

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

BEFORE THE  
ILLINOIS COMMERCE COMMISSION  
ANNUAL SUPPLIER DIVERSITY POLICY SESSION

Thursday, September 5, 2018  
Chicago, Illinois

Met pursuant to notice at 10:00 a.m. at 160  
North LaSalle Street, Chicago, Illinois.

PRESENT:

- CARRIE K. ZALEWSKI, Chairman
- SADZI M. OLIVA, Commissioner
- MARIA BOCANEGRA, Commissioner
- D. ETHAN KIMBREL, Commissioner
- BRIEN SHEAHAN, Commissioner

SULLIVAN REPORTING COMPANY  
BY: JO ANN KROLICKI, CSR  
License No. 084-002215

1                   CHAIRMAN ZALEWSKI: Good morning. Thank  
2 you, everyone, for being here in attendance. Welcome  
3 to the Illinois Commerce Commission's Annual Supplier  
4 Diversity Session.

5                   I'd like to thank everyone who is  
6 here today. Special thanks to our legislators,  
7 senior leaders of utilities and other energy  
8 suppliers and our panelists from diverse supplier  
9 agencies and community leaders that assist diverse  
10 suppliers.

11                   Each of you provides a perspective  
12 that is critically important to improve supplier  
13 diversity. We appreciate your efforts.

14                   Today's policy session is in response  
15 to the requirement created by the General Assembly in  
16 Section 5-117 of the Public Utilities Act, which  
17 requires large, regulated utilities to report on  
18 procurement goals and actual spending for the  
19 previous calendar year for diverse suppliers.

20                   This is the sixth year the utilities  
21 have reported to the ICC.

22                   Illinois has been recognized as the

1 country's leader in percentage of diverse spend among  
2 its utilities. In the last six years, Illinois  
3 utilities have succeeded in growing their procurement  
4 with diverse suppliers, increasing \$2.1 billion from  
5 2012 to 2018, an increase of over 300 percent in the  
6 six years.

7 Through information sharing at forums  
8 like these and the efforts of entities such as the  
9 Illinois Utilities Business Diversity Council, which  
10 we'll hear from today on our fifth panel, Illinois  
11 has made incredible strides in the right direction.

12 We'll first hear from our utility  
13 CEOs and Presidents to discuss this year's reporting.

14 On our second panel, you'll hear from  
15 successful diverse partnerships. We have invited  
16 diverse suppliers to speak about their experiences,  
17 how they have fostered successful partnerships with  
18 utilities, the challenges they face in strategies and  
19 best practices to scale opportunities and overcome  
20 these challenges.

21 As Illinois moves to bringing more  
22 renewable resources online, we need to ensure best

1 practices of measuring supplier diversity. This is  
2 the second year suppliers of wind, solar,  
3 hydroelectricity, nuclear, and other energy suppliers  
4 has submitted annual reports on supplier diversity.  
5 Approximately 110 energy suppliers have reported,  
6 which you can find on our website.

7           As a result of the influx of wind  
8 and solar suppliers, the ICC is working  
9 collaboratively with ICEA and other organizations to  
10 help educate energy suppliers with reporting  
11 requirements and to help companies proactively  
12 develop corporate diverse supplier initiatives and  
13 policies. You'll hear from two of these entities  
14 today in our third panel.

15           For our fourth panel, for the second  
16 time, we are including an entire panel focusing on  
17 ways to increase opportunities for suppliers in  
18 professional services. Professional services remains  
19 an opportunity for improvement in diverse spend, and  
20 the ICC is excited to host this panel to start a  
21 dialogue and to explore other potential solutions.

22           The ICC is proud to receive the

1 recognition as one of the most diverse public utility  
2 commissions in the country and the industry leader in  
3 diverse spend. Studies show that diversity sparks  
4 innovation in the workplace and creates a more  
5 inclusive environment.

6 That said, the industry cannot rest  
7 on its laurels. The utilities still have strides to  
8 make in certain areas, such as professional services,  
9 just as much as the Commission has strived to make  
10 not only in attracting diverse talent, but also  
11 retaining the diverse talent.

12 Regardless of whatever national  
13 accolades we both may receive, there is a lot more  
14 work to be done, and I challenge the utilities, as  
15 much as I challenge this agency, to sincerely achieve  
16 the results necessary in all categories, including  
17 professional services, to truly be a national leader.

18 You have my commitment that we as a  
19 regulating body will match your efforts and work to  
20 recruit and retain more diverse employees. I believe  
21 that together we can become the gold standard that we  
22 are touted to be.

1                   We know that we will not find a  
2                   solution to every challenge with increasing supplier  
3                   diversity in this short session.  Rather, our goal  
4                   today is to open a dialogue, a forum, of exchange of  
5                   ideas that will be taken from this room to use to  
6                   make progress over the next year.

7                   In facilitating this discussion, the  
8                   ICC seeks to encourage both an increase in dollars  
9                   spent with diverse suppliers, creation of significant  
10                  additional meaningful opportunities for more diverse  
11                  businesses throughout the state, and to find  
12                  potential new ways to measure the impact of diverse  
13                  suppliers.

14                  So let's get started with our  
15                  session.  First, I'd like to introduce three state  
16                  legislators who have been instrumental in supporting  
17                  the increased supplier diversity.  First, Senator  
18                  Sandoval, who's Chair of the Senate Special Committee  
19                  on Supplier Diversity.

20                  Senator Sandoval has been a champion  
21                  in increasing diverse spend in Illinois, and so we're  
22                  glad to have him here today.  Thank you.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

(Applause.)

SENATOR SANDOVAL: Well, as they say in my neighborhood, Buenos Diaz.

THE ATTENDEES: Buenos Diaz.

SENATOR SANDOVAL: I like that.

Good morning, everyone. Thank you, Chairman Zalewski and Members of the Illinois Commerce Commission.

I may be just a tad -- just a few, a couple of minutes over from my expected -- but I thought this is a very special occasion because of the new, reconstituted to a certain extent, because of our new Governor, J. B. Pritzker, of the ICC. So if you can bear with me and allow me the courtesy.

Madam Chairman, let me say, first of all, congratulations on your appointment and your confirmation.

CHAIRMAN ZALEWSKI: Thank you.

SENATOR SANDOVAL: Y Felicitaciones, La Comisionada Bocanegra. Bienvenida.

It's a new day in Illinois. It's been a long four years. Now with Governor Pritzker's

1 leadership this past spring, we passed a tremendous  
2 package of reforms, laws, and programs. They are  
3 designed not only to deal with our state's budgetary  
4 crisis, but also to ensure while doing so, we also  
5 provide economic opportunities for people of color,  
6 women, veterans, LGBTQ in this community.

7           It's hard to imagine that it's been  
8 six years -- six years ago since the ICC held the  
9 first of these supplier diversity sessions. It was  
10 at that session that then my former colleague and  
11 mentor, Senator Miguel Del Valle, Commissioner  
12 Del Valle, held up a woefully inadequate report.

13           Some progress was made in those years  
14 since. The reports improved to a degree. I'm here  
15 to tell you, the public utility directors -- I was  
16 going to point at them, but they're sitting back  
17 there, and the ICC Commissioners, that  
18 notwithstanding the incremental improvements that  
19 have been made year after year, the ICC still --  
20 still hasn't done enough to push the required utility  
21 companies to diversify their spending and to use  
22 their substantial purchasing power to lift up the

1 communities of color.

2 You know, in Illinois and in this  
3 country, we like to talk about being progressive.  
4 We've got a Lieutenant Governor that talks about  
5 social equity. Those are the new policy words being  
6 used today -- in governance today.

7 As you know, the law requires the ICC  
8 to procure two different reports from gas, electric,  
9 and water companies every year, an Annual Report and  
10 a Diversity Report. The Diversity Report must  
11 include information about utilities' spending with  
12 minority-owned businesses, female, veteran, and small  
13 enterprises.

14 Based on my examination -- I do get a  
15 chance to look at some of these things -- I'll tell  
16 you. They're not user friendly at best,  
17 unfortunately. Unfortunately, next to useless at the  
18 worst.

19 I co-sponsored the original  
20 legislation calling for these reports with  
21 Representative Will Davis all those years ago because  
22 we wanted good quality information on utilities'

1 spending as it related to supplier diversity. The  
2 reports that keep on getting filed year after year  
3 are not particularly helpful.

4 I'm calling on the ICC to improve the  
5 quality of information and the quality of outcomes.  
6 I have five recommendations for you, Madam Chairwoman  
7 and Members of the ICC.

8 First, you should require companies  
9 to analyze the same key markers. While I appreciate  
10 the utility company marketing departments, who have  
11 tremendous marketing writers who know how to write  
12 messages -- I need to hire a few maybe, because  
13 they're very good at this -- and how to convey their  
14 utilities' outcomes.

15 Nonetheless, we're looking for an  
16 easy format that relates to the information we need  
17 to know, not information they like to tell us.

18 The diversity reports indicate how  
19 much diverse spend goes to firms based in Illinois.  
20 Illinois. Illinois. Illinois. We are the Illinois  
21 Commerce Commission. Not Indiana. Not Missouri.  
22 Not Wisconsin. Not Michigan. And not Florida.

1 Illinois companies. Let's keep it in Illinois.

2 Many of the utility companies have  
3 parent companies that are not in Illinois, that do  
4 business with diverse spenders in other states. It's  
5 unclear in these reports if the utilities are taking  
6 credit for diverse companies in other states. I want  
7 to know about business in Illinois. Illinois  
8 Commerce Commission. Illinois.

9 The ICC should require enough  
10 uniformity to make it easy for all of us legislators  
11 to absorb the information. Every category should  
12 include total of diverse spend, total nondiverse  
13 spend. I shouldn't have to guess at the percentages.  
14 I shouldn't have to use a magnifying glass to check  
15 the numbers. So uniformity requires larger fonts. I  
16 have looked at some of the reports. Even if I use my  
17 grandmother's magnifying glass, I can't figure it  
18 out.

19 Second, the ICC should clearly define  
20 professional services once and for all. Chairman  
21 Zalewski, in your opening remarks, you are so right.  
22 But we need to define them and restrict what gets

1 included.

