

The Power of Supplier Diversity

2022 ANNUAL REPORT
AND 2023 ANNUAL PLAN

Utilization of Women, Minority, Service-Disabled
Veteran, Lesbian, Gay, Bisexual, Transgender
and Persons with Disabilities Business
Enterprises (WMDVLGBTDBE)



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Message From the President



I am pleased to report another successful year for Liberty Utilities (CalPeco Electric) LLC's ("Liberty") Supplier Diversity Program. I have been with Liberty for 30 years and have witnessed our company's growth and commitment to supplier diversity year over year. With new regulation and our continued focus to provide safe and reliable energy service to our customers, we have maintained our infrastructure and have delivered our core services. In 2022, Liberty achieved **21.05%** spend with diverse business enterprises, a decrease compared to 2021 largely caused by supply chain issues stemming from the pandemic and material production shortages.

We intend to keep the momentum and **Power of Supplier Diversity** moving forward, as supply chain issues improve and as we develop a more focused effort to increase our diverse supply base. In conjunction, we are partnering with our prime contractors to increase their utilization of diverse supplier subcontracting opportunities. We will challenge ourselves to think and act differently as we work toward a stronger Supplier Diversity Program.

Liberty's Supplier Diversity Program embraces and recognizes the various aspects of diversity as it relates to our supply chain, employee engagement, corporate policy and procedures, and the communities served. Our Supplier Diversity Program is embedded throughout our business. We believe that a healthy and robust supply chain must include diverse business enterprises working either directly with or alongside established prime contractors to get the work done. We remain committed to expanding and strengthening our relationships and increasing our annual spend with our diverse suppliers. We recognize the **Power of Supplier Diversity** as we deliver safe and reliable electric service to our customers and communities.

A handwritten signature in blue ink, appearing to be 'EJ', with a long horizontal flourish extending to the right.

Edward Jackson
President, Liberty - California

Message From the Supplier Diversity Program Manager



I joined Liberty in May of 2022, and the year has flown by. My supplier diversity My supplier diversity experience has surpassed the 10-year mark, but I remain amazed and excited to learn new things in my professional journey. Fortunately, I work with people who are so accepting of my “newness” and have embraced my approaches taken thus far to learn the business and people of Liberty. Liberty employees have been “all in” regarding my getting to know them and understanding how I can best support them. It did not take long for me to identify champions of supplier diversity as they are eager to engage.

The grace provided in educating me about all things Liberty has been helpful as I begin to shape and structure a best-in-class Supplier Diversity Program. This process will rely on support from areas that have a viable intersect with supplier diversity, such as leadership engagement and interaction, knowledge share between operational and engineering teams, communications, finance, legal, human resources, and, of course, at the highest level, supply chain. These intersections are critical to our continued success and to goals that will be set and achieved in the future.

A look back in years to come will show that this time and approach will lead to winning outcomes, pushed forward and through by the **Power of Supplier Diversity**. I look forward to experiencing this year after year.

A handwritten signature in black ink that reads "Holley Joy". The signature is written in a cursive, flowing style.

Holley Joy
Supplier Diversity Program Manager

About Liberty

Liberty Utilities (CalPeco Electric) LLC (“Liberty”) is an investor-owned utility that serves approximately 49,000 customers in the Lake Tahoe basin in California. Liberty is committed to the efficient delivery of safe and reliable electric service to its customers throughout Alpine, El Dorado, Mono, Nevada, Placer, Plumas, and Sierra counties.



2022 Highlights

In 2022, Liberty introduced and utilized two new diverse suppliers to the supply chain, supporting Liberty’s provision of safe, reliable electric service. In addition, a long-standing diverse supplier obtained Supplier Clearinghouse certification, paving the way for potential opportunities with other investor-owned utilities or entities seeking to expand their diverse supplier utilization. The **Power of Supplier Diversity** remains relevant. Below are the new diverse suppliers joining Liberty’s supply chain.

Boateng Logistics

Walter Randall, President, and his team efficiently and effectively managed shipments of transformers from New York to Lake Tahoe.

