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## ICC Hosts 2019 Supplier Diversity Policy Sessions

Chicago, IL- The Illinois Commerce Commission (ICC) recently held two Supplier Diversity Policy Sessions for the state's large regulated utilities, wind, solar and other energy suppliers and Class 1 railroad companies to report on their supplier diversity efforts in 2018 and procurement goals for 2019.

The policy sessions are in response to provisions created by the Illinois General Assembly in both the Public Utilities Act and the Railroad Supplier Diversity Act. Under Section 5-117 of the Public Utility Act, large regulated utilities, wind, solar and other energy suppliers in the state are required to report on procurement goals and actual spending for the previous calendar year with diverse suppliers. The Railroad Supplier Diversity Act states that Class 1 railroads may submit to the Commission an annual report on supplier diversity and requires the Commission to hold an annual workshop from railroads and/or advocates about solutions to improve supplier diversity.

"Illinois utilities have succeeded in growing their procurement with diverse suppliers by \$2.1 billion, an increase of over 300% from 2012 to 2018. And voluntary reports filed by the railroads with the ICC show the total annual diverse spend among American Class 1 railroads is more than \$1.5 billion," said ICC Chairman Carrie Zalewski. "While we have made incredible strides in the right direction much more remains to be done to increase the dollars spent with diverse suppliers and looking for potential new ways to measure the impact of diverse suppliers. The ICC is committed to increasing both the amount of dollars spent with diverse suppliers and the types of diverse suppliers."

## Sept. 5, 2019 Policy Session

The first panel, Reporting Entity Highlights, was moderated by Tetyana Rebczak, Legal and Policy Advisor to Chairman Carrie Zalewski. Illinois' five largest regulated public utilities each gave an overview of their company's actual spend with diverse suppliers in 2018, with information about best

practices of their supplier diversity teams, procurement goals and any changes to procurement practices for 2019. Representing the utilities were:

- Melvin D. Williams, *President*, Nicor Gas and Senior Vice President, Southern Gas Company
- Richard J. Mark, *President*, Ameren Illinois
- Joseph Dominguez, CEO, ComEd
- Bruce A. Hauk, *Presidents*, Illinois American Water, and IUBDC Chairman
- Charles Matthews, *President and CEO*, Peoples Gas and North Shore Gas

"There isn't a 'one size fits all' approach when it comes to building a more diverse supply chain. Progressive companies proactively open doors for qualified diverse vendors because it's good business," said Richard J. Mark, chairman and president of Ameren Illinois. "I am pleased to report that Ameren Illinois has increased our spending with diverse companies by 65% in the last two years. Through our strategic initiatives we look to build on those successes in the years to come."

"We have set and achieved higher diverse supplier goals for each of the past seven years," said Joe Dominguez, CEO, ComEd. "Creating opportunities for diverse suppliers is one of the most important roles we play as we continue building a supply chain that reflects all the communities we serve."

"Since 2015, we have more than doubled our annual spending with diverse suppliers by making supplier diversity a key focus of our corporate strategy," said Charles Matthews, president and CEO of Peoples Gas and North Shore Gas. "While we are proud of what we have accomplished in this time, we are committed to continue advancing our program to make an enhanced impact in the communities we serve."

The second panel, *How to Foster Partnerships*, was led by Commissioner Sadzi Martha Oliva. The panelists included:

- Martin Cabrera, Jr. *CEO*, Cabrera Capital Markets, LLC. Partnership with Illinois American Water
- Homero Tristian, Founding Partner, Tristian and Cervantes, Partnership with ComEd
- Tim Richards, *President*, Richards Graphic Communications, Inc., Partnership with ComEd
- James F. Clayborne Jr., *Partner*, Clayborne, Sabo & Wagner LLP, Partnership with Ameren Illinois Commerce
- Sidney Dillard, *Partner*, Loop Capital, Partnership with Peoples Gas

The panelists agreed that partnerships are an important component of supplier diversity and spoke about their partnerships with the utilities, sharing success stories and best practices for 'helping public utilities diversifying and expanding their investors' outreach," said Martin Cabrera Jr, CEO, Cabrera Capital Markets.