2 Let me show you an example of what I  
3 saw. I saw a company that took credit for a  
4 \$40 million MBE spend, but \$30 million of that seems  
5 to have been used for printing and mailing costs.  
6 That's a lot of money for printing even if it's  
7 printing your monthly bills. I didn't know that the  
8 U.S. Postage Service is a MBE.

9 Of the \$40 million spend with the  
10 MBE, \$30 million was on mailing and postage. That's  
11 a farce. Again, the U.S. postage costs are not  
12 considered minority professional services, and it's  
13 as offensive as almost putting lipstick on a pig.

14 Third, the ICC must require utilities  
15 to provide precise data about utilization of people  
16 of color and the other minority groups. Utility  
17 companies are giving themselves a big pat on the back  
18 for their diverse spending, but it appears that in no  
19 small measure, the companies are using the same group  
20 of vendors, the same people all the time. They just  
21 learned to categorize some of those vendors as  
22 diverse.

1                   There's one utility company that  
2 highlights spending of 1.9 million in legal services  
3 with diverse firms. I looked at the appendix of the  
4 same report, and the company spent \$61,000 with an  
5 African American law firm and zero dollars with  
6 Latinx or Native American people.

7                   The same company's Annual Report  
8 shows that 1.6 was spent with a white male veteran  
9 owned law firm. Zero Latinx. 61,000 of the  
10 1.9 million in legal services to an African American  
11 law firm.

12                   Members of the ICC, all minority  
13 spending is diverse, but not all diverse spending is  
14 minority. The numbers don't lie. These are your  
15 customers, Utilities.

16                   If you look at the population of  
17 Cook County, black people comprise 24 percent of the  
18 population. 24 percent of the population. And if  
19 you can't find them, I'll tell you where they're at.

20                   Latinx people comprise 26 percent of  
21 the population, and I'm one of them. For all the  
22 utilities operating in a place where minorities make

1 up a percentage of your customer base, you have a  
2 responsibility to support communities in your service  
3 area by doing business with people who look like your  
4 customers.

5 I have seen every, every web page of  
6 most of the utility companies here today, and they  
7 all talk about the corporate values, that it's the  
8 moral imperative, the business imperative that the  
9 workforce and their supplier base should be  
10 reflective of their customer base.

11 Well, I think that's a fib. Because  
12 they're not. Their workforce nor their spend is  
13 reflective of their customer base for many of the  
14 utility companies. I take them to their word.

15 That brings me to my fifth challenge,  
16 Commissioners. The time has come for the ICC to  
17 audit these diversity reports and the annual reports.  
18 The ICC must read and compare the diversity reports  
19 to the yearly reports and call out inconsistencies  
20 and analyze how the companies are truly performing.  
21 Give them a report card.

22 Furthermore, I believe that the

1 legislature and the public at large should receive a  
2 report from the ICC in a format that is  
3 understandable, signed by you, Madam Chairman and  
4 Members of the Commission, certifying that the ICC  
5 accepts and is okay with the performance of the  
6 utility company. What good is it to give a report if  
7 there's no judgment made by the ICC?

8 I would have loved to have had a lot  
9 of teachers in college who just gave me a mark just  
10 for showing up.

11 The ICC should break down these  
12 numbers and particularly list spending with  
13 Hispanic-owned companies, African American-owned  
14 companies, women-owned companies, LGBTQ-plus-owned  
15 companies, Asian-owned companies, and veteran-owned  
16 companies. The ICC shouldn't lump them all together.  
17 Neither should the utilities.

18 These reports should also be uniform  
19 in describing with greater specificity what's  
20 included as a professional service. Not postage.  
21 Not mailing.

22 Over six years, the utilities have

1 shown that they either cannot or will not write  
2 usable reports. I'm not interesting in playing  
3 las escodites. In Mexico, in my community, we call  
4 it escodites. Las escodites means hide-and-seeK.  
5 It's a lot of hide-and-seeK going on in these  
6 reports.

7 We shouldn't have to cross-reference  
8 reports. We shouldn't have to sort through  
9 misleading data. So the ICC, you have the resources  
10 to step in like you do when utilities fail to carry  
11 out any other mandates.

12 That's why I'm calling for an audit  
13 system to hold the ICC accountable for the  
14 performance of the utility companies. I fully  
15 appreciate the ICC is a creature of the Illinois  
16 statute. I also appreciate that you have a broad  
17 authority in implementing those statutes under your  
18 purview. You've got to use it. You've got to use  
19 it.

20 And if you need more authority, ask  
21 for it. I'm about 300 pounds, about 3 foot wide,  
22 pretty loud. I'll respond. And I'll file

1 legislation on your behalf. If you don't want -- if  
2 you believe you don't have the authority, then ask  
3 for it, and be a partner with me and my members of  
4 the legislature to pass legislation to give you the  
5 authority.

6 I can't in good conscience go back to  
7 my constituents on the southwest side of Chicago and  
8 say that our state's utilities are all doing their  
9 part to expand opportunities to communities of color.  
10 Because although the companies are improving in  
11 making an effort and recharacterizing the  
12 information, the utilities and, yes, therefore, the  
13 ICC still aren't doing enough.

14 I'm going to conclude. As I said in  
15 the beginning, Illinois has finally turned a page in  
16 its political history. Governor Pritzker is  
17 personally committed to supporting our working  
18 minority families and businesses.

19 An example, he personally committed  
20 to having the most diverse cabinet in the country. A  
21 report this week just found that 225 key posts within  
22 his administration and state boards and commissions,

1 including this commission, Governor Pritzker's  
2 administration officials are 41 percent female, 44  
3 percent people of color.

4 This is the most diverse ICC that I  
5 have sat before. It's impressive. And that's  
6 because J. B. Pritzker put his money where his mouth  
7 is at, put his leadership, and made it a moral  
8 business imperative to make government more  
9 reflective of the people it serves. Commerce means  
10 money, money creates opportunity, and opportunity is  
11 a silver bullet for fighting the problems that  
12 disproportionately affect minority communities.

13 Making investments in minority-owned  
14 firms, putting people back to work, recognizing the  
15 undisputable value that comes with having a diverse  
16 workforce is how we break the cycle of poverty and  
17 empower the next generation of minorities.

18 I recently met with a bunch of folks  
19 in the financial world, and they say that there  
20 are -- there's more work than there are people. Tell  
21 that to the African American leaders in Chicago, that  
22 there's more work than people.

1 I also recently read a Business Peer  
2 article that named the most influential Latinos in  
3 Illinois. No, I didn't make it. I didn't make it.  
4 I didn't make it. But I'm going to leave it to all  
5 those influential Latinos to continue to create power  
6 and wealth. I want to empower my community and want  
7 to deliver social equity to my community. And I know  
8 you do, too. I know the ICC does, also.

9 And I know that the vast majority of  
10 minority and white ethnic utility executives are all  
11 making an effort. Duly noted. I have met with all  
12 of them. I think they're sincere about it, but we  
13 need to see the numbers. We need to see the numbers.

14 And it's a new day. It's a new  
15 Commission. And I reach out to you, Madam  
16 Chairwoman, as a partner in ensuring that people of  
17 color and minorities and women and veterans and LGBTQ  
18 and Asian-owned companies get their fair share.

19 Thank you very much, Members of the  
20 ICC.

21 (Applause.)

22 CHAIRMAN ZALEWSKI: Thank you, Senator. I

1 appreciate your leadership and your commitment, and I  
2 do look forward to working with you in the future to  
3 increase diverse spend. Appreciate it.

4 Next we have Representative Larry  
5 Walsh, who is the Chair of the House Utilities  
6 Committee. Thank you.

7 REPRESENTATIVE WALSH: Good morning,  
8 everyone. Senator Sandoval stole all the thunder, so  
9 I'm going to be a little shorter than that seeing I  
10 yielded much of my time to him.

11 But I welcome you to this policy  
12 session here today. As the Chairwoman stated, I  
13 chair the Public Utilities Committee on the house  
14 side of the chamber, and along with my Vice Chair,  
15 Andre Thapedi, Representative Thapedi, we work  
16 together with each and every one of you on trying to  
17 solve the issues that we face and the different  
18 demographics of policymaking within Springfield.

19 When I took over the Public Utilities  
20 chairmanship this past spring, my commitment was to  
21 work with each and every one to try to solve the  
22 problems that each and every one of us face in a

1 comprehensive matter, and that involves diversity,  
2 also.

3 So I'm glad to see everyone here to  
4 continue to work on this. I know my colleagues in  
5 the Senate are strong on what their wishes are and  
6 what they want to see. That commitment comes on the  
7 House side, also, and we're committed to continue to  
8 do that as we work through the problems and  
9 challenges that we face.

10 Our committee will be working in a  
11 whole retrospect and overall thinking on how we  
12 continue through this dialogue dealing with energy,  
13 supply, et cetera.

14 So with that, have a great session,  
15 and thank you for the invite here this morning, and  
16 we'll see you all back down in Springfield in a  
17 couple of weeks. All right. Thank you.

18 (Applause.)

19 CHAIRMAN ZALEWSKI: Thank you, Chairman.

20 Next, we have the Vice Chairman of  
21 the Public Utilities Committee, Representative  
22 Thapedi.

1                   REPRESENTATIVE THAPEDI: Thank you, Madam  
2 Chair, and good morning to everyone.

3                   As my Chairman, Representative Walsh  
4 said, Senator Sandoval has stolen all of the thunder  
5 on all of these issues, so I will be very, very  
6 brief, Madam Chair. I want to thank you again for  
7 your leadership on this important issue, and thank  
8 you for having me back again this year.

9                   I have looked at the numbers of the  
10 large utilities, and clearly, there is some  
11 improvement. And improvement is just that. It's not  
12 necessarily success, but it is improvement. So I am  
13 happy to see that there is some improvement on some  
14 of these issues.

15                  I was also pleased to hear you, Madam  
16 Chair, in your opening remarks discussing challenges  
17 and professional services. That was something that I  
18 brought up last year, and I'm happy to see that  
19 that's something that you're going to take on. In  
20 fact, you even dedicated a panel specifically to that  
21 issue, so I'm glad to see that as well.