Boateng Logistics was initially introduced to Liberty in 2019 through the California Water Association’s Collaborative Technical Assistance and Capacity Building Program. Walter Randall, President, successfully completed four quarterly sessions to become more familiar with California investor-owned water utilities and learn how to engage for business opportunities. In addition, his previous successful relationship with another utility partner kept him “top of mind” for transport and logistic services. When Liberty needed and procured transformers from a utility partner, **Boateng Logistics** was one of the diverse suppliers to whom Liberty reached out for a quote. **Boateng Logistics** provided a competitive, cost effective, and thorough quote to execute this opportunity efficiently and successfully.

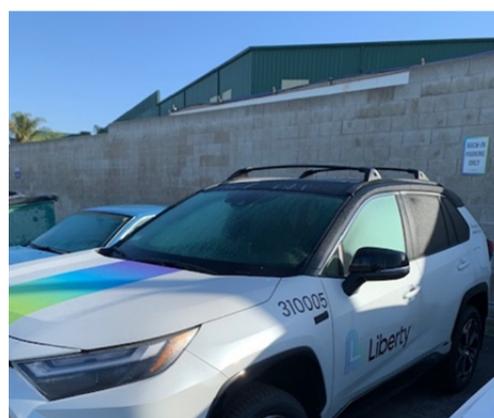
In another instance, Liberty had an urgent and critical need for delivery of water meters and encoder receiver transmitters (ERTs) from New York to various California locations. The initial shipment was handled by a national carrier at a higher cost with a two-week delivery window. Because **Boateng Logistics** performed so well in its initial interaction with Liberty, Liberty extended an opportunity to quote on a second shipment of meters and ERTs from New York to various California locations. **Boateng Logistics** once again offered a more cost-effective service and successfully arranged and executed delivery for the water meters and ERTs in six days. Finally, a third opportunity for **Boateng Logistics** to deliver fleet vehicles from Downey and Apple Valley to Liberty’s Lake Tahoe office resulted in the employment of creative and strategic methods to deliver vehicles that were, at the time, hard to acquire and transport. Building relationships, offering inclusive opportunities, and successfully awarding contracts, large or small, to diverse business enterprises demonstrates the **Power of Supplier Diversity**.

Piotr Pramowski, Liberty Category Manager, advised that “**Boateng Logistics** provided safe, reliable, and efficient service.” On three separate occasions, **Boateng Logistics** has proven that they are a low-cost leader to the big shippers and the “white glove” treatment provided to Liberty has been consistent in all service interactions.



Elite Auto Network

Due to the pandemic and subsequent supply chain disruptions, Liberty was eager to purchase four new fleet vehicles (two of which are plug-in hybrids) prior to year-end. Most service providers advised of a three- to six-month window for delivery. **Elite Auto Network** was introduced to Liberty while attending a community outreach event in October 2022. Liberty's overall need aligned with the services and products offered by **Elite Auto Network**. **Elite Auto Network** provided the four vehicles less than two months after Liberty submitted the vehicle request. **Elite Auto Network** flexibility and speed in completing this order was a welcome surprise and helped fulfill a critical fleet and supply chain need for the continuity of operational responsibilities.



Elite Auto Network performed above and beyond Liberty's expectations, given recent industry disruptions. Liberty's Fleet Services Manager Levon Atarian said, "**Elite Auto Network** provided great communication and quick turnaround. Their ability to get us four vehicles in a short amount of time was impressive. At the previous utility I worked for, it would have taken six months minimum to get that many vehicles from the dealer."

The Original Unlimited Tree Service Company

Liberty continually looks for opportunities to help existing diverse business enterprises advance by facilitating growth and development of goods and services provided, educating, introducing them to other utilities where appropriate, and advocating certification, which may help suppliers obtain greater exposure in the diverse marketplace. Vegetation management (VM) is a critical part of Liberty's Wildfire Mitigation Plan. Liberty's VM department manages the trees and vegetation surrounding electric facilities to help improve electric service reliability and safety and reduce wildfire risk.

VM includes various initiatives and tools to help achieve these goals. Light Detection and Ranging (LiDAR) is a remote sensing technology that can measure the distance between vegetation and electric conductor, tree heights, and other elevation-related site characteristics that must be considered when assessing vegetation along high voltage distribution and transmission lines. Liberty conducts system-wide surveys using LiDAR sensors to collect data, which is then used to schedule VM activities.

The Original Unlimited Tree Service Company has worked with Liberty since 2021, performing tree pruning and removal work using LiDAR detections and ground-based routine inspections. They are responsive to emergency tree work that result from storm and high wind events, customer concerns, pre-inspector hazard identification, and they help haul out or chip tree limbs and smaller wood at the request of property owners.

