Complaints (Sec. 9.1.6)

General Order 156 Ruling on August 24, 2006 ended the requirement to summarize complaints.

Low Utilization Areas (Sec. 9.1.7)

FINANCE AND RISK

PG&E's Finance and Risk organization was steadfast in finding channels to expand its diverse supplier base and increase spending with diverse finance professionals. By making supplier diversity a core value and encouraging creative thinking, PG&E was able to identify groundbreaking and innovative opportunities in financial services. This leadership was recognized nationally when the National Business Inclusion Consortium awarded the Outstanding Corporate Leader Award to PG&E's Chief Financial Officer.

Banking and Money Management

- PG&E scheduled numerous meetings and calls with diverse-owned banks to learn more about their capabilities and to assess new opportunities for them. PG&E implemented a semi-annual review/questionnaire for diverse-owned banks and implemented a scorecard/tracker to aid in determining the health of diverse-owned banks and to assist in making hiring decisions.
- PG&E conducted site visits at three diverse-owned banks in 2015, including a new DVBE firm that PG&E began a relationship with in late 2014.
- As a part of PG&E's formal Supplier Development Program, Finance supported two diverse firms with officer mentorship, cross-functional team guidance and development opportunities. One firm graduated from this mentor program in 2015. Another firm is a current participant in the program. PG&E included both firms on recent senior notes offerings; their fees increased significantly within the past few years.
- Since 2004, PG&E has used diverse-owned investment banks as underwriters on each of its bond offerings.
- Since 2010, PG&E has used diverse-owned investment banks as a joint-bookrunner (lead bank) on at least one senior notes offering each year.
- PG&E achieved its target of 15 percent of total issuance fees placed with diverse-owned banks in 2015.
- Over the past five years, PG&E used 19 different diverse suppliers, some on multiple occasions, to serve as underwriters. Diverse suppliers earned over \$9 million, or nearly 15 percent of total financing fees, since 2010.
- In 2015, PG&E and PG&E Corporation issued an additional \$1.15 billion of senior notes, paying an additional \$1.3 million in underwriting fees to eight diverse-owned investment banks, including a new DVBE firm that PG&E began a relationship with in late 2014. This is a more than three-fold increase from 5 percent seven years ago.
- As the first California utility and the second utility in the nation to use minority-owned investment banks as joint book runners for a taxable bond offering in 2010, PG&E continued to work directly with diverse-owned banks in 2015.
- PG&E placed more than \$5.6 billion of commercial paper with diverse-owned banks, the most ever in the company's history. This equates to 20 percent of the program executed through a diverse-owned dealer in 2015.

Investment Benefits Finance (Pension and Trust Fund Management)

- In 2015, PG&E added almost \$1.1 billion to an existing diverse-owned equity investment manager. PG&E increased the amount of its diverse-managed trust investment program by over 70 percent, to over \$2.6 billion, with this investment.
- PG&E continued to partner with seven diverse suppliers managing 10 equity, fixed income, and real estate securities accounts with PG&E's Employee Benefit and Nuclear Decommissioning Trusts.
- Finally, PG&E has a long history of supporting diverse investment managers and encouraging all managers to utilize diverse brokers.

Tax, Accounting and Reporting

- To optimize supplier diversity participation in a competitive bid for a significant tax project, PG&E sought and selected a non-diverse firm that utilized an affiliated African American-owned company in 2014. The contract included language outlining the amount and extent of work performed by this MBE. In addition to development of a new diverse opportunity, this contract resulted in significant tax savings that will benefit PG&E and ratepayers in 2015.
- PG&E continued to use a small, local Asian American-owned company on the implementation of a system to generate the repairs tax benefit.

Risk and Audit

- PG&E continues to work with a WMDVLGBTBE to support its Enterprise Risk Management & Insurance area. This MBE collects and conducts compliance reviews of certificates of insurance from PG&E's suppliers.
- Due to PG&E's encouragement, its insurance brokers developed a new WMDVLGBTBE subcontracting relationship to support PG&E's Insurance Department in marketing its insurance renewals or administrative insurance work. PG&E will maintain this relationship until the contract is up for renewal in 2017.
- The Finance Compliance and Controls team hired a WMDVLGBTBE to support the review of Sarbanes-Oxley testing.
- The Market and Credit Risk Management (M&CRM) team worked closely with Energy Procurement to enable more diverse spend on the commodity side of the business. Specifically, M&CRM developed a new credit policy for diverse business transactions with respect to energy commodities (gas and power) and received approval from the Risk Policy Committee and Utility Risk Management Committee. This approval set the path for M&CRM to assist Energy Procurement in developing special contractual provisions to accommodate transactions with diverse businesses in gas and now power as well.

LEGAL

PG&E's Law Department takes great pride in supporting diversity within the legal profession, not only by spending over \$20M with diverse suppliers but also by providing work opportunities for diverse law firms and diverse individuals within non-diverse firms, and in actively supporting diverse legal organizations and law students with a demonstrated commitment to diversity.

In addition to the Law Department's diverse spend in 2015, the Department also continued to provide additional WMDVLGBTBE firms and diverse individuals within non-diverse firms the opportunity to represent PG&E in significant matters. A substantial percentage of the Department's fee payments to non-diverse firms were for services provided by WMDVLGBTBE lawyers and paralegals. According to the law firms representing more than 80 percent of the Law Department's fee payments to non-diverse law firms (representing approximately \$50.2 million), more than 50 percent were for WMDVLGBTBE lawyers and paralegal fees. Opportunities for WMDVLGBTBE lawyers and suppliers will continue to grow in 2016, with WMDVLGBTBE and non-diverse partnering planned on several significant matters.

In 2015, the Law Department celebrated the ninth year of its award-winning first-year law student pipeline program that offers first-year law students the opportunity to gain legal experience in the utility industry and to network with attorneys and other law students throughout the United States. In addition to receiving meaningful work assignments and exposure to a variety of legal proceedings, the students participate in the Leadership Council on Legal Diversity (LCLD) 1L Scholars Summit and are paired with an LCLD life-long mentor. PG&E's Law Department remains a proud supporter of LCLD, which is a national organization comprised of corporate legal officers and law firm leaders working to build a more open and diverse legal profession.

The Department also hosts events to facilitate networking and diversity opportunities, including individual meetings, lunches and receptions. PG&E attorneys regularly attend networking events, such as the California Minority Counsel Program and Minority Corporate Counsel Association, to provide WMDVLGBTBE firms and attorneys with greater access to in-house counsel.

In 2015, the Law Department continued its support of the California Bar Foundation Diversity Scholarship to fund a scholarship to a student with a significant financial need that was admitted to a top California law school. The Department also regularly supports the efforts of the diverse bar associations that provide scholarships to talented students.

2015 Summary of Affiliations

Following is a summary of the organizations PG&E's Law Department supported through participation at their events and/or funding:

- Asian American Bar Association
- Asian Law Caucus
- Bay Area Latino Lawyers' Fund
- California Bar Foundation
- California Minority Counsel Program
- Charles Houston Bar Association
- Corporate Counsel Women of Color
- East Bay Community Law Center

- Equal Rights Advocates
- Filipino Bar Association of Northern California
- Hispanic National Bar Association
- Justice and Diversity Center of the Bar Association of San Francisco
- Lawyers' Committee for Civil Rights
- Lawyers for One America
- Leadership Council on Legal Diversity
- Legal Aid Society
- Korean American Bar Association
- Minority Corporate Counsel Association
- National Asian Pacific American Bar Association
- National Association of Minority and Women Owned Law Firms
- National Association of Women Lawyers
- National Bar Association
- National Native American Bar Association
- South Asian Bar Association of Northern California
- Wiley Manuel Law Foundation

MANAGEMENT CONSULTING SERVICES

For many years, PG&E has engaged in a number of initiatives to help increase spending in the historically low performing area of management consulting services. In August 2015, 10 diverse consulting service suppliers—from fields such as legal services, communications, IT and engineering services—attended a day-long business summit co-hosted by PG&E and business consulting firm, KPMG LLP.