22                  I would like to specifically, though,

1 Madam Chair, extend a special appreciation to a  
2 couple of companies that I have looked at their  
3 numbers, and clearly, they get it. They are making  
4 those movements and those strides to try to see  
5 improvements in those areas; more specifically,  
6 Peoples Gas and Mr. Charles Matthews, that they have  
7 worked with me not just as a member of the Public  
8 Utilities Committee, but also as a member of JCAR in  
9 digging in and understanding their issues and  
10 recognizing the need for a more diverse spend in  
11 certain areas in the aspects of their business.

12 Also, Ameren Illinois has done an  
13 excellent job under the leadership of Mr. Mark, who  
14 has looked at these challenges in an area that  
15 historically has been less than forthright and less  
16 than diverse, an area that has some of those  
17 challenges.

18 So, again, Madam Chair, I'd like to  
19 thank you again for having me. I'd like to thank the  
20 Members of the Commission.

21 Ethan, it's always good to see you.  
22 I know that you're digging in on these issues as

1 well.

2 But thank you so much, and we will  
3 see you in Springfield soon. And remember, you have  
4 a partner in the legislature. We are ready, willing,  
5 and able to do anything that we can to help you in  
6 this endeavor. Thank you very much.

7 (Applause.)

8 CHAIRMAN ZALEWSKI: Thank you for all of  
9 your leadership. We appreciate it. We can't do it  
10 as Commissioners without the support of our  
11 legislators. We appreciate you being here today.

12 So with that, we'll get started with  
13 our first panel. I'll turn it over to my Policy  
14 Advisor, Tetyana Rabczak, who will be moderating the  
15 first panel of the CEOs of the utilities and will  
16 report on diverse spending.

17 MS. RABCZAK: Good morning, everyone. My  
18 name is Tetyana Rabczak. I'm welcoming you again to  
19 this policy session of 2019. Can you hear me? No?  
20 All right.

21 As the Chairman stated, Section 5-117  
22 of the Public Utilities Act requires the large,

1 regulated utilities to report on their diverse  
2 supplier goals and actual spending on the diverse  
3 suppliers in the previous calendar year. This  
4 morning, we will hear highlights from the CEOs of  
5 those utilities regarding their 2018 diverse  
6 suppliers programs and reports.

7                   During our first panel, the CEOs will  
8 share their company's highlights on diversity spend  
9 overall in Illinois as well. We heard the importance  
10 of that, too.

11                   We will also hear about the programs  
12 that worked best in 2018, best practices over -- from  
13 the supplier diversity teams of each utility, the  
14 goals they have for 2019, any changes to the  
15 utilities and revisions for their practices in 2019.

16                   Each CEO will have about seven  
17 minutes to present. That will be followed by the Q&A  
18 session. As always, the Chairman and the  
19 Commissioners are welcome to ask questions throughout  
20 the session, and if we have time at the end of this  
21 panel, we'll open it up to the public for the  
22 questions.

1                   With that, we can do the red carpet,  
2                   and I would like to introduce the CEOs of our  
3                   utilities.

4                   To my immediate left, we will have  
5                   Melvin Williams, the CEO of Nicor Gas. Followed by  
6                   Richard Mark, the CEO of American Illinois Company.  
7                   Then Joseph Dominquez, CEO of ComEd. Bruce Hauk, the  
8                   Illinois-American Water, and Charles Matthews, the  
9                   Peoples Gas and North Shore Gas.

10                  With that, I would like to open the  
11                  floor to Mr. Williams. Thank you.

12                  MR. WILLIAMS: Good morning. I'd like to  
13                  thank you for hosting us today. This is certainly  
14                  going to be a reversal of perspective sitting up  
15                  here, and you guys sitting down there. It's a bit  
16                  unusual. Thank you.

17                  I am pleased to be here to speak  
18                  about Nicor Gas' 2018 supplier diversity results and  
19                  our 2019 goals and objectives.

20                  Five years ago, I gave the first  
21                  Nicor Gas Supplier Diversity Report. I stated during  
22                  that report, at Nicor Gas, supplier diversity is not

1 a program, it's not an initiative, but a strategic  
2 business imperative.

3 Yes, supplier diversity is simply the  
4 right thing to do. Yes, we believe that it makes  
5 good business sense. Yes, we believe that supplier  
6 diversity is good for our company, good for our  
7 customers, and good for our communities.

8 More importantly, we understand that  
9 our beliefs must align with our commitments and our  
10 actions.

11 As I sit here today, I cannot be more  
12 pleased with our commitment, our planning, and our  
13 execution around this key business imperative. I'm  
14 certain that our results are reflective of our  
15 alignment and our beliefs and our actions.

16 We started this journey six years ago  
17 with an annual supplier diversity spend of less than  
18 \$10 million a year. Today, I'm pleased to report  
19 that our supplier diversity commitments are  
20 approximately \$350 million.

21 While we certainly believe that this  
22 is a compelling achievement, we do not believe that

1 this is the end of our journey. More importantly, we  
2 realize that our financial accomplishments do not  
3 tell the true story of the impacts from our efforts.

4 We continue to build an organization  
5 where the culture around supplier diversity is woven  
6 into the fabric of our business. We've built bridges  
7 to opportunities that will span generations, and  
8 we've opened doors and granted access to partners  
9 that were turned away for decades.

10 The real story is the life-changing  
11 impact that we're having on our diverse partners,  
12 their families, and the communities in which they  
13 live and work.

14 The story of Wilbur Milhouse of  
15 Milhouse Engineering and Construction, a  
16 minority-owned business right here in Illinois.  
17 Nicor Gas partnered with Milhouse in 2013 on work  
18 related to distribution, transmission, and storage  
19 fuel gathering. Soon after, Milhouse began working  
20 with our parent company, Southern Company Gas.

21 Since 2013, Milhouse has more than  
22 doubled its annual revenue. Today, it is a company

1 of over 200 professionals representing the  
2 communities that they impact and nine offices across  
3 the U.S., many of those outside of Illinois. They  
4 are a company committed to advancing the academic  
5 achievement for underrepresented Chicago and the  
6 communities around the world.

7                   The story of CSI 3000, a civil  
8 engineer contractor started by Ray Rivera is based  
9 here in Chicago. Since the company was hired by  
10 Nicor Gas to provide hauling and restoration  
11 services, CSI 3000 has been able to effectively scale  
12 an organization that started in a basement apartment  
13 into a company that provides over 100 new jobs right  
14 here in Illinois.

15                   The story of Trinidad Construction, a  
16 multigenerational family, minority-owned company led  
17 by Brian Ortiz who was first approached by Nicor Gas  
18 in 2011. This company just built our  
19 21,000-square-foot training center, a \$12 million  
20 project.

21                   These are real stories about real  
22 people that truly matter the most. We can't take

1 credit for this progress we've made alone. We've  
2 benefited greatly from our relationship with our  
3 industry partners, Ameren, Illinois-American Water,  
4 Peoples, and ComEd, as part of the IUBDC.

5 The IUBDC's mission, strategy, and  
6 commitment to supplier diversity has become the model  
7 for other states around the country. We've grown  
8 immeasurably from our willingness to openly engage  
9 with our diverse partners around how to improve our  
10 business and our supplier diversity efforts.

11 A constructive legislative and  
12 regulatory environment has allowed us to create the  
13 Invest in Illinois initiative, and as you know,  
14 Invest in Illinois is a multiyear program that allows  
15 us to replace aging infrastructure. More than 1200  
16 employees, both Nicor Gas and labor partners, worked  
17 on Investing in Illinois in 2018.

18 2018 was our largest investment year  
19 to date since Investing in Illinois began. We  
20 increased our diverse spend related to this  
21 initiative from \$40 million in 2017 to approximately  
22 125 million in 2018 with diverse partners. Finally,

1 we are currently executing our 2019 business  
2 diversity plan, and our target is to exceed our 2018  
3 performance.

4 Because we've been able to invest in  
5 critical infrastructure and make improvements, we are  
6 a stronger utility today, and we've ensured that our  
7 customers will have safe, reliable natural gas  
8 service well into the future.

9 We're creating jobs, we're investing  
10 in infrastructure and system integrity, and we're  
11 supporting diverse businesses and positively  
12 impacting the lives of families within our  
13 communities. We are doing this while continually  
14 being one of the most efficient utilities in the  
15 country.

16 Diversity is a strategic imperative  
17 for our business. Whether working with Nicor Gas as  
18 a diverse partner or for Nicor Gas as a partner, we  
19 appreciate your partnership as this partnership is  
20 the cornerstone for our success in achieving our  
21 goals for supplier diversity.

22 And I'm sure that there will be those

1 that will ask, can we do more? Are we doing enough?  
2 Rest assured, this is the same question I ask myself  
3 every day.

4 Thank you.

5 (Applause.)

6 MR. MARK: Good morning, Commissioners.  
7 Thank you for giving us the opportunity to be here  
8 today to talk a little bit about our diversity  
9 program at Ameren Illinois in 2019, some of the  
10 successes we've had and some of the challenges and  
11 some of the opportunities we see to continue to  
12 improve.

13 As Melvin said earlier, you know, we  
14 don't see this as something that has a beginning and  
15 an ending. It's a constant journey for us to keep  
16 continuously improving to look at applying more  
17 diverse suppliers throughout our companies and our  
18 service territories.

19 I'd like to first just begin by  
20 saying that at Ameren Illinois we have an intentional  
21 strategy for engaging diverse-owned companies and  
22 expanded opportunities for those companies to provide

1 their goods and services to Ameren Illinois.

2 We believe that diverse business  
3 participation is a catalyst for economic success and  
4 growth in many of the communities that we serve.  
5 Many times small businesses in communities, small,  
6 diverse businesses can be the catalyst for the  
7 rebirth of those communities, and so our goal is to  
8 try to work with those companies to be able to do  
9 business with Ameren and grow their companies, hire  
10 people from their communities, and then overall  
11 benefit not only their community, but our region and  
12 our state.

13 So I'll begin by -- my presentation  
14 is a little bit different format than Melvin, but I  
15 think what I'd like to do is just kind of highlight  
16 over our Annual Report, some of the highlights of  
17 2018, and give you an update of what we're doing and  
18 what we're going to look at -- what's worked well and  
19 what we're going to try to do in the future.