The Original Unlimited Tree Service Company was awarded a contract to perform tree work along resiliency corridors. The contract also includes water fire mitigation measures and fuel management. Additionally, this diverse supplier supported tree removal and brush piling work along Liberty's 625 line, which was a precursor to the formal fire resiliency corridor project between Liberty, the National Forest Foundation, and the United States Forest Service.

This diverse business enterprise was not aware of the benefits of becoming a certified Minority Business Enterprise (MBE) through the exclusive certifying agency of the joint utilities of California, the Supplier Clearinghouse. After an informative discussion with Liberty's supplier diversity program manager, ***The Original Unlimited Tree Service Company*** obtained MBE certification and has now broadened its opportunities to work with other utilities seeking diverse business enterprises for vegetation management needs.

The experience with ***The Original Unlimited Tree Service Company*** has been highly successful. Dawnne Hirt, a system arborist at Liberty, shared, "The employees at ***The Original Unlimited Tree Service Company*** aim to please and work very hard. They are creative in their approach to challenging manual work and seeking solutions to difficult jobs, and their foremen are very responsive and easy to work with."



Work done by The Original Unlimited Tree Service Company

Renewable Portfolio Standard Program

Liberty's California Renewables Portfolio Standard (RPS) program includes managing two Liberty-owned solar photovoltaic generation plants (Luning and Turquoise), purchasing renewable energy from Liberty's wholesale energy supplier (NV Energy), and purchasing unbundled renewable energy credits (REC) as needed to meet California RPS procurement targets. Operation and maintenance of the Luning and Turquoise facilities is carried out primarily by third-party suppliers. Renewable energy purchases from NV Energy are undertaken in accordance with the full-requirements Energy Services Agreement Liberty has with NV Energy. Securing the remaining unbundled RECs is a function of the annual RPS program, which identifies additional needs to meet California's RPS targets, then outlines the procurement plan for the necessary RECs to meet those needs.

In 2022, Liberty launched its first data collection effort to develop a baseline for supplier diversity in its RPS program. Previously, the demographics of only direct RPS program employees and contractors had been collected and reported in the annual RPS Diversity Report submitted to the CPUC. However, this year, demographic surveys were sent out to the suppliers providing operation and maintenance services at the Luning and Turquoise facilities. This data will be used to track Liberty's efforts to expand diversity performance in its RPS program beyond the employees who directly work on RPS data collection and filing efforts.

Also in 2022, Liberty issued its first open request for proposal (RFP) for unbundled RECs in accordance with its 2022 RPS program. Historically, Liberty worked with REC brokers to secure the unbundled RECs needed to meet shortfalls in its RPS performance and based supplier selection exclusively on price. This year, the open RFP allowed Liberty to collect demographic data from suppliers and prioritize bidders based on price and other aspects, such as demographics and expertise. Liberty believes this process will increase access to a broader set of suppliers to support equity and inclusion in its RPS Program.

Liberty conducted a demographic survey of current RPS program suppliers regarding utilization of minority contractors. This effort did not yield positive results for identification of diverse business enterprises that could provide services relative to RPS program procurement needs. Liberty views these results as a strong reason to continue efforts to identify and introduce diverse business enterprises that can provide products and services to support its RPS Program.

No new projects under the RPS Program were energized in 2022. However, the application for the Luning Expansion solar and energy storage project is under Commission review.

9.1.1 Supplier Diversity Program Activities

External

Liberty attended two outreach events hosted by the West Region Minority Supplier Diversity Council (WRMSDC):

The Multi-Verse: Diversity Across Time and Space (Multi-Industry Supplier Diversity Expo)
Northern Nevada Small and Minority Business Opportunity Day

Both events were well attended with representatives of the diverse marketplace from various industries. It was a good opportunity to meet potential diverse business enterprises that could compete or are currently working with Liberty.