This first-ever workshop, held at KPMG's San Francisco offices, gave diverse consultants an insider's look at PG&E's operations and educated them on the utility's key initiatives and consulting opportunities. The summit helped diverse consultants improve their understanding of how to work with large professional service consulting firms like KPMG.

Attendees heard from PG&E representatives supporting Gas Operations, IT, Finance and Risk, Electric Operations and Safety and Shared Services. Each PG&E representative provided a flow chart on their organization, shared goals and initiatives, discussed their needs and provided advice on how to provide value to PG&E decision makers. The summit also introduced KPMG partners to diverse consulting service firms that could be used by KPMG for PG&E projects.

The summit was another example, along with playing host to business builder events and educational seminars, of PG&E's commitment to improving the competitive profile of its diverse suppliers in historically underutilized areas like management consulting.

Retention of All Documents/Data (Sec. 9.1.8)

PG&E shall retain all documents and data it relies on in preparing its WMDVLGBTBE annual report for the longer of either three years or in conformance with the utilities individual document retention policies, and shall provide these documents and data to the Commission upon request.

Additional WMDVLGBTBE Activity (Sec. 9.1.9)

SMART GRID PROGRAM

On June 30, 2011, PG&E filed its Smart Grid Deployment Plan with the CPUC (A. 11-06-006), presenting its 10-year vision for Smart Grid investments. This application was approved by the Commission in July 2013.

PG&E's Smart Grid Program is a continuation of PG&E's ongoing focus on providing safe, reliable, secure, affordable, sustainable and flexible power to its customers. The Smart Grid projects are focused on customer engagement and empowerment, transmission and distribution automation and reliability, safety and operational efficiency, cyber-security and integrated services. Future process and technology improvement projects, with continued authorization and funding from the CPUC, may be developed and delivered over the next decade or more.

These projects, both implemented and planned, will, among other benefits, support the integration of distributed generation, energy storage, transportation electrification, customer data access, grid cyber-security, application platforms and data management, workforce development, and demand-side management options. These benefits will be achieved through the integration of advanced communications and control technologies that will transform operations of PG&E's electric grid, from generation to customer premise.

The first four approved Smart Grid pilot projects (from CPUC Decision 13-03-032) are underway. Several WMDVLGBTBEs participated in a detailed Request for Information process for three of the projects: Line Sensor, Volt/VAR Optimization, and Fault Location projects. PG&E has evaluated a range of hardware, software and systems integration, communication infrastructure and voltage management software from the selected suppliers. As with all PG&E projects, diverse supplier opportunities are considered in all project phases: supplier and technology selection, test, pilot deployment, full deployment, and on-going operations and maintenance.

In 2016, PG&E will continue to engage diverse and non-diverse firms in Smart Grid-related industries, to raise their awareness of PG&E's supplier diversity goals and expectations, and provide PG&E's direction for current and future projects. This will be accomplished through targeted meetings, seminars, and external web postings of related scopes of work and/or sponsorships to industry events.

ELECTRIC PROCUREMENT INVESTMENT CHARGE (EPIC) INVESTMENT PLAN

On November 1, 2012, PG&E filed its 2012-2014 Triennial Electric Program Investment Charge (EPIC) Investment Plan with the CPUC, presenting its vision for EPIC demonstration pilot projects. The Commission approved this application in November 2013. This investment plan presents the approach and framework PG&E developed to align EPIC investments in the technology demonstration and deployment funding area to achieve the EPIC objectives and support California's energy policies.

As with the Smart Grid pilots, PG&E maintains a strong commitment to supplier diversity and continues to focus on exceeding the Commission's supplier diversity goals set forth in General Order 156. Over 15 EPIC projects began in 2014, spanning demonstration pilots across Renewable Distributed Energy Resources Integration, Grid Modernization and Optimization, and Customer Service and Enablement. As with other programs, PG&E's EPIC projects undergo established PG&E program governance procedures and supplier contracting processes to approve, initiate and manage individual projects. Qualified suppliers are evaluated and scored on multiple quality, safety and value factors. Since its inception, PG&E, through its EPIC program, has awarded work to multiple WMDVLGBTBEs, spanning areas in technical assistance and other consulting services.

PG&E will continue to work with and educate internal EPIC program stakeholders concerning PG&E's supplier diversity goals and expectations, publicize relevant PG&E matchmaking events, develop internal educational efforts within Sourcing to raise awareness of EPIC projects, and communicate technology direction and project work opportunities to supplier communities.

2016 ANNUAL PLAN

WMDVLGBTBE Annual Short-, Mid- and Long-Term Goals (Sec. 10.1.1)

PG&E's supplier diversity goals are set annually through a cross-functional process involving Supplier Diversity, Sourcing and the Lines of Business (LOB). PG&E uses historical information and projected spend to assess company goals.

While supplier diversity goals are set at the LOB level, PG&E does not set specific goals by product and service categories. As a long-term strategy, PG&E is focused on technical assistance and capacity-building strategies to develop diverse suppliers in key business areas including:

- Gas Operations and Pipeline Safety Enhancement
- Information Technology Hardware, Software and Licensing
- Energy Procurement
- Energy Products and Services
- Professional Services (Accounting, Legal, Management Consulting)

PG&E's short-, mid- and long-term WMDVLGBTBE* goals mirror the recommended goals in General Order 156:

WMDVLGBTBE* Annual Short-, Mid- and Long-Term Goals

Short-Term 2016					Mid-Term 2018					Long-Term 2020				
Minority		Total	WBE	DVBE	Minority		Total	WBE	DVBE	Minority		Total	WBE	DVBE
Men	Women	MBE			Men	Women	MBE			Men	Women	MBE		
12%	3%	15%	5%	1.5%	12%	3%	15%	5%	1.5%	12%	3%	15%	5%	1.5%

*Pursuant to General Order 156, starting in 2015 and during the first three years of implementing LGBTBE inclusion, the utilities shall be excused from setting numerically-based goals and targets for LGBTBEs and instead focus efforts on foundation and outreach activities.

Program Activities Planned for 2016 (Sec. 10.1.2)

PG&E surpassed 30 percent in spending with diverse suppliers in 2010 and broke the 40 percent threshold in 2013.

To sustain this industry-leading performance, PG&E plans to continue its focus on including WMDVLGBTBEs in every sector of business and will encourage WMDVLGBTBEs to grow in scope and scale so that they can succeed as prime suppliers in this business. PG&E is committed to supplier diversity excellence while simultaneously managing the supply chain to reduce risk, improve quality, and enhance safety, reliability and affordability. PG&E will strive to educate qualified WMDVLGBTBEs about these critical areas through technical assistance offerings like “Diverse Suppliers are Safe,” “Diverse Suppliers are Cyber-Secure” and “Diverse Suppliers Go Green.” PG&E additionally plans to support these efforts through the mentoring that is a part of its formal Supplier Development Program, the training and capacity-building resources available through its Technical Assistance Program, and the work the company does to engage prime suppliers in supplier diversity through its Prime Supplier Program.

PG&E is also committed to supporting the success of small, diverse businesses through more flexible payment terms when needed, additional access to capital education and the sharing of best practices. As part of its White House pledge to support the Small Business Supplier Financing Initiative, PG&E plans to continue its Accelerated Pay Program to support some small suppliers with faster payments, one-on-one financial coaching and scholarships to financial literacy courses at UC Berkeley. PG&E also plans to continue to collaborate with financial institutions on their access to capital initiatives and to develop a series of access to capital workshops specifically designed for small, diverse businesses.

PG&E will continue to develop ongoing strategic program activities in the following areas for 2016:

- **Goal Development and Alignment:** Cross-functionally develop goals and drive alignment and accountability across each LOB.
- **Subcontracting Performance:** Educate prime suppliers on the requirements for accurate reporting and ensure development of achievable subcontracting goals.
- **Prime Supplier Education:** Encourage increased prime supplier support of PG&E’s supplier diversity initiatives through education and training.
- **Safety:** Champion effective safety practices and educate all suppliers, including WMDVLGBTBEs on those requirements.
- **Supply Chain Sustainability Program:** Include incumbent WMDVLGBTBEs in the sustainability performance initiative.
- **Certification Monitoring:** Manage certification of new and existing WMDVLGBTBEs.
- **Outreach:** Support activities and organizations that support PG&E’s supplier diversity goals.
- **LGBTBE Inclusion:** Educate LGBTBEs on the value of certification and identify opportunities for inclusion.
- **Communications and Training:** Continue to incorporate strategies to communicate and educate both internal and external stakeholders about PG&E’s Supplier Diversity Program.
- **Supplier Recognition:** Recognize the excellent performance of WMDVLGBTBEs and prime suppliers throughout the year during PG&E’s Supplier Conference and other external recognition avenues.