20 This is a three-year average of  
21 Ameren Illinois diverse spending. You can see the  
22 graphs there. We've seen some success each and every

1 year. In 2018, we had a total diverse spend of a  
2 little over \$357 million, which is up 28 percent  
3 from -- which is 28 percent of our total spend. I'm  
4 sorry.

5 So, again, we're making some areas of  
6 improvement, and you can see there -- it might be  
7 tough at the bottom to see the chart, but the blue is  
8 veteran business, the orange is minority business  
9 enterprise, and the green is female, women-owned  
10 businesses.

11 So in the report -- this slide is a  
12 little bit -- is much better and clearer, but you see  
13 Illinois there and just not filled in in the middle,  
14 but in our report, we actually have this colored in.

15 One of the points I'd like to point  
16 out is that we did business last year at 501 diverse  
17 businesses in Illinois. Those businesses were  
18 located in approximately 90 percent of the 102  
19 counties in the State of Illinois. Not just in our  
20 service territory, but 90 percent of the counties in  
21 the State of Illinois.

22 So we try to not just spend all of

1 our dollars in one area geographically, but we think  
2 it's important that we work with diverse businesses  
3 throughout the State of Illinois and throughout our  
4 service territory, also.

5 We've brought on 14 new supplier  
6 relationships last year. Many of those, which I'm  
7 going to talk about a little bit later, but many of  
8 those are in our energy efficiency program, and in  
9 2019, that program -- our energy efficiency program  
10 was approved. I'm going to come back to that later,  
11 but that's a project that we're very, very proud of,  
12 and it's growing nicely. And its impact at  
13 approximately 3600 jobs with the spend in the State  
14 of Illinois.

15 Here's our total diverse spend for  
16 2018. It's \$357 million, and this kind of breaks out  
17 how it was spent. It was a 65 percent increase in  
18 our total spend compared to 2017. And we actually --  
19 every other year, we do an Economic Impact Study, and  
20 this year we did it for 2018, and it shows about a  
21 \$740 million value added in economic activity in  
22 Illinois was triggered as a result of that diverse

1 spend. And again, of 357 million, it's about 28.8  
2 percent of our total spend and a significant increase  
3 over 2017.

4 Building capacity. I want to spend  
5 maybe just a little time talking about this. But one  
6 of the things that's important is this building  
7 capacity with our diverse vendors and supplier  
8 education and development.

9 One of the points we put on here is  
10 our scholarships. We've been doing this for a number  
11 of years now, offering scholarships to the Executive  
12 Program for Entrepreneurial Development at Dartmouth  
13 College. We've offered 14 scholarships to date, but  
14 we had two last year go. Two of our major minority  
15 businesses went last year, and we spent about \$120  
16 million with those suppliers that have visited that  
17 school.

18 One of the reasons I point this out  
19 is as we look at opportunities for the future and how  
20 we can build capacity with diverse spend and minority  
21 companies is, you know, to try to give them an  
22 opportunity to not just bid, but an opportunity to

1 grow their businesses and to understand businesses.

2 One of the things that we found is  
3 that some small businesses lack the acumen. You  
4 know, how to really have the back office, the  
5 finances, how to make sure that their employee taxes  
6 are paid, that their workmen's compensation payments  
7 are made, that liens aren't being filed against their  
8 projects. So we've developed a diverse minority  
9 mentoring program that we're working on to try to  
10 work with these companies to help them grow their  
11 business.

12 Getting the contract is just the  
13 first step. You've got to execute that contract, and  
14 then you've got to be able to expand and grow your  
15 business at the same time. So, hopefully, with  
16 trying to provide more education, mentoring, and  
17 opportunities, we'll help be able to build those  
18 stronger businesses that will last and have the  
19 sustainability.

20 Growing diverse businesses in  
21 energy efficiency. This I kind of carved out. This  
22 is our Energy Efficiency Program that was passed in

1 2017. We were able to get a part of those funds  
2 dedicated where we could improve the energy  
3 efficiency workforce, people who get involved in the  
4 workforce.

5 One of the studies we conducted we  
6 found that most of -- the majority of the people that  
7 were taking advantage of energy efficiency programs  
8 were not moderate and low income customers. Most of  
9 the customers initially that were taking part in the  
10 programs were making over six figures.

11 We wanted to make sure that -- and  
12 people who get involved with energy efficiency  
13 programs, if we're going to offer those programs,  
14 every one of our customers, our 1.2 million  
15 customers, should have access to those programs. And  
16 if they should have access, we have to make sure that  
17 we do the same thing with diverse spend, providing  
18 jobs for minorities in these communities and  
19 providing opportunities for more diverse vendors in  
20 the area of energy efficiency.

21 When we went looking for companies,  
22 we found that there weren't many vendors out there in

1 this space that are doing the work. We see that as a  
2 great opportunity for growth and development in the  
3 future, not only for jobs, but for opportunities for  
4 small businesses to get involved with energy  
5 efficiency as we go forward.

6 And then last, I'd just like to point  
7 out this slide, and not for the recognition that our  
8 company has received, but more importantly, to  
9 indicate that the number -- that we work with these  
10 organizations in order so that we can continuously  
11 improve on the work that we're doing in diversity  
12 spend and basically learn from others around the  
13 country about what are the best practices that other  
14 people are doing, how can we bring those best  
15 practices back to Illinois to improve our diversity  
16 spend throughout the State of Illinois and to keep  
17 growing our program.

18 With that, I'll just conclude by  
19 saying that, you know, it's a journey that we've  
20 started on. We don't really see it ending. We see  
21 it as an opportunity to continuously improve, look  
22 for areas that we can expand and grow minority

1 vendors throughout our service territory, and how we  
2 can do more as a company to really better not only  
3 the communities we serve, our region and our state.

4 Thank you very much.

5 (Applause.)

6 MR. DOMINQUEZ: Okay. Good morning,  
7 everybody, Madam Chair, Members of the Commission,  
8 thanks for having us today. I look forward to  
9 reviewing our progress here this morning with you and  
10 answering questions after my testimony.

11 We, as the other companies have  
12 talked about here, have been on a seven-year journey.  
13 This last year, we got close to 40 percent of our  
14 overall spend being with women and people of color.  
15 We would have thought seven years ago that that was  
16 not possible, but today, we're at 400 percent of  
17 where we were just seven years ago in terms of the  
18 expansion of business.

19 That starts with leadership from the  
20 top, but also commitment across the board. So I'd  
21 like to begin, if you don't mind, with introducing my  
22 leadership team.

1                   And I'm going to start on the right  
2 here with Melissa Washington. She's our Government  
3 Regulatory Affairs.

4                   Stacy O'Brian, our Lead Counsel.

5                   Veronica Gomez. Veronica, I think I  
6 demoted just a second ago. Veronica actually has  
7 Regulatory Affairs and Legal.

8                   Michelle Blaise is our Lead Engineer  
9 and oversees tech services. So Michelle has about  
10 150 project managers who oversee all of the spending  
11 at ComEd, so big job, and Michelle, as you can well  
12 imagine, is very popular outside this room.

13                   Jeanne Jones is our CFO.

14                   And our President, Terry Donnelly.

15                   They're all here this morning because  
16 they want to express by their presence their  
17 commitment to what this Commission has so ably done  
18 in terms of leading the nation as a Commission in  
19 this vital area.

20                   I'm going to go and talk a little bit  
21 about our numbers first. I think Dwayne handed out  
22 our report.

1                   Largely a reflection that I remember  
2                   from last year, this doesn't show up all too well,  
3                   but I'm going to point out a few of the numbers and  
4                   throw some glasses on, not as an admission to Senator  
5                   Sandoval, whose passion I greatly admire, that our  
6                   font is too small --

7   (Laughter.)

8                   MR. DOMINQUEZ: -- but rather, an admission  
9                   to Father Time.

10                                       As you can see here on the starburst  
11                   chart, in the last seven years, we've spend about  
12                   \$4 billion on diverse spend. To Senator Sandoval's  
13                   point, one of the key things year over year is  
14                   introducing new companies and vendors to work with  
15                   ComEd. And this year, we've really hit it out of the  
16                   park. We brought in 135 new partners, a lot of work  
17                   done in that area.

18                                       Our overall spending in 2018 was  
19                   \$718 million, and we did break that out for Illinois  
20                   spend. \$505 million of that spend with women and  
21                   diverse firms is here in Illinois.

22                                       I do want to emphasize we try to

1 attract more and more businesses here to Illinois as  
2 they do work with ComEd, but one of the things we're  
3 also doing is being part of a family of companies  
4 that has five other utilities. We're looking at  
5 diverse companies in those other jurisdictions that  
6 are doing good work for the companies, and we're  
7 trying to bring them here to Illinois.

8           So you're going to continue to see, I  
9 think, the transition period where our overall  
10 numbers will be higher than our Illinois breakdown.  
11 505 million is a new record for us.

12           This year, we're committed to taking  
13 that \$718 million to \$741 million, and we're on track  
14 to do that. By the way, our numbers this year are 39  
15 percent. Overall, that's a 3 percent increase year  
16 over year, and it's happened while our spend as a  
17 company has gone down.

18           The Tier 1 spend, which is the  
19 companies that are directly doing business with us,  
20 constitutes about 69 percent of the numbers, and so  
21 we're very proud of the progress we've made there.

22           I'm mindful of what Senator Sandoval

1 said at the outset, though. While 40 percent is a  
2 number that we didn't think we could hit as quickly  
3 as we have, we understand fully that there's more  
4 room as we look at the composition, the demographics  
5 of our customer base, and believe me, your passion is  
6 shared among our leadership team, and we're going to  
7 keep driving forward these numbers, particularly in  
8 the area of professional services and other areas  
9 where I think there's still a great deal of room.

10 Let me turn to Slide 2.

11 I'm going to talk a little bit about  
12 that subject and how we're trying to do that. One of  
13 the things that we've found as we've done this work  
14 is that doing business with utilities isn't always  
15 easy, and so not only introducing new vendors, 135  
16 that we brought in, but really taking the vendors  
17 that we have and maturing our relationship with them,  
18 not only in terms of the dollar commitment, but in  
19 moving them from Tier 2 to Tier 1.