Internal

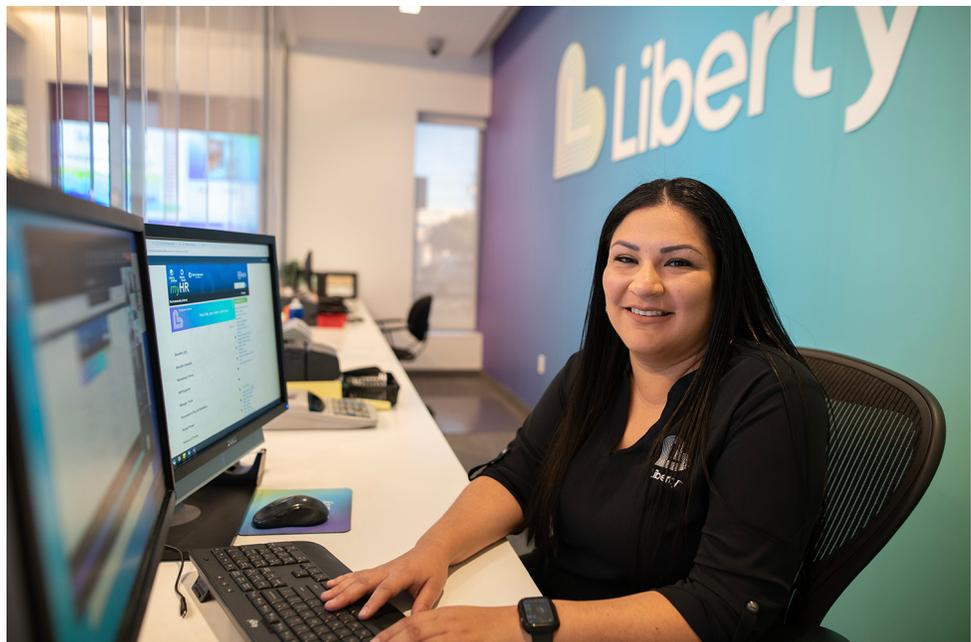
Knowledge of Liberty and needed resources was shared via virtual meetings. With inclement weather hindering travel in 2022, Liberty looks toward 2023 for in-person meetings to fully understand the work and the staff. This will help determine how supplier diversity can further support and identify areas of need within Liberty's supply chain to broaden its diverse base of suppliers.

Community Involvement

Supplier diversity did not engage in the Lake Tahoe communities due to inclement weather but intends to learn more about these communities before the winter of 2023.

9.1.2 WMDVLGBTDBE Annual Results - Ethnicity

			2022			
			Direct Spend1 \$	Sub Spend2 \$	Total \$	%
1	Minority Male	African American	\$ 306,793	\$ -	\$ 306,793	0.40%
2		Asian Pacific American	\$ 2,072,686	\$ -	\$ 2,072,686	2.72%
3		Hispanic American	\$ 7,577,723	\$ -	\$ 7,577,723	9.93%
4		Native American		\$ 17,583	\$ 17,583	0.02%
5		Total Minority Male		\$ 9,957,202	\$ 17,583	\$ 9,974,785
6	Minority Female	African American	\$ -	\$ -	\$ -	
7		Asian Pacific American	\$ 6,715	\$ -	\$ 6,715	0.01%
8		Hispanic American	\$ 4,022,852	\$ -	\$ 4,022,852	5.27%
9		Native American	\$ -	\$ -	\$ -	
10		Total Minority Female		\$ 4,029,567	\$ -	\$ 4,029,567
				\$ -		
11	Total Minority Business Enterprise (MBE)		\$ 13,986,769	\$ 17,583	\$ 14,004,352	18.35%
				\$ -		
12	Women Business Enterprise (WBE)		\$ 1,738,307	\$ 133,810	\$ 1,872,117	2.45%
				\$ -		
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$ -	\$ -		
				\$ -		
14	Disabled Veteran Business Enterprise (DVBE)		\$ 189,587	\$ -	\$ 189,587	0.25%
				\$ -		
15	Persons with Disabilities Business Enterprise (PDBE)		\$ -	\$ -		
				\$ -		
16	8(a)*		\$ -	\$ -		
				\$ -		
17	Total Supplier Diversity Spend		\$ 15,914,663	\$ 151,393	\$ 16,066,056	21.05%
18	Net Procurement**		\$ 76,327,335		\$ 76,327,335	



