

ICC 2022 Supplier Diversity Report Shows Positive Gains in Spending by 'Big 6' Utilities

Springfield, IL – The Illinois Commerce Commission's Office of Diversity and Community Affairs (ODCA) in its <u>2022 Annual Report</u> finds that diverse spending by the state's largest investor-owned utilities has continued for a second year in a row at over \$2 billion, with some utilities reporting nearly 50 percent share for diverse supplier spending. Diverse spending remained steady, despite a slight decrease in the utility companies' overall total spend for 2021. Of the \$5.1 billion spend among the 6 utilities, 44 percent was diverse spend. This includes spending with Minority Business Enterprises, Women Business Enterprises, Veteran Business Enterprises, and Small Business Enterprises.

The report, which is available on the ICC website, provides a summary and analysis of data from seven years of reports submitted by Illinois' six largest public utilities by number of customers. These 'Big 6' utilities include: Ameren Illinois, Aqua Illinois, Commonwealth Edison (ComEd), Illinois American Water, Northern Illinois Gas Company d/b/a Nicor Gas Company (Nicor), Peoples Gas and Light, and Coke Company/North Shore Gas Company (collectively "Peoples Gas/North Shore").

"Over the past seven years, the ICC's Office of Diversity and Community Affairs has worked closely with the utilities and other energy suppliers to grow diverse spend through collaboration, understanding, and by building relationships with not-for-profits and other state agencies to increase the pool of diverse suppliers from which utility companies can draw. While we have seen steady positive gains since the State of Illinois statutorily began reporting requirements in 2014, our work is not finished," said Jeanine V. Robinson, Director of the Office of Diversity and Community Affairs.

"Expanding the amount spent by the utilities with diverse suppliers is a top priority for the ICC. The significant progress made over the past seven years reflects our efforts. It is important that the spending of Illinois' utilities is representative of the population that they serve. While I am pleased with the growth, there is plenty more opportunity for improvement in the high spending categories such as professional services as well as spending with Illinois' diverse-based businesses," said ICC Chairman Carrie Zalewski.

According to the annual diverse spending reports, Illinois' diverse spending for the Big 6 currently ranges from 13 to 30 percent. Most of the companies increased their spend with Illinois' diverse businesses.

"The Commission is committed to working collaboratively with the utilities to find solutions to increase supplier diversity with Illinois businesses," said **ICC Commissioner Ann McCabe**.

In 2014, the General Assembly passed Section 5-117 of the Public Utilities Act which created annual reporting requirements regarding investor-owned utilities' supplier diversity outreach and inclusion by the ICC. The statute created the Office of Diversity and Community Affairs to address the annual

reporting and policy session requirements and to work with the regulated utilities to improve their supplier diversity. In 2017, Illinois became the first state to mandate suppliers of wind and solar to report their efforts to diversify their supply chains. 2019 was the first year renewable energy companies were informed of their annual reporting requirement. The number of reports received by the ICC continued to increase in 2020 and 2021.

As part of its robust supplier diversity efforts this past year, the ODCA has revamped the ICC's supplier diversity website to improve the user experience and facilitate connections between suppliers, state certification agencies, and utility liaisons such as the Illinois Utilities Business Diversity Council. The ODCA has also reached out to Alternative Retail Electric Suppliers and Alternative Gas Suppliers to address their concerns and clarify their reporting obligations under the Supplier Diversity Statute. Changes to state law will require the 2023 supplier diversity reports to include information about each utility's future buying plan. This plan includes specific goods and services the utility intends to purchase in the upcoming six to 18 months. This information will make diverse suppliers aware of upcoming proposed procurement projects so that they can be prepared to bid on these potential business opportunities.

"Illinois leads the nation in recognizing the importance of supplier diversity through our statutory reporting requirement. Our commitment to increasing opportunities for diverse suppliers in Illinois has not wavered and will continue to be our focus in the year ahead," said ICC Commissioner Michael T. Carrigan.

If you are interested in reading the report, please visit the ICC website here.

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