- **Employee Recognition:** Recognize excellent performance by Sourcing and LOB Champions that drive high levels of supplier diversity results and support supplier diversity initiatives throughout the year.
- **Reporting:** Enhance reporting capabilities that help PG&E identify opportunities and measure performance against goals.

PG&E will also work collaboratively with the Joint Utilities, California Utilities Diversity Council, CPUC and other community-based organizations on several strategic initiatives to continue to enhance its Multi-Tiered Technical Assistance and Capacity Building Program:

- **Access to Capital/Management of Capital:** Deliver workshops and provide educational scholarships on growth strategy, business performance and financial management. Offer accelerated payment options to select small businesses in need.
- **PG&E Signature Initiatives:** Offer “Diverse Suppliers Are Cyber-Secure,” “Diverse Suppliers Are Safe,” “Diverse Suppliers Go Green” and “Diverse Suppliers Go Global” workshops to educate WMDVLGBTBEs on areas of competitive business advantage.
- **Emerging Technology:** Support executive training initiatives that encourage mature WMDVLGBTBEs to consider competing for opportunities in emerging technology.
- **Supplier Development Program:** Identify opportunities for and support the development of WMDVLGBTBEs to grow and be competitive in the supply chain.
- **ISO 9001 and ISO 14001 Certification Training:** Provide quality and environmental systems certification scholarships to help WMDVLGBTBEs build the necessary business practices for successful scalable growth.
- **Prime Supplier Program:** Support prime suppliers to develop robust supplier diversity plans and accurately report diverse subcontracting.
- **Small Business Administration Partnership Training:** Partner with SBA, MBDA, SCORE and SBDCs across California to provide business management workshop trainings.
- **Trade Missions to Industry Trade Shows:** Provide scholarships and support for WMDVLGBTBEs to attend industry trade shows to gain exposure to new trends and technology.
- **UCLA Management Development for Entrepreneurs Program, University of Washington Minority Business Executive Program, and UC Berkeley Financial Management Courses:** Offer WMDVLGBTBE scholarships to graduate-level management development certificate programs that support supplier development and build capacity.

Finally, PG&E plans to continue to focus on partnering with the LGBTBE business community to educate and promote the full inclusion of LGBTBEs. In addition to including LGBTBEs in all supplier diversity program activities planned for 2016, further planned activities to support LGBTBE category development include:

- Collaborating with the National Gay and Lesbian Chamber of Commerce and its local chamber affiliates on workshops on how to do business with PG&E and other outreach events.
- Sharing contract opportunity announcements with the LGBTBE business community
- Identifying qualified LGBTBEs and facilitating introductions internally and with prime suppliers for the purpose of business development
- Exchanging best practices and benchmarking successes with other utilities and corporations

Supplier Recruitment in Low Utilization Areas (Sec. 10.1.3)

LEGAL

The Law Department's 2016 plan includes:

- Participation and engagement with a variety of legal associations promoting diversity and equal access to the law and legal profession
- Paid summer positions for four first-year law students
- Identification of WMDVLGBTBE firms for potential retention, as well as partnering with non-diverse firms, to work with diverse firms
- Continued promotion of the utilization of diverse professionals at majority-owned firms
- Participation in WMDVLGBTBE networking and CPUC events with other investor-owned utilities
- Continued partnership with PG&E's Supplier Diversity and Sourcing Department to identify additional opportunities for diverse law firms

FINANCE AND RISK

Diverse Finance and Risk plans for 2016 include the following activities:

- Continue to execute a multi-year strategy to increase diverse spend
- Provide opportunities for qualified, WMDVLGBTBE investment banks to participate meaningfully in financings, as well as, develop financial expertise and industry knowledge in the utility sector
- Continue looking for other opportunities to do business with WMDVLGBTBE investment banks, such as money market investments or as commercial paper dealers and pension managers
- Mentor and conduct marketing activities with diverse investment banks
- Continue best practices on use of WMDVLGBTBE suppliers in pension management
- Continue to identify opportunities to expand use of WMDVLGBTBEs in audit and tax work
- Continue to reach out to prime suppliers to find subcontracting opportunities
- Sponsor and actively participate in organizations that support WMDVLGBTBEs and diverse finance students
- Continue current successful service agreement with Corporate Tax Incentive and examine if additional work makes business sense
- Continue evaluating projects for opportunities to employ diverse suppliers and encourage other suppliers to employ diverse subcontractors
- Continue efforts to build a WMDVLGBTBE candidate pool

MANAGEMENT CONSULTING SERVICES

PG&E will continue to foster the development and inclusion of small diverse suppliers in management consulting services by focusing on two areas of opportunity:

Knowledge Transfer

- Increase small, diverse management consulting services firms' understanding of the best practices used by highly successful management consulting services firms to foster business growth and effectively work with their customers
- Increase large multinational management consulting firms' understanding of how subcontracting with small, diverse management consulting firms can help them grow their own business

Targeted Matchmaking

- Increase opportunities for small WMDVLGBTBE management consulting services firms to present their experience and capabilities to large multinational management consulting firms
- Foster dialogue between small WMDVLGBTBE management consulting firms and large multinational management consulting firms that will lead to discovery of new business opportunities

Plans for Recruiting WMDVLGBTBEs in Excluded Categories (Sec. 10.1.4)

General Order 156 Ruling on November 14, 2003 ended the excluded category.

Plans for Subcontracting (Sec. 10.1.5)

PG&E plans to continue engaging with prime suppliers to increase subcontracting opportunities for WMDVLGBTBEs.

The company will continue to proactively work with prime suppliers who are performing below their subcontracting goal or have not responded to requests for a subcontracting plan. PG&E senior leadership will communicate directly with under-performing prime suppliers and reinforce the seriousness of PG&E's commitment to supplier diversity.

The company will also continue to conduct an annual voluntary audit of its diverse subcontracting spend to confirm accurate reporting. Supplier Diversity will conduct a series of prime supplier webinars and in-person trainings to explain reporting requirements, including how to report accurately and how to best prepare for a potential audit. The team plans to continue to follow up with prime suppliers and monitor supplier diversity performance through PG&E's Supply Chain scorecard process.

In addition, through its Prime Supplier Academy, PG&E will offer enhanced educational opportunities for its prime suppliers to learn how to identify and develop qualified diverse subcontractors and/or partners and improve their supplier diversity subcontracting. Through such education, PG&E will enable prime suppliers to support supplier diversity in many ways, from developing their own robust supplier diversity program to creating developmental opportunities for WMDVLGBTBEs within their business. PG&E will continue to ask prime suppliers to participate in business matchmaking activities, attend outreach events, support educational programs such as the UCLA MDE Program, University of Washington MBE Program and the University of California Advanced Technology Management Institute, and to mentor WMDVLGBTBEs.

Most importantly, through training and education both internally and with its prime suppliers, PG&E will continue its efforts to make supplier diversity a key consideration in strategic sourcing initiatives.

Plans for Complying with WMDVLGBTBE Program Guidelines (Sec. 10.1.6)

PG&E will continue to comply with General Order 156 program guidelines. In 2016, PG&E will participate in the CPUC's Supplier Diversity Forums and work in partnership with the Joint Utilities Committee to address challenges to the full participation of eligible WMDVLGBTBEs in the program.

Power Procurement

Internal/External Activities (Sec. 9.1.1)

In 2015, PG&E advanced its efforts to provide opportunities for women, minority and service-disabled veteran business enterprises (WMDVBE) and lesbian, gay, bisexual and transgender business enterprises (LGBTBE)—or collectively WMDVLGBTBE—in power procurement. While total dollars and percent spend with diverse suppliers were essentially flat from 2014 to 2015, this was a remarkable achievement in a declining energy price environment.