20 And so last year, we kicked off this  
21 Enterprise For All Program. We focused on 19 vendors  
22 where we're doing one-on-one mentorship with these

1 different vendors with the goal of moving them from  
2 Tier 2 vendors that have promise to Tier 1.

3 We have successfully moved a number  
4 of those to Tier 1 vendor relationships now, but the  
5 other really interesting part of this is as I talk to  
6 majority-owned firms and try to get them to use more  
7 Tier 2 vendors, one of the things that they've often  
8 said is, well, we don't know these folks. We don't  
9 know who does these services.

10 So we've arranged these kind of  
11 one-on-one sessions, believe it or not, cocktail  
12 parties, and that sort of thing works really well  
13 where we bring the vendors together, both the  
14 majority-owned firms as well as women-owned and  
15 minority-owned businesses. We bring them together in  
16 a room to have a conversation about how we can form  
17 alliances.

18 Because so much of the progress in  
19 this space has been made by cultivating new  
20 companies, first through Tier 2 and then bringing  
21 them to Tier 1, that those relationships are  
22 critically important, and as important, frankly, as

1 our efforts to just introduce them to the business.

2 I'm mindful of the time here, and I  
3 want to talk a little bit more about some very  
4 specific areas that we're focused on.

5 As Richard talked about, one of the  
6 areas that we've been looking at quite carefully is  
7 on energy efficiency as FEJA significantly increased  
8 our commitment in that, what can we do to bring in  
9 women and minority-owned businesses in that space.

10 I think it's -- as kind of looking at  
11 the portfolio spend at ComEd, probably the area where  
12 we can make the richest amount of gains very quickly.  
13 One of those new vendors that we have is Resource  
14 Innovations, and that company has brought in --  
15 doubled its workforce here in Chicago and is part of  
16 our efforts to double the amount of effort that we  
17 have in energy efficiency in terms of women and  
18 minority owned businesses. We've moved that 10  
19 percent this year.

20 Another great success story we have  
21 in a different line of work is led by Steve Davis of  
22 the Will Group. They have been a long-term partner

1 for us, but they've matched their spending here with  
2 ComEd with commitment to the neighborhoods opening  
3 up -- I think the photograph you see here on the  
4 right-hand side is a new manufacturing center in  
5 Chicago's North Lawndale neighborhood.

6 So congratulations to Steve and the  
7 entire Will Group.

8 And then lastly -- and I know you're  
9 going to hear from them later, so I'm not going to  
10 spend a lot of time talking about it -- is our work  
11 in bringing in diverse firms to handle some of the  
12 representation we have with the Commission.

13 And what we have done there is  
14 one-on-one mentoring. We've hired ALJs, former ALJs  
15 from the Commission, to supervise some of that work.  
16 We've partnered the new minority firms with  
17 majority-owned firms, and they work side by side on  
18 cases. To the extent that they're going to have an  
19 oral argument or presentation before the Commission,  
20 we're doing a dry run in front of an ALJ so they  
21 understand the content of those hearings, and they  
22 get that one-on-one education.

1                   So you're going to hear from a couple  
2 of those firms today, but I think it's a tremendous  
3 success story.

4                   One of the challenges we've had in  
5 professional services is that for many years the  
6 utility sector just hasn't developed those business  
7 relationships with companies owned by women and  
8 people of color. So unless you get beyond that  
9 through that one-on-one participation with a  
10 majority-owned firm, you're just not going to get  
11 there.

12                   Regulatory law is a very specialized  
13 field, as all of you well know. If the business  
14 hasn't been opened, there's no reason why African  
15 Americans or Latinos or women-owned firms have  
16 developed that expertise. So we really have to take  
17 extra measures to introduce those firms and really  
18 work through the process with them.

19                   So I'm going to stop there. I know  
20 you'll have questions. I was wondering about the  
21 reorientation of the room, and sitting here, I see  
22 the industrial logic of it. You have a clock right

1 at the back end, so I'll adhere to that and turn it  
2 over to Bruce.

3 (Applause.)

4 MR. HAUK: Just to make sure the timekeeper  
5 doesn't start until I turn my sign on.

6 It's my pleasure to be here.

7 President of Illinois-American Water, Bruce Hauk.  
8 I'm also the Senior Vice President of the Midwest  
9 Division for American Water. But the title that I  
10 hold most special is Chairman of the Illinois Utility  
11 Business Diversity Council.

12 In hearing Senator Sandoval's  
13 comments as we started out, it's hard not to get  
14 motivated. But what I want to do is make my comments  
15 very, very high level from an outcome standpoint.  
16 But I think it's very important to walk through the  
17 history of what brought us here today.

18 It started with courageous  
19 legislators that created a law, that created the  
20 opportunity for us to be here to share our annual  
21 reports. I would remind the public that when that  
22 law was created, Illinois-American Water volunteered

1 to be a part of that law, and Representative Will  
2 Davis and others in the room would recognize that.

3 Since that time, I think we have to  
4 give some credit to not only the legislators, but the  
5 Commissioners at the time. Commissioner Maye  
6 Edwards, emeritus, here in the audience.  
7 Commissioner Emeritus Del Valle, Commissioner  
8 Emeritus Rosales, and at that, Chairman Sheahan at  
9 the time really took hold of the IUBDC.

10 I'll tell you, when we talk about  
11 inclusion and diversity and the importance of it,  
12 that all started -- and I started as the President of  
13 Illinois-American Water in 2015, and I had a lofty  
14 goal. I had to come in and explain a report of  
15 overall supplier diversity spend of 3.86 percent.  
16 That's lousy in any scorebook or scorecard. That's  
17 an F.

18 But what I'm telling you is I looked  
19 in the audience in 2015, and I'm being introduced to  
20 the State of Illinois, and I'm very nervous. But  
21 since that time, I can consider Charles Matthews, Joe  
22 Dominquez, Melvin Williams, Richard Mark, personal

1 friends. I can consider Senator Sandoval as someone  
2 that motivates me, encourages me. I can see my good  
3 friend, Senator Clayborne, in the audience that has  
4 been a spirited helper to me in this process, in this  
5 journey.

6 I have so many relationships in this  
7 room today because of the legislature and the IUBDC.  
8 I'm not here to celebrate our outcomes, but I'm here  
9 to recognize the history that got us here and the  
10 fact that it is a business imperative and it is a  
11 journey that we're on.

12 With that, I will share with you our  
13 2018 results for Illinois-American Water. In 2018 --  
14 if you remember, in 2014 our overall diversity spend  
15 was 3.86 percent. I've said it on the record more  
16 than once -- lousy.

17 We ended the year for 2018 overall  
18 supplier diversity spend of over 52 percent. That  
19 didn't happen by chance. Of that, 72 million was  
20 diverse spend.

21 The question I heard was the  
22 importance of spending dollars in the State of

1 Illinois. Now, it's hard. When I first got here --  
2 I'll be honest. I'm a Hoosier. So creating spend in  
3 Illinois was a little tough, but to be honest with  
4 you, 80 percent of our diverse spend in 2018 was in  
5 the State of Illinois. That didn't just happen.

6 Since 2014, our overall diverse spend  
7 has increased 20 percent, our MBE spend has increased  
8 25 percent, and our women business enterprise spend  
9 has increased 4 percent. That's because of the  
10 meaningful relationships, the leader that I am have  
11 been exposed to create relationships, and now I look  
12 in the audience, Larry Ivory, Sidney Dillard, Martin  
13 Cabrera. These are individuals that I didn't even  
14 know in 2015.

15 And you'll hear stories, meaningful  
16 stories, of how that relationship yielded outcomes  
17 that I've just shared.

18 One of the things that I want to talk  
19 about and one of the questions, what programs worked  
20 best in 2018 for Illinois-American Water?

21 The story I want to share is our East  
22 St. Louis treatment facility, which is located in

1 East St. Louis. We did a \$48 million -- we're in the  
2 midst of doing a \$48 million investment in that  
3 facility. This serves the second population in the  
4 State of Illinois, second only to the Chicago  
5 Waterworks.

6 To put that in perspective, over  
7 400,000 customers are served with this facility, the  
8 second largest facility in the State of Illinois,  
9 again, second to Chicago Waterworks only.

10 How are we making an impact in the  
11 community? And we say there is business beyond  
12 Chicago; right, Richard?

13 MR. MARK: That's right.

14 (Laughter.)

15 MR. HAUK: So we're down south.  
16 \$48 million spend. We had a prime event where we  
17 introduced four of the prime contractors who were  
18 bidding on the job in our facility, the opportunity  
19 to be networked with other diverse suppliers and  
20 expand their businesses.

21 Once we assigned the bid to the  
22 winning prime, they actually held a second event for

1 introducing themselves to vendors as well.

2 40 percent of the \$48 million project  
3 is diversified. To the specifics, as Senator  
4 Sandoval would say, well, don't tell me what the  
5 overall number is. Tell me what the category spend  
6 is.

7 So of that 19.8 million in  
8 diversified spend, 17.5 is MBE, 2.2 is WBE, and then  
9 disadvantaged business enterprise is very small at  
10 129,000. But I can tell you, there's no project in  
11 Illinois-American Water's footprint that had that  
12 much diversified spend, because it was not honestly  
13 part of the culture.

14 People say lives are enriched by  
15 relationships. Well, they're not. I can tell you as  
16 an executive of a utility company that, yes, I am the  
17 whitest guy in the room. You will find no one more  
18 passionate about this matter, and I have many  
19 credible witnesses to that, but our company and our  
20 business and our employees are better for it because  
21 Illinois has the courage to do the right thing. And  
22 it started with the legislature, culminated with the

1 Commission, and still carrying forward with our  
2 existing Commission, that's making a difference in  
3 people's lives.

4 I can tell you numerous stories of  
5 how businesses have been impacted and better because  
6 of the relationship that started, yes, with you,  
7 Senator Sandoval, and other legislators that created  
8 the bill, that extended through the Commission, and  
9 now has been embraced by these five CEOs, and I'd  
10 stand with all five of these CEOs in any room in this  
11 entire country to talk about how committed Illinois  
12 is to inclusion and diversity.

13 I think Commissioners that travel  
14 this country can tell you, no other state -- maybe  
15 one -- takes inclusion and diversity as seriously as  
16 Illinois does. Those are the end of my comments, and  
17 I appreciate the opportunity to speak to you.

