**Diverse Contracting Reporting Policy**

**6/16/23 Update – Stakeholder Edits for Final Draft Review (see yellow highlight)**

Each Program Administrator will report on its efforts to enable and provide increases in diverse contracting within the PA’s energy efficiency portfolio. In addition

to any standard diverse contractor reporting already undertaken by the Program Administrator 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), the 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 utility's obligation to provide expense detail in any ICC proceeding in which the reasonableness and prudence of utility 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

In addition to reporting on the set of metrics above, additional reporting metrics used to inform understanding of these issues will be developed collaboratively with interested stakeholders and may evolve over time. 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:

* How diverse trade allies are distributed geographically by program
* Location of diverse trade allies relative to Environmental Justice communities

The list of metrics will be posted on the SAG website. To the extent there are lessons learned and recommendations made from reported metric data, each Program Administrator will describe how they have been addressed in its subsequent four-year plan filings. Each Program Administrator’s subsequent four-year plan filings will also state the metrics that will be tracked and reported on in the next plan cycle.

**Proposed Effective Date:** The policy will go into effect, in full, no later than for the 2024 program year. However, Program Administrators will apply best efforts to address as many of the objectives listed in the bullets above as possible, and in a manner consistent with each utility’s 2022-2025 Plan Stipulation and future Plan Stipulations, in reporting for both program year 2022 and program year 2023.