PG&E is dedicated to advancing the General Order 156 Electric Commodity Procurement but sees numerous challenges to growth in the Power Procurement space. As the regulatory environment evolves, utility business models adapt and commodity prices fluctuate. WMDVLGBTBEs, like all businesses, will be faced with shrinking margins and increasing complexity. Supplier diversity today is successful in large part due to building upon incremental successes such as those described below that encourage stakeholders to reach beyond what they otherwise would think was possible. Such tenacity will be even more important as the energy industry continues to change.

Communication and Outreach

PG&E has continued its efforts to promote WMDVLGBTBEs as electricity and natural gas commodity suppliers to PG&E. PG&E's Energy Policy and Procurement team engages in outreach to WMDVLGBTBEs to solicit interest in providing power products to PG&E. The team also responds to numerous calls and emails from WMDVLGBTBEs interested in becoming a PG&E supplier of electricity and/or natural gas. In 2015, five diverse suppliers met one-on-one with PG&E to discuss their capabilities and potential opportunities. PG&E offered coaching and recommended next steps to diverse suppliers, including putting them in contact with PG&E representatives directly involved in electricity and/or gas procurement.

An important source of supplier diversity information that PG&E provides is through its Wholesale Electric Procurement website. The website (www.pge.com/rfo) offers information about:

- Upcoming Request for Offers (RFOs)
- Descriptions of various power contracting programs available
- Various power procurement programs offered by PG&E for Supplier Diversity
- Ongoing outreach and educational items of interest to the WMDVLGBTBE community
- How to sign up to receive RFO email notifications directly

The website also describes the importance of supplier diversity to PG&E and encourages non-WMDVLGBTBEs to work with, provide opportunities for, and partner/subcontract with WMDVLGBTBEs in power procurement activities.

PG&E continues to work collaboratively with the other California investor-owned gas and electric utilities, and representative from the California Public Utilities Commission (CPUC) to promote supplier diversity in power procurement. On September 3, 2015, PG&E, Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E) held a supplier diversity workshop in Irvine with WMDVLGBTBEs active in the power procurement space. The CPUC staff was also in attendance. The workshop topics included both direct and subcontracting opportunities and the non-WMDVLGBTBE companies actively working to provide WMDVLGBTBEs with opportunities. PG&E led the morning session, which included a roundtable of California investor-owned utilities (IOUs), diverse suppliers, non-diverse counterparties and the CPUC, to discuss challenges and opportunities for diverse suppliers in the power market. Questions related to credit were a particular area of interest to WMDVLGBTBEs and PG&E was able to provide follow up and guidance to educate parties on credit requirements. The afternoon session included matchmaking sessions between prime contractors and diverse business subcontractors. The California IOUs also met regularly throughout 2015 to share best practices in education and advocacy for supplier diversity in power procurement.

In addition, PG&E and the other California IOUs established a semi-annual meeting schedule with the CPUC Supplier Diversity team to enhance awareness of challenges and opportunities for diverse suppliers in power procurement.

PG&E is committed to developing WMDVLGBTBEs in the California wholesale power market in such a way that their entry adds value to the market while fitting into the utility competitive bidding model. PG&E established a Supplier Diversity Co-Champion organizational structure within the Energy Policy and Procurement team that facilitates a team approach to promoting supplier diversity in power procurement. Several PG&E Energy Policy and Procurement representatives attended multiple WMDVLGBTBE meetings to discuss potential business opportunities.

At the end of 2014, PG&E selected a Power Procurement diverse supplier to participate in PG&E's Supplier Development Program for 2015. This program aims to grow the diverse supplier presence in power procurement by engaging a PG&E executive mentor to share knowledge and guidance with a promising diverse supplier mentee. At the end of 2015, PG&E initiated the review and selection process for a second Power Procurement diverse supplier to participate in the program for 2016. More details follow in Section 10.1.3.

Lastly, all three IOUs continue to refine an instructional document to standardize and improve data reporting going forward.

Summary of Purchases and/or Contracts (Sec. 9.1.2)

PG&E spent more than \$3.8 billion in 2015 on electricity commodity and related services. These services included energy and capacity from Qualified Facilities (QF), Combined Heat and Power (CHP) facilities, Renewables Portfolio Standard (RPS) facilities, tolling and Resource Adequacy (RA) contracts. It excluded purchases from the California Independent System Operator.

In 2015, PG&E paid more than \$118 million to diverse suppliers. The remaining commodity expenditures comprised primarily of long-term contracts to meet PG&E's procurement obligations. The bulk of those contracts were with RPS-eligible renewable energy resources and enabled PG&E to meet the California RPS compliance obligation.

In the years ahead, PG&E will continue to experience growth in its renewable portfolio. For example, the company's approximately 780 MW of renewable projects under power purchase agreements are expected to complete construction and come online in the next several years. These renewable projects may provide meaningful subcontracting opportunities.

PG&E's Energy Policy and Procurement team worked diligently to educate diverse and non-diverse firms about direct and subcontracting opportunities that support business needs in these areas. Renewable project development programs continued to be one of the most accessible opportunity areas to encourage WMDVLGBTBE inclusion because significant project investment is required for site preparation, permitting, environmental studies, engineering, construction, operations and maintenance services, and more. To facilitate opportunities in this area, PG&E coordinated matchmaking conversations that encouraged prime suppliers to engage in business activities with WMDVLGBTBEs.

A summary of Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification is provided at the end of Section 9.

PG&E issued the following Requests for Offers (RFOs), electronic solicitations and tariffs in 2015:

- 01-15-2015** Electronic Solicitation for Q2 2015 Resource Adequacy (RA)
- 02-26-2015** 2015 Greenhouse Gas (GHG) Offset Credits RFO
- 03-26-2015** Electronic Solicitation for Q3 and Q4 Import Energy
- 04-07-2015** Electronic Solicitation for Q3-2015 RA Import Allocation Rights
- 06-12-2015** Electronic Solicitation for August and September-2015 RA
- 07-02-2015** Electronic Solicitation for 2016 Resource Adequacy
- 07-06-2015** Electronic Solicitation for Q4-2015 RA Import Allocation Rights
- 07-07-2015** Sixth Renewable Auction Mechanism (RAM) RFO
- 07-07-2015** Solar Choice (aka Green Tariff Shared Renewables)
- 07-20-2015** Electronic Solicitation for Q4-2015 Import Energy
- 08-28-2015** Electronic Solicitation for Q3-2015 Daily Replacement RA

- 10-05-2015** Electronic Solicitation for December-2015 Import Energy
- 10-09-2015** Compressed Air Energy Storage (CAES) RFO
- 10-13-2015** Electronic Solicitation for Q1-2016 RA
- 11-23-2015** 2016 PCC1 REC Sale Electronic Solicitation
- 11-30-2015** Regional Solar Choice (aka Enhanced Community Renewables)
- Various dates** Multi Month Physical Gas Electronic Solicitations for PG&E Electric Fuels

In addition, the following RFO and tariff programs PG&E issued in late 2013 and 2014 contained activities that carried over into 2015:

- 10-02-2013** Renewable Market Adjusting Tariff (ReMAT) program
- 10-14-2014** Electronic Solicitation for Q1 2015 Resource Adequacy
- 12-01-2014** 2014 Energy Storage RFO

In each of the listed RFOs and electronic solicitations, PG&E encouraged participation from WMDVLGBTBEs or suppliers with WMDVLGBTBE programs. PG&E continued to send a message to market participants that supplier diversity was an important initiative to PG&E. Following this encouragement, three registered WMDVLGBTBEs submitted offers to PG&E's 2015 Import Energy electronic solicitations.

PG&E also entertained bilateral discussions for power procurement product transactions with WMDVLGBTBEs, to the extent they conform to CPUC-approved Renewables Portfolio Standard and Bundled Procurement Plans. Such products include Renewable Energy Credits and natural gas transactions.