9.1.2 WMDVLGBTDBE Annual Results – Direct Procurement by Product and Service Categories

				2022					
				Product		Service		Total	
				\$	%	\$	%	\$	%
1	Minority Male	African American	Direct			\$ 306,793		\$ 306,793	0.40%
2		Asian Pacific American	Direct			\$ 2,072,686		\$ 2,072,686	2.72%
3		Hispanic American	Direct			\$ 7,577,723		\$ 7,577,723	9.93%
4		Native American	Direct						
5		Total Minority Male	Direct			\$ 9,957,202		\$ 9,957,202	13.07%
6	Minority Female	African American	Direct						
7		Asian Pacific American	Direct			\$ 6,715		\$ 6,715	0.01%
8		Hispanic American	Direct			\$ 4,022,852		\$ 4,022,852	5.27%
9		Native American	Direct						
10		Total Minority Female	Direct			\$ 4,029,567		\$ 4,029,567	5.28%
11	Total Minority Business Enterprise (MBE)		Direct			\$ 13,986,769		\$ 13,986,769	18.35%
12	Women Business Enterprise (WBE)		Direct	\$ 851,429		\$ 886,878		\$ 1,738,307	2.45%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct						
14	Disabled Veteran Business Enterprise (DVBE)		Direct			\$ 189,587		\$ 189,587	0.25%
15	Persons with Disabilities Business Enterprise (DBE)		Direct						
16	8(a)*		Direct						
17	Total Supplier Diversity Spend		Direct	\$ 851,429		\$ 15,063,234		\$ 15,914,663	21.05%
18	Net Procurement**							\$ 76,327,335	
19	Net Product Procurement							\$ 851,429	
20	Net Service Procurement							\$ 13,195,848	
21	Total Number of Diverse Suppliers that Received Direct Spend								25



9.1.2 WMDVLGBTDBE Annual Results – Subcontractor Procurement by Product and Service Categories

					2022					
					Product		Service		Total	
					\$	%	\$	%	\$	%
1	Minority Male	African American	Sub	\$ -		\$ -		\$ -		
2		Asian Pacific American	Sub	\$ -		\$ -		\$ -		
3		Hispanic American	Sub	\$ -		\$ -		\$ -		
4		Native American	Sub	\$ -		\$ 17,583		\$ 17,583		
5		Total Minority Male	Sub	\$ -		\$ 17,583	0.0002%	\$ 17,583	0.0002%	
6	Minority Female	African American	Sub	\$ -		\$ -		\$ -		
7		Asian Pacific American	Sub	\$ -		\$ -		\$ -		
8		Hispanic American	Sub	\$ -		\$ -		\$ -		
9		Native American	Sub	\$ -		\$ -		\$ -		
10		Total Minority Female	Sub	\$ -		\$ -		\$ -		
11 Total Minority Business Enterprise (MBE)				Sub	\$ -		\$ -		\$ -	
12 Women Business Enterprise (WBE)				Sub	\$ -		\$ 133,810	0.0018%	\$ 133,810	0.0018%
13 Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)				Sub	\$ -		\$ -		\$ -	
14 Disabled Veteran Business Enterprise (DVBE)				Sub	\$ -		\$ -		\$ -	
15 Persons with Disabilities Business Enterprise (DBE)				Sub	\$ -		\$ -		\$ -	
16 8(a)*				Sub	\$ -		\$ -		\$ -	
17 Total Supplier Diversity Spend				Sub	\$ -		\$ 151,393	0.002%	\$ 151,393	0.20%
18 Net Procurement**									\$ 76,327,335	
19 Net Product Procurement									\$ -	
20 Net Service Procurement									\$ 151,393	