The third panel, *Energy Suppliers Discuss Supplier Diversity Highlights of 2018*, was moderated by Alejandro Aixala, Legal and Policy Advisor to Commissioner Maria Bocanegra. A change in the state law beginning in 2018 now requires suppliers of wind energy, solar energy, hydroelectricity, nuclear energy and other supplies of energy within Illinois to report to the ICC on their supplier diversity spending and goals for the current year. This panel focused on ways energy suppliers can achieve supplier diversity goals, comply with reporting requirements and overcome structural impediments to achieving supplier diversity goals. The panelists included:

- Nakhia Morrissette, Regulatory Counsel and Midwest Regional Director, SEIA
- Jeff Danielson, Central Regional Director, AWEA

"As Illinois moves to bring more renewable resources online, we need to continue to work together to proactively develop corporate diverse supplier initiatives and policies," said ICC Chairman Zalewski.

"The Solar Energy Industries Association and its member companies value diversity in our workforce and supply chain," said Nakhia Morrissette, regulatory counsel and Midwest regional director at the Solar Energy Industries Association. "We are committed to working with the ICC and the solar industry to meet the new requirements for supplier diversity spending and working with the ICC to define reporting parameters and create resources that will help solar companies comply with the new rules."

The fourth panel, *Professional Services*, was led by Carrera Thibodeaux, Legal and Policy Advisor to Commissioner Ethan Kimbrel. During this panel, the Commission reiterated its call to action to the utilities to prioritize supplier diversity spend in professional services. Panelists spoke about the opportunities available to support minority businesses and the commitment it takes from corporate partners.

- Gloria Castillo, President, CEO, Chicago United
- Jamie di Paulo, CEO, Illinois Hispanic Chamber of Commerce
- Martin P. Greene, *Board Member and NAMWOLF Member*, National Association of Minority and Women Owned Law Firms
- Ken Johnson, *Managing Partner and Head of Regulatory Practice*, Johnson, Blumberg & Associates, LLC
- Karla M. Stepher, Supervising Litigation Attorney, Johnson, Blumberg & Associates, LLC

"Chicago United encourages companies to demonstrate diversity and inclusion at all levels, from the board of directors and the C-suite, to the leadership pipeline and business partnerships. Inclusion practiced at every leadership level of the business has been proven to enhance financial performance," Gloria Castillo, President & CEO Chicago United.

"The issue of "Diversity and Inclusion" is too often seen solely from the viewpoint of those that parcel out the business. It is also discussed in terms of how long it will take to achieve the overall goals. There needs to be greater attention to the perspectives of those who would benefit from additional opportunities. Those individuals might reasonably see the issue simply as, "More business, for more entities – Now". In short, it's not as complicated as we make it," said Martin P. Greene, Partner Zuber Lafer & Del Duca LLP.

The policy session concluded with a presentation by Illinois Utility Business Diversity Counsel (IUBDC) Chair Bruce Hauk. IUBDC is a forum for best practice sharing and information exchange among Illinois utilities.

## September 13, 2019 Policy Session

A Representative from each of the seven Class I Railroads operating in Illinois gave a presentation sharing their company's supplier diversity spend, best practices and what programs worked best during 2018, as well as their supplier diversity goals and possible changes in approaches for 2019.

The Railroad presenters included:

- Wes K. Hutcherson General Director Strategic Sourcing of Supply Chain, from Union Pactific;
- Larry Lloyd, Manager, Government and Public Affairs, Corporate Services, from CN.
- Peter Skosey, Executive Director of State Government Affairs from BNSF Railway Company;
- Melisa Smith, Manager of Procurement from Kansas City Southern;
- Arielle Giordano, Director, Federal and State Government Affairs from Canadian Pacific;
- Lisa Hollman, Sourcing, from Norfolk Southern; and
- Brett Guarino, CSX Transportation and the Create Project Manager from CSX.

The Class I Railroads voluntary reporting illustrates the railroads commitment to diversity and will continue to work collaboratively with the ICC to foster policies of inclusion.

Panelists from both policy sessions echoed the theme that increasing supplier diversity spending not only benefits the public's interest, it is having a positive impact on their industries.

Visit the ICC website <u>here</u> to view the presentations from the Supplier Diversity Policy Sessions and here to access the annual reports.

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## **About the Illinois Commerce Commission**

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click <u>here</u>. If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint <u>here</u>. For a complaint related to transportation, call 217-782-6448.

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