In PG&E's 2014 Energy Storage RFO, the Utility executed a multi-year energy storage agreement with a diverse supplier. PG&E also executed two other energy storage agreements with counterparties that committed to a formal diverse subcontracting program.

In PG&E's RAM 6 RFO, two registered WMDVLGBTBEs submitted offers. Furthermore, the executed portfolio forecasted a diverse business subcontracting spend of approximately eight percent.

In PG&E's GHG Offset Credit RFO, two counterparties with supplier diversity programs offered into the RFO.

While PG&E issued the CAES RFO in late 2015, offers are not due from counterparties until May of 2016.

Although the 2015 BioMAT RFO did not receive any offers from WMDVLGBTBE counterparties, PG&E promoted opportunities for subcontracting with diverse businesses. Contracts from this solicitation will be executed in spring of 2016 and will include commitments for subcontracting with diverse businesses.

PG&E's 2015 natural gas purchases for the electric generation portfolio had a very good year. WMDVLGBTBE day-ahead and month-ahead gas purchases for delivery into California totaled \$113 million in notional value and represented over 37 percent of total gas purchased for the electric portfolio. This represented a 14 percentage point increase of total WMDVLGBTBE natural gas purchases when compared to 2014. PG&E's Electric Fuels team conducted electronic solicitations for one-month physical gas commodity products in 2015, and executed over eighty trades with WMDVLGBTBE counterparties enabled with natural gas master agreements. In addition, two WMDVLGBTBEs offered into the March 2015 annual electronic solicitation for physical gas call options.

In PG&E's ReMAT program, the Utility executed six WMDVLGBTBE contracts in 2015. By comparison, in 2014, the Utility awarded five WMDVLGBTBE contracts.

In 2015, PG&E added one power procurement master enabling agreement with a WMDVLGBTBE, giving PG&E a total of seven agreements. PG&E Electric Fuels currently has nine natural gas master enabling agreement with WMDVLGBTBEs. And in 2015, PG&E added one broker agreement with a WMDVLGBTBE, bringing the total to three brokerage firms with active relationships.

Fuels for Generation Description

Diesel

PG&E's Humboldt Bay Generating Station burns a small amount of diesel for ignition and to refuel plant vehicles. However, the engines will run solely on diesel fuel whenever natural gas is unavailable or when required by environmental air emission permit. A WMDVLGBTBE supplied this bulk diesel fuel for the Humboldt Bay Generating Station. In addition, Colusa, Gateway and Humboldt Bay generating stations all use diesel in plant vehicles and equipment, for which local, non-diverse companies have been utilized.

Nuclear

The nuclear fuel cycle is divided into four main procurement activities: uranium concentrates, conversion services, enrichment services and fabrication.

For procurement of uranium concentrates, conversion services and enrichment services, PG&E utilizes multiple non-diverse primary world market suppliers for each procurement activity or segment. Using multiple suppliers ensures security of supply should a supplier fail to deliver. For fabrication, PG&E utilizes a non-diverse US-based nuclear power company that is owned by a foreign corporation.

The specialized supply chain, limited market, and long lead time for nuclear fuel create extraordinary barriers and limited opportunities for potential WMDVLGBTBEs.

Coal

PG&E's owned-generation portfolio does not include coal.

Natural Gas

PG&E purchases gas supplies from producers and marketers in Canada, the US Rockies and California on a daily, monthly and longer term basis to serve its company-owned generating facilities and tolling agreements. Historically, WMDVLGBTBE activity in Canada has been low because of the complexity of conducting international business and the focus by most WMDVLGBTBEs to concentrate on domestic markets. Furthermore, WMDVLGBTBEs are generally challenged to find Canadian suppliers willing to conduct business with them. However, PG&E will continue its outreach and assistance to support WMDVLGBTBE growth in all markets, including Canada. More information about PG&E's natural gas procurement is available in the Natural Gas Fuels for Generation section of Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification section of this report.

Program Expenses (Sec. 9.1.3)

Program expenses for electric procurement are included in the overall Supplier Diversity Program Expenses (see section 9.1.3 of the Supplier Diversity 2015 Annual Report and 2016 Annual Plan).

Goal Progress (Sec. 9.1.4)

Below is a summary of PG&E's progress towards its supplier diversity percentage target goals:

- Educated prime suppliers about PG&E's supplier diversity goals through a WMDVLGBTBE subcontracting webinar, pre-bid webinars, workshops, roundtable panel discussions, match-making events and one-on-one discussions.
- Updated a list of potential WMDVLGBTBEs interested in electric procurement and held one-on-one sessions with all WMDVLGBTBEs that requested a meeting with PG&E and expressed a desire to participate in California's Wholesale Electric Market.
- Ensured that electric procurement information was easily accessible from PG&E's Supplier Diversity web page and improved the dissemination of information to WMDVLGBTBEs.
- Strengthened energy procurement policies and procedures for RFOs including incorporating supplier diversity language into contracts and, for executed contracts, establishing tracking tools to monitor counterparty commitments to supplier diversity.
- Worked collaboratively with the other gas and electric utilities to clarify reporting guidelines and partnered on outreach activities.
- Utilized a Supplier Diversity Power Procurement Co-Champion structure to foster WMDVLGBTBE participation in all facets of PG&E's power procurement activities.
- Dedicated additional resources to help execute the Power Procurement Supplier Diversity action plan.
- Created a brochure identifying opportunities for WMDVLGBTBEs to participate in power procurement transactions with PG&E, to be used at conferences and matchmaking events.

- Created template for a Funds Transfer Agency Agreement (FTAA—establishing a banking intermediary for wholesale transactions) and a Tripartite Agreement (a three-party performance agreement) in 2015. These form agreements can supplement power procurement master enabling agreements when appropriate to build more capacity for diverse suppliers in wholesale power markets akin to what is available in the natural gas wholesale markets.
- Provided mentoring to a WMDVLGBTBE through PG&E's Supplier Development Program for 2015. This mentoring relationship directly contributed to the mentee organization's achievement of a refined and a more focused business plan.
- Formalized and enhanced a robust WMDVLGBTBE credit framework for PG&E to promote supplier diversity in power procurement.

Subcontractors (Sec. 9.1.5)

PG&E understands that future success in electric procurement will require ongoing education and training of its major suppliers. In 2015, PG&E continued to emphasize the importance of supplier diversity through RFOs and workshops, as well as recommend resources that will help identify WMDVLGBTBEs.

As mentioned earlier, PG&E and the other California IOUs hosted a supplier diversity matchmaking session on September 3rd to encourage business opportunities between prime suppliers and diverse subcontractors.

In addition, to encourage prime suppliers to subcontract with WMDVLGBTBEs—and to encourage the reporting of such subcontracting opportunities—PG&E hosted a well-attended WMDVLGBTBE Subcontracting Webinar in January 2016.

This outreach proved to be quite effective as PG&E's counterparties reported \$2.8 million in subcontracting to diverse suppliers in 2015. Of the \$2.8 million, more than \$1.7 million is attributed to power purchase agreements currently delivering energy and capacity to PG&E and is thus reportable under General Order 156. The remainder is attributed to power generation projects under contract to PG&E that are under construction. PG&E sees great potential for WMDVLGBTBEs to participate in the subcontracting space going forward, both in the power plant development phase and the operational phase. PG&E remains committed to encouraging prime contractors to subcontract work to WMDVLGBTBEs.

Complaints (Sec. 9.1.6)

PG&E received no complaints in 2015.

Exclusions (Sec. 9.1.7)

PG&E ceased reporting excluded categories in accordance with the 2003 CPUC ruling.

Diverse Suppliers in Underutilized Areas (Sec. 9.1.8)

Similar to other underutilized areas of its business, PG&E collaborated with the other California utilities to address challenges, build strategies and make recommendations to improve the participation of WMDVLGBTBEs.

This collaboration continued to yield positive results as PG&E's diverse spend in power procurement activities exceeded 2014 results.

Retention of All Documents/Data (Sec. 9.1.9)

PG&E retains all final documents and data used to compile its Supplier Diversity Annual Report and Annual Plan for the longer of either three years or in accordance with internal policies.