9.1.2 WMDVLGBTDBE Annual Results – Standard Industrial Code (SIC)

SIC Code	African American		Asian Pacific American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total Supplier Diversity Spend	Total Procurement
	Male	Female	Male	Female	Male	Female	Male	Female								
781	\$								\$ 364,949						\$ 364,949	
	%															
783	\$				\$ 5,603,002				\$ 5,603,002						\$ 5,603,002	
	%				7.34											
851	\$					\$ 3,778,717			\$ 3,778,717						\$ 3,778,717	
	%					4.95%										
1623	\$				\$ 1,867,386				\$ 1,867,386						\$ 1,867,386	
	%															
1731	\$								\$ 73,298						\$ 73,298	
	%															
1799	\$		\$ 156,736						\$ 156,736						\$ 156,736	
	%		0.20%													
2326	\$								\$ 79,989						\$ 79,989	
	%															
2752	\$				\$ 101,835				\$ 101,835						\$ 101,835	
	%				0.0013											
3825	\$								\$ 165,478						\$ 165,478	
	%															
4522	\$								\$ -	\$ 133,810					\$ 133,810	
	%															
4789	\$	\$ 5,695							\$ 5,695						\$ 5,695	
	%	0.01%														
5063	\$								\$ 36,972						\$ 36,972	
	%															
5172	\$								\$ 384,716						\$ 384,716	
	%															
5251	\$								\$ 386,724						\$ 386,724	
	%															
5511	\$	\$ 244,525							\$ 244,525						\$ 244,525	
	%	0.32%														
7319	\$								\$ 135,329						\$ 135,329	
	%															
7331	\$								\$ 98,952						\$ 98,952	
	%															
7371	\$	\$ 56,573			\$ 5,500				\$ 62,073						\$ 62,073	
	%	0.07%			0.00007											
8111	\$		\$ 128	\$ 6,715					\$ 6,843						\$ 6,843	
	%		0.0%	0.01%												
8711	\$		\$ 1,915,822				\$ 17,583		\$ 1,933,405	\$ 11,900		\$ 189,587			\$ 2,134,892	
	%		0.25				0.02%									
8748	\$					\$ 244,135			\$ 244,135						\$ 244,135	
	%					0.32%										
Total	\$	\$ 306,793	\$ 2,072,686	\$ 6,715	\$ 7,577,723	\$ 4,022,852	\$ 17,583		\$ 14,004,352	\$ 1,872,117		\$ 189,587			\$ 16,066,056	\$ 76,327,335
	%	0.40%	2.72%	0.01%	9.93	5.27	0.02%									

Net Procurement**

NOTES:

* 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

¹ Direct - Means Direct Procurement: when a utility directly procures from a supplier.

² Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfil its contractual obligation(s).

% - Percentage of Net Procurement.

Totals may not add due to rounding.

9.1.2 WMDVLGBTPDBE Annual Results – Number of WMDVLGBTPDBE Suppliers and Revenue Reported to The Supplier Clearinghouse

Number of Diverse Suppliers	Number of Diverse Suppliers Data													
	Revenue Reported to the Supplier Clearinghouse							Utility-Specific 2022 Summary						
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total
Under \$1 million	9	0	0	1	0	0		9	11	0	1	0	0	21
Under \$5 million	0	6	0	0	0	0		2	0	0	0	0	0	2
Under \$10 million	1	0	0	0	0	0		1	0	0	0	0	0	1
Above \$10 million	3	5	0	0	0	0		1	0	0	0	0	0	0
Total	13	11	0	1	0	0		25	13	11	0	1	0	25

Revenue of Diverse Suppliers	Revenue and Payment Data													
	Revenue Reported to the Supplier Clearinghouse							Utility-Specific 2022 Summary						
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total
Under \$1 million	\$ 2,235,088	\$ -	\$ -	\$ 189,587	\$ -	\$ -	\$ 2,424,675	\$ 821,842	\$ 1,738,307	\$ -	\$ 189,587	\$ -	\$ -	\$ 2,749,736
Under \$5 million	\$ 4,055,000	\$ 12,459,614	\$ -	\$ -	\$ -	\$ -	\$ 16,514,614	\$ 5,694,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,694,539
Under \$10 million	\$ 9,018,122	\$ 67,000,000	\$ -	\$ -	\$ -	\$ -	\$ 76,018,122	\$ 5,603,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,603,002
Above \$10 million	\$ 723,459,999	\$ 642,565,484	\$ -	\$ -	\$ -	\$ -	\$ 1,366,025,483	\$ 1,867,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,867,386
Total	\$ 738,768,209	\$ 722,025,098	\$ -	\$ -	\$ -	\$ -	\$ 1,460,982,894	\$ 13,986,769	\$ 1,738,307	\$ -	\$ 189,587	\$ -	\$ -	\$ 15,914,663

9.1.2 WMDVLGBTPDBE Annual Results – Number of WMDVLGBTPDBE Suppliers With California Majority Workforce

22 of the WMDVLGBTPDBE suppliers utilized are located and have most of their workforce in California. Two WMDVLGBTPDBE suppliers have corporate offices in Nevada.