18 (Applause.)

19 MR. MATTHEWS: Thank you, Bruce.

20 Good morning, Chairman,  
21 Commissioners.

22 My colleague, Bruce Hauk, I can't

1 tell you how fortunate we are to have you lead the  
2 IUBDC. We could not be represented by a better face  
3 from downstate even with the complexion that you  
4 talked about.

5 (Laughter.)

6 MR. MATTHEWS: It is just so representative  
7 of what we have done.

8 (Applause.)

9 MR. MATTHEWS: And the American Water story  
10 as well.

11 But I'm here to talk about Peoples  
12 Gas and North Shore Gas. Enough of that. And I'm  
13 going to try not to have you put that sign up one  
14 more time and run a red stop sign here.

15 First of all, thank you for inviting  
16 me here to update you on our supplier diversity  
17 program. It's been four years. When I came to  
18 town -- not from Indiana, but from Wisconsin, so  
19 we'll talk about Wisconsin and all of those suppliers  
20 that aren't coming from Wisconsin later.

21 But time has really moved on us.  
22 We've made great progress on many fronts over the

1 past four years, and improving supplier diversity  
2 ranks at the top along with customer service and our  
3 system modernization program.

4 In 2015, the year WEC Energy Group  
5 acquired Peoples Gas and North Shore Gas, we spent  
6 58.1 million through our Supplier Diversity Program.  
7 Last year was the second year in a row we spent more  
8 than \$125 million, more than double the amount in  
9 2015.

10 So we feel very good about what we  
11 have achieved in such a short time, and I can promise  
12 you supplier diversity will continue to be a key  
13 focus of our long-term strategic plan.

14 Now, let me go over just a few of our  
15 highlights from last year. Overall spending on  
16 diverse supply has represented more than 21 percent  
17 of total procurement for the first time ever in 2018.  
18 This is a significant milestone for us and indicates  
19 that our Supplier Diversity Program has become fully  
20 integrated into our procurement process.

21 There also were many specific  
22 achievements worth mentioning in 2018. To begin

1 with, 82 percent of our diverse spending was with  
2 local companies -- that means Illinois -- and that  
3 amounted to more than \$102 million spent on diverse  
4 businesses based right here.

5 62.7 percent of our total diverse  
6 spend was with businesses owned by minorities. In  
7 all, MBEs earned \$75.5 million through our Supplier  
8 Diversity Program in 2018.

9 Our spending with businesses owned by  
10 women increased by 23 percent from 36.8 million to  
11 45.5 million.

12 We also more than doubled our  
13 spending in the area of professional services from  
14 14.5 million in 2017 to 33.9 million in 2018.

15 And finally, our spending with Tier 1  
16 companies in 2018 was \$56.7 million, an increase of  
17 12 percent over 2017.

18 Okay. So what have been the keys to  
19 our success. Well, we've been able to double our  
20 spending on supplier diversity and sustain that level  
21 of spending by taking a very simple and a very  
22 disciplined approach.

1                   First, we consider supplier diversity  
2                   a key corporate value. That means integrating  
3                   supplier diversity goes into our annual budget and  
4                   planning process. As part of that effort, we set an  
5                   overall supplier diversity goal based on our total  
6                   plan procurement. We monitor progress towards those  
7                   goals throughout the year.

8                   Second, we make every effort to  
9                   utilize local companies. This allows us to make a  
10                  larger impact in the communities where we live and we  
11                  work.

12                  We're proud that more than 80 percent  
13                  of our diversity spend is with Illinois-based  
14                  suppliers. In fact, our spending on Illinois-based  
15                  businesses has exceeded 80 percent in each of the  
16                  last three years.

17                  Third, wherever possible, we explore  
18                  the use of joint ventures. Last year, we entered  
19                  into a joint venture agreement for our Facilities of  
20                  the Future Program. This has allowed more diverse  
21                  companies to participate in our larger projects.

22                  Fourth, we set diversity expectations

1 for our major prime suppliers. We expect our major  
2 prime suppliers to meet a minimum diverse spending  
3 level of 20 percent on the work they perform for us.  
4 Many of them have exceeded that goal.

5 Finally, we've improved our reporting  
6 capabilities. As a result, we now receive  
7 information about the program that is more accurate  
8 and timely than in past years.

9 Together, all of these practices have  
10 helped us consistently meet our supplier diversity  
11 goals in recent years and position us well for the  
12 future.

13 For 2019, I'm pleased to tell you  
14 we've increased our overall diverse spending goal by  
15 10 percent. To get there, we'll continue to leverage  
16 joint ventures wherever appropriate. Additionally,  
17 we're identifying strategies to grow diverse spending  
18 with Tier 1 companies, such as helping them take  
19 advantage of opportunities beyond their core business  
20 competencies.

21 We also continue to work with high  
22 performing Tier 2 firms to make the transition to

1 Tier 1. Specifically, we will consider pilot  
2 programs in which we believe diverse suppliers in  
3 core business functions could demonstrate their  
4 abilities to perform and operate independently.

5 We also continue to encourage prime  
6 suppliers to participate in our mentoring process  
7 with our Tier 2 suppliers.

8 And finally, we're considering ways  
9 for diverse suppliers to address challenges they face  
10 to accessing capital, which as you know is a barrier  
11 for many companies seeking to expand their business.  
12 Some of the things we're looking at are changes to  
13 our insurance requirements and payment terms.

14 In closing, I hope that this gives  
15 you a sense of where we've been and where we're  
16 headed with our Supplier Diversity Program. We're  
17 very excited about what we have been able to  
18 accomplish in just a few years, but we're even more  
19 excited about what the future holds for us, for the  
20 company, and for our partners.

21 So thank you again for allowing me to  
22 be here today and share that information with you.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

(Applause.)

MS. RABCZAK: Thank you very much for the highlights and very exciting and interesting presentations.

Before we open for the questions, this is a unique opportunity for the suppliers to hear from the top. Would you in a few words share one piece of advice you have for a new diverse supplier that would like to work with your company? Thank you.

MR. WILLIAMS: You guys are looking at me, so I take it it's going to be me that's going to start. Fine. As usual, Matthews, I'll do it.

So I often share with our diverse partners that -- one, that -- I mean, no one sitting up here -- we're not -- I mean, this is not an entitlement exercise.

It is an opportunity to, again, gain access to an industry and access to businesses that otherwise have never existed. So let's start there.

The one piece of advice that I often give is, one, know our business. And that part of

1     what our responsibility is is to ensure that we give  
2     access to everyone, particularly diverse partners, in  
3     understanding what we do, how we do it, where we do  
4     it in terms of being in the utility sectors. And so  
5     understand what that represents.

6                     Secondly, understand how you can  
7     create value for our business that allows us to  
8     continue to improve our business. So in other words,  
9     can you build a better mousetrap; right? On a level  
10    competitive field. So let's be clear about that.

11                    So to the extent that we do that,  
12    figure out how you can add value to our business that  
13    creates a true partnership. Because if it's not a  
14    partnership on either side of that equation, it's not  
15    going to be a sustainable partnership.

16                    MR. MARK: I would just add to that -- you  
17    know, I mentioned it briefly, but I think one of the  
18    most important things is to have a solid financial  
19    platform. Work with some experts in the field,  
20    understand how you should track your business, and  
21    know where you're earning your dollars, your margins.

22                    We work with a lot of construction

1 companies, for example, and they will bid on a job  
2 because it's a big number. I remember one said, oh,  
3 I got a \$5 million contract. And I said, well,  
4 what's the margin on that? And he really didn't --  
5 you know, sometimes a million dollar contract with a  
6 20 percent margin is better than a \$5 million  
7 contract with a 5 percent margin.

8 So getting into this business, I  
9 think I would encourage -- I encourage all our small  
10 businesses to know your finances, have a strong back  
11 office, because if you don't make your union benefits  
12 payments, you know, that's going to be a problem. If  
13 you don't make your tax -- your employee tax  
14 payments, that's a problem. And I think you've got  
15 to set that up first before you do anything else.

16 MR. DOMINQUEZ: I would add to the  
17 comments, take the long view. Every big relationship  
18 we have started out invariably as a small  
19 relationship where somebody got their foot in the  
20 door, did great work for us, and then were able to  
21 scale that relationship and that partnership.

22 You know, I think sometimes folks

1       come to meetings like this and they hear the big  
2       numbers, you know, ComEd is spending three quarters  
3       of a billion dollars in this area, and they think,  
4       well, I want to hit that \$10 million or \$20 million  
5       contract, and you know, the reality of doing business  
6       with us is learning the business as Melvin said, and  
7       that takes an investment.

8                       But if they're committed and they do  
9       great work on smaller contracts, we will scale that  
10      relationship, but they have to have the long view.

11                      MR. HAUK: One of the things that I would  
12      add to this as I've learned this process and journey  
13      over the last four, five years, I think it's  
14      important to recognize that small business doing  
15      business with small business is a good thing as well.

16                      We often take our spin numbers and  
17      carve out small business to see the diversified  
18      spend, and I understand that and appreciate that, but  
19      I can tell you from our history early on in the  
20      process, we've really been able to grow our  
21      diversified spend through second tier to small  
22      business.

1                   I think that's important, that small  
2 businesses work together. It's not just a prime,  
3 large contractor working with small businesses that  
4 creates diversified spend. It can happen small  
5 business to small business as well. And I think it's  
6 important for us to create those connectivities.

7                   MR. MATTHEWS: And the last thing I will  
8 add is I would not advise any of our suppliers to  
9 embrace underbidding beyond profitability as a  
10 strategy to get in the door. I have seen several  
11 companies fail and think they need to go under bid to  
12 get into the door to the extent that they are  
13 jeopardizing the financial stability of the company.  
14 I would not do that. At the end of the day, it  
15 probably results in change contracts, which no  
16 company likes to see.

17                   So I totally would suggest that  
18 companies make legitimate bids, have conversation  
19 about what dollars they need to be profitable and to  
20 be a sustainable, ongoing business.

21                   MS. RABCZAK: Thank you very much. That  
22 sounds very, very interesting, that you all have

1 thought it well through and probably through the  
2 errors tried 11 different approaches with diverse  
3 suppliers as well, and I think the suppliers we have  
4 here appreciate hearing that from you directly.