PG&E will continue to respond to all data requests upon request.

Participation Results by Fuel Category (Sec. 9.1.10A)

See Annual Power Procurement Report by Ethnicity Table.

Market Conditions and Outreach (Sec. 9.1.10B)

The characteristics of the electric market are unique compared to the natural gas market. Electric markets are characterized by long-life assets. These assets, each of which could cost hundreds of millions of dollars, are generally held by large corporations or financial institutions. As such, it is a challenging market for WMDVLGBTBEs to enter and receive capacity payments.

PG&E's procurement objectives include assembling a portfolio of reliable and operationally flexible resources, supporting the development of environmentally preferred resources and managing customer costs. These objectives are applied to all market participants, irrespective of entity classification.

The vast majority of payments are through RPS, CHP, QF and conventional tolling contracts. The remaining amount clears through the California Independent System Operator (CAISO) market and is not regulated by the CPUC. With the advent of the CAISO Market Redesign and Technology Upgrade (MRTU) market design, electric energy is commoditized through a centralized market. Day-ahead energy transactions have predominantly moved away from direct bilateral transactions to energy commodity exchanges. The Dodd-Frank Act further complicated the electric commodity markets by imposing transaction and reporting rules that are challenging to interpret their applicability. These regulatory challenges give all market participants, including WMDVLGBTBEs, pause when contemplating entry into the electric commodity markets.

For the natural gas commodity, the barriers to entry are different. Asset ownership is not required and the vast majority of commodity clears through the over-the-counter market or exchanges. For these reason, the opportunities are greater for WMDVLGBTBEs than in electricity commodity. Transactions executed on an indexed price basis—which is how much of the electric commodity market transacts—require less credit and collateral requirements than do fixed price transactions. Historically, WMDVLGBTBEs have participated in this market successfully. Furthermore, PG&E Electric Fuels routinely entertains natural gas master enabling agreements with prospective WMDVLGBTBEs.

In wholesale power markets, PG&E encourages the participation of WMDVLGBTBEs to participate in renewables and RA products, both on a direct and subcontracting basis as these represent the highest opportunity areas of power markets. In addition, to facilitate RA and other potential power product transactions, PG&E is engaged in discussions with a number of WMDVLGBTBEs for electric master enabling agreements. PG&E is also working with several WMDVLGBTBEs to structure arrangements to facilitate and mitigate credit posting concerns, including the FTAA and Tripartite forms mentioned earlier. PG&E also accommodates direct payment arrangements as requested by WMDVLGBTBEs to further facilitate their opportunities in the gas market.

To further promote WMDVLGBTBE participation in PG&E Energy Procurement RFOs, PG&E's supplier diversity goals and objectives were presented and discussed at the following Energy Procurement RFO meetings:

- 03-05-2015** Greenhouse Gas Offset Credit RFO Information Session and Webinar
- 07-14-2015** Sixth Renewable Auction Mechanism (RAM) RFO Webinar
- 10-29-2015** Compressed Air Energy Storage (CAES) RFO Webinar
- 11-20-2015** Joint IOU BioMAT Information Session Webinar

While the recently expanded GO 156 creates additional opportunities for WMDVLGBTBEs, these organizations and their IOU counterparties are faced with tightening margins in the wholesale power markets. As with any participant wishing to participate in wholesale power activities, meeting industry standard credit and collateral requirements is challenging. PG&E has worked with WMDVLGBTBEs to identify transaction types that could be facilitated with less burdensome credit posting requirements. Due to strong support throughout PG&E, generators and suppliers are becoming increasingly aware of the importance of supplier diversity to PG&E, its customers and the California energy market as a whole.

Annual Energy Product Results by Ethnicity and WMDVBE Certification

(All dollar figures in \$MM)

Product ¹	Unit	Results by Ethnicity and Gender															Results by WMDVBE Certification				Total WMDVBE Procurement Spend ³	Total Procurement Spend		
		Asian/Pacific American			African American			Hispanic American			Native American			Other Minority ⁵			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (DVBE)	Subcontracting Total				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Total	Total	Total	Total				
POWER PURCHASED	Renewable Power Products Direct	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$3.0	\$-	\$3.0	\$-	\$-	\$-	\$-	\$-	\$-	\$3.0	\$-	\$-	\$1.7	\$4.7	\$2,272.6	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.2%		
		\$ ²	\$-	\$-	\$-	\$-	\$-	\$-	\$3.0	\$-	\$3.0	\$-	\$-	\$-	\$-	\$-	\$-	\$3.0	\$-	\$-	\$-	\$-	\$3.0	\$289.0
	Non-Renewable Power Products Direct	PHYSICAL	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,190.8
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
		\$ ²	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$199.9
FUELS FOR GENERATION	Diesel Direct	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$0.5	\$0.5	\$-	\$-	\$-	\$-	\$-	\$-	\$0.5	\$-	\$-	\$-	\$-	\$0.5	\$0.5	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.5%	98.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.5%	0.0%	0.0%	0.0%	98.5%		
	Natural Gas Direct	PHYSICAL	\$	\$-	\$36.6	\$36.6	\$21.9	\$-	\$21.9	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$58.5	\$31.9	\$22.9	\$-	\$113.3	\$300.2	
		%	0.0%	12.2%	12.2%	7.3%	0.0%	7.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.5%	10.6%	7.6%		37.7%			
	POST 2011	SubTotal of Columns ²	\$	\$-	\$36.6	\$36.6	\$21.9	\$-	\$21.9	\$3.0	\$0.5	\$3.5	\$-	\$-	\$-	\$-	\$-	\$62.0	\$31.9	\$22.9	\$-	\$116.8	\$789.8	
		SubTotal % of Total Procurement Spend	%	0.0%	4.0%	4.0%	2.4%	0.0%	2.4%	0.3%	0.1%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	6.8%	3.5%	2.5%	0.0%	Overall WMDVBE %:	14.8%	
ALL	SubTotal of Columns ⁴	\$	\$-	\$36.6	\$36.6	\$21.9	\$-	\$21.9	\$3.0	\$0.5	\$3.5	\$-	\$-	\$-	\$-	\$-	\$62.0	\$31.9	\$22.9	\$1.7	\$118.5	\$3,764.1		
	SubTotal % of Total Procurement Spend	%	0.0%	0.9%	0.9%	0.6%	0.0%	0.6%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	0.8%	0.6%	0.0%	Overall WMDVBE %:	3.1%		

Notes:
¹Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives.
²Includes only long-term power procurement commitments after June 6, 2011, or as a result of RFOs after June 6, 2011.
³Total WMDVBE spend does not include pre-COD subcontracting values.
⁴Includes all power procurement commitments.
⁵Includes Non-WMDVBE firms classified as 8(a) by the Small Business Administration.

Goals (Sec. 10.1.1)

PG&E's goal is to continue to foster WMDVLGBTBE participation in electric procurement through: (1) collaboration and education; (2) communication and outreach; and (3) improved procurement processes and awareness.

Planned Internal/External Activities (Sec. 10.1.2)

PG&E developed a detailed action plan based on effective implementation of General Order 156, collaboration and education, communication and outreach and procurement processes and awareness. The plan includes Energy Procurement and Supplier Diversity owners and action items that will be tracked regularly.

PG&E's 2016 Supplier Diversity goals for Energy Policy and Procurement include:

1. Increasing opportunities for WMDVLGBTBEs to compete for PG&E's energy procurement commodity business, through both direct and subcontracting. PG&E will work with counterparties to develop and execute strategies to include diverse suppliers.
2. Increasing both the energy procurement commodity contract dollar and percentage spend the company procures from WMDVLGBTBEs
3. Assisting WMDVLGBTBEs, ethnic chambers, and business trade associations to better understand PG&E Energy Policy and Procurement's practices, processes, plans and goals
4. Increasing awareness and support for achieving PG&E's supplier diversity goals throughout the Energy Policy and Procurement organization
5. Increasing opportunities for WMDVLGBTBEs to participate
6. Increasing advocacy efforts on prime suppliers' subcontracting to WMDVLGBTBEs, and promoting prime supplier and WMDVLGBTBE matchmaking events and industry conferences
7. Continuing to explore ways to count and report WMDVLGBTBE subcontracting spend under General Order 156 on generation projects during their pre-Commercial Operation Date status

Recruitment Plans for Suppliers in Underutilized Areas (Sec. 10.1.3)

PG&E is committed to working with internal and external stakeholders to make it easier for WMDVLGBTBEs to transact power products with PG&E. To break down barriers, this support will include identifying practical opportunities, as well as collaborating with other utilities, WMDVLGBTBE power providers and the CPUC.