9.1.3 WMDVLGBTPDBE Program Expenses

Expense Category	2022
Wages	\$ 30,000
Other Employee Expenses	
Program Expenses	
Reporting Expenses	
Training Expenses	
Consultant Expenses	
Other Expenses	
Total	\$ 30,000



9.1.4 Progress in Meeting or Exceeding Set Goals

Category	2022 Results	2022 Goals
Minority Male Business Enterprise	13.07%	0.00%
Minority Female Business Enterprise	5.28%	0.00%
Minority Business Enterprise (MBE)	18.35%	15.00%
Women Business Enterprise (WBE)	2.45%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	0.50%
Disabled Veteran Business Enterprise (DVBE)	0.25%	1.50%
Persons with Disabilities Business Enterprise (DBE)	0.00%	0.00%
Total	21.05%	22.00%

2022 diverse spend with WDVLTBTPDBE represented 21.05% of total procurement. The decrease is largely attributed to supply chain issues stemming from the pandemic and material production shortages. This impacted Liberty's ability to receive commonly used materials. Liberty continues to work to minimize these impacts and risk.



9.1.5 Prime Contractor Utilization of WMDVLGBTPDBE Subcontractors

Continuous improvement and a more focused analysis on subcontracting with WMDVLGBTPDBE suppliers is necessary to increase opportunities and diverse spend in this area. Liberty recognizes the value and is actively seeking solutions. Supply chain and supplier diversity program management are analyzing current suppliers and identifying opportunities to improve in this area.

9.1.6 Prime Contractor Utilization of WMDVLGBTPDBE Subcontractors

Liberty received no complaints in 2022.

9.1.7 Description of Efforts to Recruit WMDVLGBTPDBE Suppliers in Low Utilization Categories

As reported in 2021, Liberty continues to identify, introduce, and expand inclusive opportunities for various categories of diverse suppliers. However, Liberty is specifically concentrating on the African American, Disabled Veteran, Native American, and LGBT business enterprise categories. Liberty recognizes that the location of its Lake Tahoe offices poses challenges to identify local diverse business enterprises when sourcing for goods and services. To that end, Liberty has adopted a more “grass roots” approach, drawing on past experience and knowledge of supplier diversity and supply chain, as well as reaching out to other utilities to assist with identification and introduction to the diverse marketplace (e.g., **Boateng Logistics, Elite Auto Network**). While some diverse suppliers may not be local to the Lake Tahoe communities, Liberty believes they can still be competitive in cost, service, and overall performance to meet needs. Liberty is also analyzing its current suppliers and upcoming projects to proactively assist in identifying categories of spend within which opportunities exist. Supplier diversity continues to gain momentum within Liberty with more education and introductions to diverse business enterprises that can successfully compete for opportunities.

Liberty continues to develop relationships with existing suppliers to maintain its commitment to supplier diversity and provide insight into its expectations. Liberty is also analyzing current WMDVLGBTPDBE suppliers to help with CPUC certification where appropriate and continuing to build relationships with community-based organizations in the northern California diverse supplier landscape.

9.1.11 WMDVLGBTDBE Fuel Procurement

Liberty produces approximately 25% of its energy needs from its Luning and Turquoise solar facilities. Liberty procures the remaining 75% of required energy supplies from NV Energy, governed by a multi-year power purchase agreement. Purchased power costs from NV Energy for 2022 were approximately \$41.4 million for a volume of approximately 455 million kWh.



Luning and Turquoise Solar Panels

2023 Annual Plan

In 2022, the Supplier Diversity Program successfully executed the administrative needs listed in Liberty's 2021 report, which provided the foundations needed to set short-, mid-, and long-term goals for 2023. Specifically, Liberty has:

- Updated contractual templates to include supplier diversity content and share knowledge with suppliers who are interested in Liberty's commitment to supplier diversity and the value placed on set goals and objectives. This insertion includes information about second tier subcontracting and expectations of suppliers.
- Created second tier subcontracting reporting documentation to be included in RFPs released to competing suppliers.
- Developed second tier spend internal tracking and compliance measures to capture and report utilization.
- Implemented early assessment of forecasted projects and supplier capabilities needed to successfully identify and provide opportunities for inclusion in competitive sourcing events.
- Reinforced supplier diversity goals throughout the RFP process, including attendance of supplier diversity staff at pre-bidders' meetings.
- Started tracking Supplier Diversity Program performance on a quarterly basis in correlation with communication to Liberty's departments, supply chain, and leadership on status and opportunities.
- Conducted and facilitated internal meetings to educate staff on supply chain policy and processes, Liberty's Supplier Diversity Program, and the intersection with various departments.
- Increased departments' participation and engagement in community-based organizations' outreach events to broaden the scope of available suppliers in the diverse marketplace.