5 With that, I'd like to open the floor  
6 for questions. Would any Commissioners or the  
7 Chairman like to ask any questions?

8 CHAIRMAN ZALEWSKI: First of all, I want to  
9 say thank you, gentlemen, for your commitment and  
10 leadership in this area. I appreciate you being here  
11 in person to report these numbers.

12 We heard a little bit about different  
13 approaches, mentorship, the networking of the Tier 1  
14 and Tier 2 suppliers. I am just wondering, what has  
15 had the biggest impact on increasing the numbers, the  
16 amounts, and the different types of diverse spend?  
17 If it's mentorship, that's fine. If there's  
18 something we haven't talked about today, I'd like to  
19 hear about that, too.

20 MR. HAUK: So I'll take that question first  
21 if I may.

22 One of the things I didn't share is

1 we talked about best practices. I kind of talked  
2 about the journey we've been on. It takes  
3 leadership. One definition word for leadership is  
4 influence in my book.

5 Started with the legislature, moved  
6 to the Commission, and then the companies. And many  
7 of the companies have been doing this for some time,  
8 so I don't want to discount that.

9 But I can tell you, internally to our  
10 company, when the leader takes something serious,  
11 then things fall in line. And so I'll just give  
12 you one example. We have a staff meeting every week  
13 where all of our entities, operations, engineering,  
14 supply chain, procurement, and our corporate  
15 diversity leader are in the room, and one of the  
16 subjects on every staff meeting is inclusion and  
17 diversity. We talk about workforce diversity, and we  
18 talk about supplier diversity every week.

19 And it took a little time for that to  
20 gain momentum, but then it became, this is serious,  
21 and once the employees realize it's serious, then I  
22 think it grabs hold and it creates the importance of

1 making the followups to those vendors and those  
2 relationships that I talked about earlier.

3 MR. WILLIAMS: I would agree with that. I  
4 think the biggest impact has been a change in  
5 culture. And when I say, culture, it's really more  
6 around the beliefs of an organization.

7 And so for Nicor, it's been -- it's  
8 not -- again, it's not a mandate or an edict. It is  
9 understanding how our continued maturity and growth  
10 around supplier diversity and diversity inclusion in  
11 general makes our business better.

12 And when you have men and women who  
13 have historically viewed diversity and inclusion as  
14 entitlement or an affirmative action, that it creates  
15 a culture. And what we have done is to align our  
16 supplier diversity and diversity inclusion with our  
17 business strategy.

18 I can give you many examples of the  
19 alignment of that business strategy, and you'll see  
20 it in our report. We have an initiative that's  
21 called DBP -- that's Diverse Business Partnership --  
22 where we look at our long-term financial planning and

1 align that with our supplier diversity strategy to  
2 the extent that we have gaps associated with our  
3 long-term financial planning in terms of opportunity  
4 for diverse partners. We create developmental  
5 opportunities to ensure that while we may not have a  
6 partner today, we're not seeing the same thing two  
7 years from now, three years from now.

8 That's a strategy. It's not a  
9 program. It's not an initiative. It's a strategy.  
10 And it's also about how we're changing the culture of  
11 our organization.

12 MR. MARK: That's a great point. I think  
13 you've got to have a strategy. And, you know, the  
14 first couple of years we talked about improving and  
15 increasing our diverse spend, and then we weren't  
16 really seeing the growth that we wanted.

17 So when you look at it, you know, I  
18 looked at who are the decisionmakers, who are the  
19 directors and senior directors that are really  
20 approving budgets for next year.

21 So what we set up was a Diversity  
22 Steering Committee. So the senior directors, they're

1 looking at their budgets and what projects they need  
2 to do next year and they're prioritizing them. This  
3 Diversity Steering Committee that we created, they  
4 not only look at the dollars and the budgets they're  
5 going to approve for projects next year, they're  
6 asking themselves and building in, okay, how much  
7 diverse spend are we going to get and where are the  
8 opportunities to get it.

9           And so before I approve your budget  
10 or your project for next year, tell me where your  
11 diverse spend is going to be. And then if we don't  
12 have that diverse -- or maybe we don't have a vendor  
13 or a contractor that may be in the area or maybe  
14 there's not one that we're aware of, then we've got  
15 time to go out and look for a diverse supplier to do  
16 that specific project.

17           And I think that's helped us  
18 tremendously. We have the senior directors and other  
19 directors in the company that are approving those  
20 budgets, approving those hundreds of projects,  
21 thousands of projects, and each one of them, they're  
22 looking at at the front end as part of a strategy for

1 diversity.

2 MR. DOMINQUEZ: I think it's great to  
3 have the commitment externally with partners, but I  
4 think all of us would agree that leadership at the  
5 top is critically important. But when things don't  
6 happen, it's because we hit a clay layer somewhere in  
7 the organization where the message doesn't carry  
8 through.

9 I think having that shared commitment  
10 is critically important. Bruce, I compliment you on  
11 all of your work. You may be the whitest guy in the  
12 room, but you're tied with Terry Donnelly in a couple  
13 of respects, not just in that regard, but in your  
14 commitment.

15 In our senior-most leadership team at  
16 ComEd, we're 80 percent women or people of color, in  
17 fact, overwhelmingly, and it really does make a  
18 difference, I think, when people come in and they  
19 want to do business with us, that they see a face  
20 that they recognize, that they see an experience that  
21 they recognize, and that our leaders have kind of  
22 walked in those shoes and are able to interface with

1 the communities to get the best out of that  
2 relationship.

3 So again, I think if you're living  
4 D&I at home, then it's a hell of a lot easier to live  
5 it in your business partnerships.

6 MR. MATTHEWS: And if I can just add, I  
7 totally agree that, you know, change in the culture,  
8 getting your entire workforce to feel good about  
9 supplier diversity, me becoming a better leader are  
10 part of the long-term solutions, but in the meantime,  
11 I certainly realize that the clock is ticking, and I  
12 have to deliver results today.

13 So as it relates to an initiative  
14 that we've been able to put in place day one while  
15 we're doing all those other things, our requirement  
16 on our prime contractors, the 20 percent requirement  
17 has been huge in terms of an initiative to allow us  
18 and facilitate the progress that we've made.

19 When you look at our spend, it's  
20 about 65 percent of our spend. So while we're trying  
21 to do all those other things at Peoples Gas and North  
22 Shore Gas, we realized that we needed to make

1 progress day one. And that program has been  
2 significant.

3 We have partners that understand, as  
4 Melvin said, they understand what's important to us,  
5 and if they're going to be a partner with us, they  
6 have to buy in, and they have bought in.

7 And I think I mentioned a lot of our  
8 big primes, the guys, if you want to have an impact,  
9 follow the money trail. Go to where you're spending  
10 your money and get participation in that area, and  
11 we'll continue the progress, and that's what we have  
12 done.

13 MS. RABCZAK: Thank you very much.

14 Do we have any more questions from  
15 the Commissioners?

16 COMMISSIONER BOCANEGRA: Yes. Thank you,  
17 Tetyana.

18 Good morning, everybody. Thank you  
19 for your time. I'll try and keep this short.

20 Senator Sandoval made some comments  
21 this morning regarding how diversity spend can impact  
22 communities at the local level. Similarly, Melvin,

1       you made mention that some of the diverse dollars  
2       that your company has spent have impacted these  
3       diverse companies as well as their families.

4                       My question for the utilities is  
5       should we measure impact outside of dollar spending?  
6       If so, how does that get measured as we look to how  
7       this then impacts local communities, families, and  
8       the surrounding areas?

9                       MR. WILLIAMS:   Interesting question.  
10      Difficult to measure.   Because you're talking about  
11      nonquantitative -- often, you're talking about  
12      nonquantitative measures in terms of how we're  
13      impacting people's lives.

14                      I think it's important to ensure that  
15      we're getting the feedback from our partners in terms  
16      of that impact.

17                      Now, in a more holistic quantitative  
18      measure, we have collectively through the IUBDC and  
19      as well individually done economic impact studies,  
20      and I think the last one that we did was maybe a year  
21      or two years ago.   And at that time, the collective  
22      impact from all of the utilities was approximately

1       \$15 billion. So there's ways to do that.

2                       Now, being able to understand how  
3       that impact then disseminates across our communities  
4       is a challenge in terms of being able to quantify  
5       that. But there are means to do that. I think to  
6       your point, Commissioner, really it is offering the  
7       opportunity or giving the opportunity to our partners  
8       to give us true-life impact perspectives in terms of  
9       what these efforts are yielding.

10                      MR. MARK: I would just add -- Melvin, I  
11       think kind of summed it up, but it's difficult to  
12       measure. I think we can all point out certain  
13       instances or situations, like, where a company has  
14       really impacted a community by building a new  
15       facility, for example, for their headquarters or  
16       buying property in an area in their communities from  
17       which they came.

18                      I know one company that we've dealt  
19       with a lot in East St. Louis bought a former property  
20       that was just making homes and tore them down and  
21       that's where they built their office building. So  
22       things like that, you know, but how do we capture

1 that and quantify it. The best thing we have right  
2 now is through our Economic Impact Studies that we  
3 do. But it's something that we should strive to do  
4 more of.

5 MR. DOMINQUEZ: Commissioner, I think your  
6 question is a great one. You can almost ask it from  
7 a gap analysis standpoint. You've got our reports.  
8 What should be in the reports that isn't there right  
9 now? What parts of this picture are we missing?

10 And here's a couple of nuggets of  
11 thought on that. It isn't all spend. That's an  
12 important metric, and it's what we have used  
13 historically, but how are we measuring employment at  
14 majority-owned firms. So you have kind of heard the  
15 mix of X percent, but for the amount of money that we  
16 are all spending at majority-owned firms, how much of  
17 the employment within those firms are women and  
18 people of color?

19 So right now from a gap analysis,  
20 we've got a bunch of things covered, but we haven't  
21 figured out whether or not our majority partners are  
22 doing the right thing. The goal here shouldn't be to

1 get to 100 percent of our business with firms owned  
2 by women and people of color. There needs to be some  
3 proportionality. As Senator Sandoval said, we're  
4 certainly not there yet.