Continuing education of developers is a crucial component of PG&E's plan to continue encouraging developers to utilize WMDVLGBTBEs during all phases of project construction. The company will also grow its outreach to WMDVLGBTBEs in power procurement.

In 2016, PG&E plans to sponsor a Power Procurement WMDVLGBTBE Matchmaking event, similar to the event that took place on September 3, 2015 in Irvine in partnership with SDG&E and SCE. This event will feature speakers and one-on-one matchmaking sessions to discuss business prospects with opportunities ranging from site selection and permitting to construction, IT services, operations and maintenance of electric generation facilities. Billions of dollars are expected to be spent on these types of projects in the next several years as developers build out new renewable generation, conventional generation, and energy storage infrastructure to serve utility customers throughout California.

In addition, PG&E will continue to attend conferences and special events to promote supplier diversity in power procurement and collaborate with the other California utilities in this regard whenever possible.

Also, for 2016 PG&E will select a WMDVLGBTBE to participate in PG&E's Supplier Development Program. This is a unique opportunity for a WMDVLGBTBE president to meet regularly throughout the year with a member of PG&E's Energy Policy and Procurement's leadership team to discuss ways to grow a small business in the power procurement space. It also includes full sponsorship of courses offered by the UCLA Management Development for Entrepreneurs Program or University of Washington Minority Business Executive Program.

Plans for Recruiting WMDVLGBTBEs in Excluded Categories (Sec. 10.1.4)

General Order 156 Ruling on November 14, 2003 ended the excluded category.

Planned Subcontracting Activities (Sec. 10.1.5)

PG&E's planned subcontracting activities include:

1. Holding targeted meetings with developers to advance opportunities for WMDVLGBTBEs.
2. Sending broadcast communications to electric procurement participants to notify them of PG&E's commitment to supplier diversity.
3. Ensuring that all RFOs include information and communications about supplier diversity requirements including what cost components are relevant and how spending is verified.

Program Compliance (Sec. 10.1.6)

PG&E will comply with all WMDVLGBTBE program guidelines.

Fuel Procurement for Non-Generation

INTRODUCTION

PG&E purchases natural gas to serve its core (residential and small commercial) bundled gas customers. During 2015, PG&E purchased gas supplies to serve core customers from Canada, the U.S. Rocky Mountain supply area, and from the U.S. Southwest. As discussed in Sec. 9.1.2, Core Gas Supply spent nearly \$115 million dollars in natural gas purchases with diverse suppliers, representing over 14 percent of total purchases.

Diverse Supplier Program Activities (Sec. 9.1.1)

Communications and Assistance

PG&E maintains information on its public website to assist women, minority and service-disabled veteran business enterprises (WMDVBE) and lesbian, gay, bisexual and transgender business enterprises (LGBTBE)—or collectively WMDVLGBTBE suppliers¹. This electronic connection provides a description of PG&E's Supplier Diversity Program, including eligibility criteria for California's WMDVLGBTBE supplier certification program, and a description of resources available to assist such suppliers in selling products and services to PG&E and Core Gas Supply.

Furthermore, in 2015, PG&E fully engaged with diverse suppliers to answer questions about fuel procurement and provided guidance on WMDVLGBTBE certification. In addition, Core Gas Supply offered enhanced banking and payment options, and structured contract payment provisions to fit the individual needs of many diverse suppliers and their source suppliers. This included the use of the Funds Transfer Agency (FTA) agreement, in which a bank serves as a fiduciary intermediary between the source supplier and the WMDVLGBTBE.

Personal Contacts

Core Gas Supply maintains a solicitation list of diverse suppliers who have expressed interest in selling gas to PG&E. This list is used to track certification status and to help ensure WMDVLGBTBEs are contacted on a regular basis about sales opportunities. Core Gas Supply staff also encourages natural gas producers to work with WMDVLGBTBEs in marketing gas and services to PG&E.

¹ <http://www.pge.com/b2b/energysupply/gasprocurement/>

Expanded Opportunities

During 2015, PG&E’s Core Gas Supply analysts assisted diverse suppliers with opportunities to provide broker services. Broker services enable WMDVLGBTBEs to match major producers and suppliers with Core Gas Supply’s gas buyers, thus expanding opportunities beyond direct sales of gas to PG&E. Through a broker arrangement, WMDVLGBTBEs add value by locating a producer or supplier willing and able to meet PG&E’s terms. The broker arranges the initial contact and may facilitate the negotiation and assist with the administration. By acting as a broker, WMDVLGBTBEs are able to avoid many credit and operational risks as well as help establish their firms in the natural gas business.

Summary of Purchases (Sec. 9.1.2)

In order to meet PG&E’s core natural gas demands, Core Gas Supply maintains a portfolio of supplies with different contract lengths from various supply sources. Core Gas Supply traders typically negotiate prices or accept unsolicited proposals for longer term and prompt month baseload supplies, and purchase daily gas in “swing” spot markets.

During 2015, PG&E paid diverse suppliers \$114,968,314 for natural gas supplies, representing 14.41 percent of total purchases by cost. During 2015, the Core Gas Supply department purchased approximately 38 percent of its gas from Canada because Canadian supplies were generally the least expensive and most reliable supply source available. Typically, however, WMDVLGBTBEs choose to participate exclusively in U.S. natural gas markets. As a result, opportunities to engage WMDVLGBTBEs were generally limited to U.S. markets. Excluding Canadian purchases from the procurement base would raise the 2015 diverse supplier participation rate to 21.63 percent of costs.

Table I: PG&E Core Gas Supply

Summary of 2015 Natural Gas Purchases from WMDVBEs January 1—December 31, 2015			
Gas Supplies	WMDVBE Purchase Costs	Total Supply Costs	Total Supply Volume
U.S. and Canadian Purchases	\$114,968,314	14.41%	13.53%
U.S. Purchases Only	\$114,968,314	21.63%	21.77%

Appendix A provides PG&E’s Core Gas Supply Diverse Supplier costs by ethnicity and gender.

Program Expenses (Sec. 9.1.3)

There were no specific program expenses allocated to non-generation fuel procurement in 2015. Any associated expenses are included in the overall Supplier Diversity Program Expenses (see section 9.1.3 of the Supplier Diversity 2015 Annual Report/2016 Annual Plan).

Goal Progress (Sec. 9.1.4)

PG&E's long-term fuel procurement goal of 21.5 percent spend with diverse suppliers is based on the total cost of natural gas purchases in accordance with the long-term objective proposed by the CPUC in Decision 95-12-045.

Table II: Diverse Supplier Participation Goals, 2016 and Beyond

	2016	Beyond 2016
Minority	15%	15%
Non-Minority Women	5%	5%
Disabled Veteran	1.5%	1.5%
Total	21.5%	21.5%

Summary of Utilization of Subcontractors (Sec. 9.1.5)

Trading and marketing natural gas commodity does not lend itself to subcontracting. PG&E's focus is to locate additional WMDVLGBTBEs to serve as direct suppliers for its natural gas purchases.

Supplier Complaints (Sec. 9.1.6)

There were no complaints in 2015 regarding Core Gas Supply's Diverse Supplier natural gas purchase activity.

Exclusions (Sec. 9.1.7)

Summary of Purchases and/or contracts in excluded categories.

General Order 156 Ruling on November 14, 2003 ended the excluded categories.

Diverse Suppliers in Underutilized Areas (Sec. 9.1.8)

PG&E continued to encourage WMDVLGBTBEs to develop relationships with Canadian producers. Historically, and as reported in PG&E's previous annual supplier diversity reports, diverse business activity in Canada has been low because of the complexity of conducting international business and the focus by most WMDVLGBTBEs to concentrate on domestic markets.