10.1.1 WMDVLGBTDBE Short-, Mid-, and Long-Term Goals

Liberty's **short-, mid-, and long-term goals** will be based on an expansion of each change listed above. A more formal approach will be enacted to achieve a deeper level of knowledge regarding the current state of supply chain needs, identify availability of diverse suppliers able to successfully compete and perform the work, address barriers to inclusion, and enact Supplier Diversity Program components to support. Goals will have a specific area of focus on the collaborative intersections needed between the department, supply chain, and Supplier Diversity Program administration.

Short-Term - 2023

Continue deep-dive understanding of current state of Liberty's areas of work

Continue analysis of current suppliers

Continue sharing knowledge of supplier diversity, values, goals, objectives, and the path forward with internal staff

Meet with current suppliers to align supplier diversity messaging

Mid- and Long-Term – 2023 and Beyond

Formalize Liberty's Supplier Diversity Program structure

Identify gaps and opportunities in diverse business enterprise utilization and opportunities for inclusion across all categories MBE (**includes ethnic and gender specific analysis within the MBE category**), WBE, LGBTE, DVBE, and PDBE.

Reporting short-, mid-, and long-term goals specific to SIC categories and low utilization areas is expected to be available in the 2024 report year

10.1.2 WMDVLGBTDBE Program Activities for the Next Calendar Year

Internal

Continue to execute its Supplier Diversity Program structure and the items set forth above, as well as set goals and objectives with internal staff to achieve results that are consistent with historical successes.

Implement an internal supplier mentorship program with key diverse suppliers in order to help with the continued development of suppliers.

Collaborate with suppliers to share opportunities with key department stakeholders.

External

Liberty will continue to support and actively participate in:

- Joint utilities outreach, collaboration, and engagement to support supplier diversity goals and objectives.
- Continued active support of and engagement in the CPUC's Supplier Diversity Expo and Annual En Banc.
- Identification, participation, and engagement in applicable supplier diversity exhibitions, expos, and events that provide opportunities to meet, expand, and develop a more sustainable supply chain.
- Creation of outreach events for potential diverse suppliers to discuss their product and service offerings with Liberty's staff and supply chain category managers.
- Continuation of relationships with community-based organizations and trade associations that can provide access to diverse businesses capable of meeting and successfully competing on Liberty's project needs.

Liberty also expects to host an event with external stakeholders, such as community-based organizations and Liberty's current and potential suppliers.

10.1.3 Plans for Recruiting WMDVLGBTQDBE Suppliers in Low Utilization Areas

Aligning and executing the activities described above, Liberty will continue to seek and develop opportunities to identify low utilization areas (categorical or geographic) to meet available diverse business enterprises that can successfully compete to provide specific goods and services.

Liberty will continue to work with community-based organizations, colleagues, and other community resources to create, host, and execute events to attract diverse business enterprises that can supply goods and services needed to increase utilization in gap areas.

Supplier Diversity Program activities will encourage and expand inclusion of diverse suppliers in sourcing events that are applicable to products and services offered and align with project needs.

10.1.4 Plans for Recruiting WMDVLGBTPDBE Suppliers Where Unavailable

Liberty's efforts to recruit WMDVLGBTPDBE suppliers is ongoing. Liberty continues to evaluate the alignment between project needs and goods and services offered by diverse suppliers and is developing an approach to help address challenges regarding the Supplier Diversity Program's compliance and objectives. Additionally, as part of the supply chain analysis, Liberty will seek to identify suppliers that are diverse but not yet certified. If applicable, the supplier diversity program manager will assist in educating diverse suppliers of Clearinghouse certification benefits.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE

Ongoing discussions and focused meetings with prime contractors combined with the development and insertion of supplier diversity content in RFP and contractual processes will help improve this area.

10.1.6 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE

Liberty will remain compliant with WMDVLGBTPDBE Program guidelines to maintain the integrity of its supplier diversity program. Liberty's commitment to and valuing of supplier diversity is demonstrated by internal and external champions seeking to move within a variety of circles that exist comfortably in the diverse supplier marketplace.

Moving into 2023 and beyond, Liberty's supplier diversity messaging will become stronger and more visible. *The Power of Supplier Diversity* at Liberty will stay on a course that is confidently sustainable.



Liberty®

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