**Diverse Contracting Reporting Principles Policy**

**Proposed Metrics – November 28, 2023 SAG Reporting Working Group Meeting**

The text in italics below is the final Policy Manual Version 3.0 language. The text in red below represents draft proposed reporting metrics.

**Final “Diverse Contracting Reporting Principles Policy” from Policy Manual Version 3.0:**

*Each Program Administrator will report on its efforts to enable and provide increases in diverse contracting within the Program Administrators’ Energy Efficiency Portfolios. In addition to any standard diverse contractor reporting already undertaken by Program Administrators pursuant to Section 5-117 of the Public Utilities Act, and for electric utilities, as ordered by the Commission in the electric utility performance-based ratemaking dockets (ICC Docket Nos. 22- 0063 and 22-0067), Program Administrators will report on a statewide set of metrics designed to provide insight into the policy objective of increasing opportunities for diverse contractors and Trade Allies to engage in Energy Efficiency and other policy objectives. The following metrics will be reported by diverse category, including but not limited to woman-owned, minority-owned, and veteran-owned businesses:*

1. *The number of diverse contractors and/or proportion of spending on diverse contracts for the Energy Efficiency Portfolio, by tiered contract level (primary contract (direct with a Program Administrator) or secondary contract (subcontract to a primary), as applicable). If a Program Administrator has two (2) or less diverse contractors in a tier level and/or diverse category, this reporting requirement will be waived to protect the confidentiality of contract values. This waiver will not supersede a Program Administrator’s obligation to provide expense detail in any ICC proceeding in which the reasonableness and prudence of a Program Administrator’s spending is being assessed.*
2. *Percent of or amount of Portfolio dollars, excluding pass-through incentives, for diverse contractor spend.*
3. *Spending with diverse Trade Allies, relative to total Trade Ally spending.*

**Timing:** ~~Quarterly~~ - Annual

**Reporting Location:** Quarterly reports. The Quarterly reports (either in narrative, spreadsheet format, or both) will provide the appropriate data. Within a given program year the data will reflect cumulative year-to-date data in each quarterly report.

**Metrics:** Reporting includes:

* Number of diverse contractors, broken out by tiered contract level (primary contract (direct with a Program Administrator) or secondary contract (subcontract to a primary), as applicable). With the caveat that if there is only one or two primary contractors, the number can be a single bundled number of both primary and secondary contractors.
* For each tier:
  + Number of women-owned businesses
  + Number of minority-owned businesses
  + Number of veteran-owned businesses
  + Number of both woman and minority-owned businesses
  + Number of both woman and veteran-owned businesses
  + Number of CBOs and CAAs
    - Remove from metrics for this particular policy
  + Number of non-profits
    - Remove from metrics for this particular policy
* Spending, excluding pass-through incentives for contractors; and separately for incentives or other fees being paid directly by the program for trade allies (cumulative YTD in each quarterly report), separately for contractors broken out by tier, and for trade allies:
  + All contractors/trade allies
  + Women-owned businesses
  + Minority-owned businesses
  + Veteran-owned businesses
  + Woman and minority-owned businesses
  + Woman and veteran-owned businesses
  + CBOs and CAAs
    - Remove from metrics for this particular policy
  + Non-profits
    - Remove from metrics for this particular policy

*The set of metrics designed to provide insight into the policy objective of increasing opportunities for diverse contractors and Trade Allies to engage in Energy Efficiency and other policy objectives may include:*

1. *Number of diverse Trade Allies and their specialties.*
2. *How diverse Trade Allies are distributed geographically by Program.*
3. *Location of diverse Trade Allies relative to historically disadvantaged communities and Environmental Justice communities, whichever is more inclusive of low and moderate income communities.*

**For *(i)*:**

**Timing:** ~~Quarterly Reports~~ - Annual

**Reporting Location:** ~~Quarterly~~ Annual reports. Within a given program year the data will reflect year-to-date data in each quarterly report.

**Metrics:**

1. Report total number of diverse trade allies broken out by category of specialty (e.g., HVAC, plumbing, shell, electrical, etc.)
   1. There may be some trade allies that serve multiple specialties. This issue should be assessed after conducting research.

**For *(ii.)* and *(iii.)*****reporting should be analogous to the multifamily program geographic reporting. Specifically:**

**Timing:** ~~Quarterly Reports~~ Once per portfolio cycle.

**Reporting Location:** ~~Quarterly~~ reports. Within a given program year the data will reflect cumulative year-to-date data in each quarterly report.

**Metrics:**

1. Report total number of diverse trade allies quarterly by zip code, provided in spreadsheet format added to the Statewide Quarterly Report Template. Within a given program year the data will reflect current year-to-date data in each quarterly report.
2. A heat map showing the geographic by zip code, with an overlay of residential customers that are on a payment plan and/or LIHEAP heat map by zip code. The heat maps will provide a general indication of the general number of diverse trade allies and the general magnitude of residential customers on PIP/LIHEAP.
3. At least once per 4-year EE Plan, perform an analysis of diverse trade allies at the census tract level, and the general correlation between participating diverse trade allies and low income census tracts, or the general correlation between trade allies and the Solar for All EJ communities. Utilities are encouraged to perform a single statewide analysis, but this should still provide results by utility.
   * For Items 1 through 3, we propose the approach below
     1. Utilities can commit to conducting research as it pertains to trade ally geographic distributions and their relation to EJ communities and historically disadvantaged communities

*Program Administrators shall work with interested stakeholders to reach consensus in developing the specific metrics to address these reporting needs. The metrics may evolve over time.*

*The list of metrics will be posted on the SAG and LIEEAC website(s). The metrics will be referenced in, and lessons learned from reported metric data will be referenced in, the Program Administrators’ quarterly and/or annual reports and discussed in SAG and LIEEAC with the goal of improving Program delivery and outcomes.*