Furthermore, WMDVLGBTBEs are generally challenged to find Canadian suppliers willing to conduct business with them. However, PG&E will continue its outreach and assistance to support WMDVLGBTBE growth in all markets, including Canada.

Retention of All Documents/Data (Sec. 9.1.9)

PG&E will retain documents and data to support its Supplier Diversity Annual Report and Annual Plan in accordance with internal policies and document retention regulations.

Participation Results by Fuel Category (Sec. 9.1.10A)

See Appendix A.

Appendix A. PG&E's Core Gas Supply, Annual Energy Product Results by Ethnicity and WMDVBE Certification

(All dollar figures in \$MM)

Product ¹		Results by Ethnicity and Gender															Results by WMDVBE Certification					
		Unit	Asian-Pacific			African-American			Latino			Native American			Other Minority			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (DVBE)	Total WMDVBE Procurement Spend	Total Procurement Spend
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total					
NATURAL GAS	SHORT TERM	\$	\$-	\$20.28	\$20.28	\$2.04	\$-	\$2.04	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$22.32	\$11.40	\$10.28	\$44.00	\$286.44
		%	0%	2.54%	2.54%	0.26%	0%	0.26%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2.80%	1.43%	1.29%	5.51%	
	LONG TERM	\$	\$-	\$18.04	\$18.04	\$4.51	\$-	\$4.51	\$-	\$-	\$-	\$5.84	\$-	\$5.84	\$-	\$-	\$-	\$28.38	\$36.39	\$6.20	\$70.97	\$511.51
		%	0%	2.26%	2.26%	0.56%	0%	0.56%	0%	0%	0%	0.73%	0%	0.73%	0%	0%	0%	3.56%	4.56%	0.78%	8.89%	
	TOTAL NATURAL GAS	\$	\$-	\$38.32	\$38.32	\$6.55	\$-	\$6.55	\$-	\$-	\$-	\$5.84	\$-	\$5.84	\$-	\$-	\$-	\$50.70	\$47.79	\$16.48	\$114.97	\$797.95
		%	0%	4.80%	4.80%	0.82%	0%	0.82%	0%	0%	0%	0.73%	0%	0.73%	0%	0%	0%	6.35%	4.56%	2.06%	14.41%	
LPG	SHORT TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%																				
	LONG TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%																				
	TOTAL LPG	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0.00%	0.00%	0%	
Overall Total \$		\$-	\$38.32	\$38.32	\$6.55	\$-	\$6.55	\$-	\$-	\$-	\$5.84	\$-	\$5.84	\$-	\$-	\$-	\$50.70	\$47.79	\$16.48	\$114.97	\$797.95	
Overall Total %		0%	4.80%	4.80%	0.82%	0%	0.82%	0%	0%	0%	0.73%	0%	0.73%	0%	0%	0%	6.35%	5.99%	2.06%	Overall WMDVBE:	14.41%	

Totals may not add due to rounding.

Note:

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

Long Term The term of the deal is greater than one calendar month and no longer than one calendar year.

¹Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives.

Market Conditions and Outreach (Sec. 9.1.10B)

FACTORS LIMITING DIVERSE SUPPLIER GROWTH

Market Challenges

North American natural gas prices have decreased significantly in recent years, and during 2015, prices plummeted to their lowest levels in 16 years². As a result, many domestic producers suffered financial losses, and several dozen filed for bankruptcy protection. The exceptionally low gas prices certainly diminished profit margins for all suppliers, reducing opportunities for both diverse and non-diverse suppliers.

Competitive Challenges

Natural gas marketers add value by applying their expertise to find buyers and to creatively fulfill end-user needs while fostering a liquid, transparent market. In addition to providing supplies, the role of many successful marketers has evolved and expanded to include intermediate steps in the supply chain, such as arranging pipeline transportation and storage, providing nomination and balancing services, and providing any other services required to facilitate natural gas sales. These complex, commercial arrangements and the myriad of associated services demand that marketers possess critical skills, industry knowledge and commercial connections, in addition to significant organizational resources and financial backing in order to be successful. At this time, only a few WMDVLGBTBEs have these additional assets and resources.

Institutional Barriers

All industry participants face enormous financial and credit risks. Most WMDVLGBTBEs are challenged to manage exposure to such risks because they lack capital to meet collateral requirements. Additionally, they generally do not hold physical assets, such as natural gas storage, to help establish credit or limit exposure to performance risks. Finally, WMDVLGBTBEs are generally not able to post sufficient collateral to cover the margin requirements of electronic or online trading platforms, which account for a significant percentage of transactions in today's fast-moving natural gas markets.

These issues challenge WMDVLGBTBEs to provide valuable services, and make it difficult for them to compete with other, more sophisticated marketers. As described in Section 9.1.8., these issues are compounded by the challenges of conducting international business. However, PG&E continues to encourage U.S. and Canadian source suppliers to develop relationships with WMDVLGBTBEs. Furthermore, PG&E monitors its portfolio of gas supplies and strives to balance objectives of providing opportunities for WMDVLGBTBEs while maintaining supply reliability and managing costs for its core customers.

² U.S. Energy Information Administration, Prices for oil and natural gas commodities fell during 2015, <http://www.eia.gov/todayinenergy/detail.cfm?id=24392>

Goals (Sec. 10.1.1)

GOAL: INCREASE WMDVLGBTBE PARTICIPATION

Despite the factors limiting WMDVLGBTBE growth identified in section 9.1.10B, PG&E will affirm a 21.5 percent participation rate as a long-term objective and will continue in its efforts to reduce the barriers to entry and strive to expand the opportunities in which WMDVLGBTBEs can participate during 2016.

Planned Internal/External Activities (Sec. 10.1.2)

2016 WMDVLGBTBE PROGRAM OBJECTIVES

Progress toward meeting the optimistic goals in Table II may only be achieved through sustained efforts by gas purchasing personnel and by the continued growth and development of WMDVLGBTBEs. For 2016, PG&E has established the following objectives:

Objective #1: Maintain Awareness

Supplier diversity awareness training will be conducted as needed to familiarize Core Gas Supply traders and staff with available WMDVLGBTBEs and to emphasize PG&E's Supplier Diversity Program goals.

Objective #2: Maintain Focus

Throughout the year, Core Gas Supply management will utilize internal communications and discussions to highlight to Core Gas Supply employees the progress they are making toward the full participation of diverse suppliers.

Objective #3: Assist Gas WMDVLGBTBEs

Core Gas Supply staff will continue to advise and assist WMDVLGBTBEs with certification, credit applications and special payment arrangements in order to help establish firms and to prepare them to conduct business with PG&E.

Objective #4: Seek Opportunities for WMDVLGBTBEs

PG&E will continue to encourage WMDVLGBTBEs to conduct business with PG&E's Core Gas Supply.

Objective #5: Measure Performance

Supplier diversity activity reports will be provided to the Core Gas Supply staff and management on a regular basis. These reports will help to maintain focus, as discussed in Objective #2, and document progress toward reaching PG&E's natural gas diversity goals. The reports will stimulate discussions among staff and management to develop innovative solutions addressing issues and challenges, and to create economic opportunities for WMDVLGBTBEs.

Recruitment Plans for Suppliers in Underutilized Areas (Sec. 10.1.3)

PG&E will continue to encourage WMDVLGBTBEs to seek opportunities to participate in Canadian markets, where Core Gas Supply has historically purchased the majority of its gas supplies.

PG&E will work with WMDVLGBTBEs to seek new gas supply opportunities and will offer contractual arrangements to stimulate future business.

Plans for Recruiting WMDVLGBTBEs in Excluded Categories (Sec. 10.1.4)

General Order 156 Ruling on November 14, 2003 ended excluded categories for Fuel Procurement.

Planned Subcontracting Activities (Sec. 10.1.5)

PG&E is not aware of subcontracting opportunities for natural gas commodity trading.

Program Compliance (Sec. 10.1.6)

PG&E will comply with all WMDVLGBTBE program guidelines.