5 But we've got to focus on these  
6 relationships with majority-owned firms. One of the  
7 things we're doing on legal spend, for example, is we  
8 work with big law firms, majority-owned law firms.  
9 But we're measuring who is billing the hours to us,  
10 and that's how we get to a diversity metric here.

11 And we have the governance to look at  
12 that more broadly with other services, firms, and  
13 even more broadly in kind of the construction work  
14 that we do. But we ought to have some incentives for  
15 majority-owned firms to show up and get credit for  
16 doing the right thing in communities. I think that's  
17 presently a gap, something that we're thinking about  
18 quite a bit at ComEd.

19 The second thing that you don't pick  
20 up in these metrics are -- I'm looking at Martin  
21 Cabrera in the back of the room. The business we do  
22 with financial firms where we all have a lot of

1 assets under management.

2 So we had at ComEd about seven --  
3 over a decade ago maybe \$50 million of those assets  
4 were being managed by firms that are either owned by  
5 women or people of color. Today, we've moved that to  
6 \$3 billion of our asset base.

7 That's not going to show up in the  
8 report, but it's a huge component of providing  
9 opportunity in financial sectors.

10 I would say the same thing for the  
11 credit that we get, business lines of credit. How  
12 much of that is being done with banks owned by women  
13 and people of color, community banks? The  
14 underwriting services. So a huge opportunity in the  
15 financial area to create a more robust set of  
16 measures than what we're looking at presently and  
17 could really move opportunity in ways that we haven't  
18 previously seen.

19 MR. HAUK: I love this question. It's  
20 something that's uniquely situated with the water and  
21 wastewater industry. Juxtaposed to my peers and  
22 their industries are -- if you think about this,

1 under the circumstances today, over the last 20  
2 years, 30 years, EPA data, investor-owned utilities  
3 that are in the water and wastewater space are 15  
4 percent less likely to receive a drinking water  
5 violation, because we just do it better.

6 But when you think about an economic  
7 impact, you think about a company like American Water  
8 or others that are in this space that talk about how  
9 important inclusion and diversity is. We talk about  
10 economic activity, and we talk about opportunity to  
11 create jobs. We talk about opportunities to create  
12 spending and replacing infrastructure, most of the  
13 infrastructure in today's economy and state is aged  
14 and needs replacement, but there's not a will there  
15 because of the political constraints that exist.

16 This is the call and the hope I would  
17 ask of Senator Sandoval and the legislature, create  
18 opportunities for investor-run utilities to expand  
19 the horizon in the water and wastewater space in the  
20 State of Illinois to create the investment, to create  
21 the opportunity to provide better service, safe,  
22 reliable service, better than anyone else, and create

1 the opportunity that you know is committed to  
2 inclusion and diversity, and look at the numbers  
3 after we come into a community and create that  
4 opportunity and advantage for those communities that  
5 are not seeing that today.

6                   They're not investing. They're not  
7 making a spin. They're not taking that -- and I'm  
8 not saying all, but the majority, 54,000 water  
9 systems in the United States. 82 percent of a  
10 population serving 3,000 or less.

11                   And you've got a situation like my  
12 grandfather that was the street superintendent, the  
13 water operator, the wastewater operator, and the town  
14 marshall, and you want to talk about emerging  
15 contaminants and cyanotoxins and pfos and pfoa, we're  
16 just not equipped with that structure to be able to  
17 address these issues.

18                   It takes a company like American  
19 Water or a company that sits here with me to address  
20 these issues. We figured it out in the electric and  
21 gas industry. We're just lagging in the water and  
22 wastewater industry.

1                   So I call out to the legislature for  
2                   help with that, because we have shown, and our record  
3                   speaks for itself, we do it better, and we provide  
4                   the economic impact that the legislators and the  
5                   community deserve, and we represent and are trying to  
6                   represent the communities that we serve better and  
7                   better, better than our competitors.

8                   MR. MATTHEWS: I will quickly just echo the  
9                   employment metric. I think at the end of the day  
10                  that's what we're talking about. We're talking about  
11                  putting people to work, people that otherwise would  
12                  not have an opportunity to work, and I would extend  
13                  it beyond the majority companies, and I certainly  
14                  think majority companies should get credit or we  
15                  should get credit for influencing them to change the  
16                  mix of their workforce.

17                  But immediately today, you know, we  
18                  need to hold our partners accountable. I can't tell  
19                  you how many phone calls I've gotten on projects  
20                  where I'm meeting a 50 percent target that I have set  
21                  from community leaders calling me and telling me,  
22                  there's nobody on the worksite that looks like

1 anybody in the community, but yet, I'm getting credit  
2 for 50 percent. Fake dollars.

3 So we need to hold our partners  
4 accountable to employ people that these programs were  
5 intended to employ as well as the majority.

6 MS. RABCZAK: Thank you very much.

7 Commissioner Sheahan?

8 COMMISSIONER SHEAHAN: This is my last  
9 Supplier Diversity Policy Session, and  
10 notwithstanding a shared interest in seeing more  
11 improvement, I wanted to take the opportunity to  
12 personally and publicly thank all of you for your  
13 partnership and your commitment the last five years  
14 to increase supplier diversity.

15 The work of the IUBDC and  
16 improvements we've seen in diverse spend lead the  
17 nation in voluntary programs, and the increases in  
18 particular of over 300 percent and a \$2 billion  
19 impact on Illinois jobs and the economy is truly  
20 incredible.

21 Over the past five years, the ICC has  
22 joined you in this journey to improve diversity

1 beginning on my first day with a commitment to  
2 Commissioner Edwards, who is in the front row.

3 Thank you for your leadership,  
4 Commissioner Maye Edwards and Commissioner Del Valle.

5 We established an Office of Supplier  
6 Diversity and Community Relations, the first in the  
7 ICC's 105-year history.

8 We have had many firsts, the most  
9 diverse Commission in the United States, something  
10 that I'm proud the Pritzker administration has  
11 continued, the first Latina on the Commission in 105  
12 years. John Rosales, by the way, was the first  
13 Latino member of the Board of Directors of our  
14 national association, the oldest in the country, in  
15 135 years, John Rosales of the Illinois Commerce  
16 Commission.

17 When I joined the Commission, 90  
18 percent of our employees were white. In the five  
19 years since, 50 percent of our new employees have  
20 been diverse. 100 percent of my legal and policy  
21 advisors have been diverse.

22 We had the first African American

1 Chief Judge, Commissioner Kimbrel, in 105 years, the  
2 first female African American Chief Judge in 105  
3 years, the first African American Bureau Chief in 105  
4 years, and the first Hispanic Chief of Police in 105  
5 years.

6 So thank you again for all that you  
7 do. I know this work will continue under the new  
8 administration, and I want to thank you, Chair, for  
9 your commitment to continuing and improving upon  
10 these achievements. Thank you.

11 (Applause.)

12 MR. WILLIAMS: I know that we're certainly  
13 pressed for time, but I think we would all be remiss,  
14 Commissioner Sheahan and Commissioner Maye Edwards,  
15 if we don't acknowledge your relationship. Quite  
16 frankly, you were visionaries in the policy industry  
17 across this country with regards to the organization  
18 that we built collectively, and so we want to thank  
19 you for that, and I think your legacies will speak  
20 for us all.

21 Can I say that one of the most  
22 important aspects of the collective success of these

1 utilities has been the fact that we've had a  
2 constructive regulatory and policy environment as  
3 well as legislative environment, and I would implore  
4 all of us to ensure that that continues.

5 Without that, the continued level of  
6 investments that these utilities have made and  
7 commitments that we've made with regards to the  
8 system integrity as well as supplier diversity won't  
9 continue. It's as simple as that.

10 So to the extent that we continue  
11 that constructive environment, we certainly can  
12 continue the growth that we've experienced with  
13 regards to the supplier diversity.

14 So thank you.

15 MS. RABCZAK: Thank you for the  
16 constructive dialogue.

17 Commissioner Kimbrel?

18 COMMISSIONER KIMBREL: I know we want to  
19 end this session, but while you're up there, I have  
20 one question before we let you go.

21 (Laughter.)

22 COMMISSIONER KIMBREL: Pursuant to the

1 statute, I'd like to ask you in a nonantagonistic  
2 manner about banking and legal services. A few years  
3 ago, our former Commissioner, Maye Edwards, had us  
4 all squirming in our seats with her professional  
5 services panel that was so pointed about the lack of  
6 movement in the banking and legal service sectors and  
7 regarding direct or diversity spend.

8 So here today, we're still talking  
9 about the lack of progress. So I'd like to know  
10 really what challenges you're facing and why we can't  
11 move these numbers.

12 MR. HAUK: I'll take a stab at this.

13 It's a long way to go, but I would  
14 like to share -- and I don't want to steal any  
15 thunder from Martin Cabrera and the story he's going  
16 to tell. But I can tell you that from a high level  
17 at American Water, as I said, as part of the  
18 Investment Committee for American Water parent, we've  
19 been able to move the needle, but the journey is  
20 long.

21 Just three examples. The first  
22 session that was in 2015 and the following year we

1 placed \$100 million with Pugh Investments, which is a  
2 minority-based enterprise. Martin is going to share  
3 the story where part of our transaction -- something  
4 that's unique, a non-deal roadshow, which we also did  
5 with Loop Capital. Sidney Dillard is in the room,  
6 and we did that in Camden in our headquarters  
7 recently.

8 And then most recently, it's taken  
9 three years, but we are in the process of placing  
10 \$60 million with Ariel Capital. So I'm proud of  
11 that, and I would say that the relationship and the  
12 history I talked about, those relationships were  
13 created and the impacts and the influences were  
14 created because of this joint partnership. It gave  
15 me the opportunity to talk about the importance, and  
16 then it ultimately led corporate leadership to  
17 embrace the decision, and I think more to come.

18 MR. MATTHEWS: I'll just add, Commissioner,  
19 that I certainly think all of us have seen progress,  
20 significantly more progress on the financial side and  
21 the legal side and starting to see significant  
22 progress on the IT side.

1                   The challenge with the legal side,  
2     you know, and this is just my perspective, is the  
3     model that the legal professional operates in, you  
4     know, even before you start to talk about diversity,  
5     and it is typically, you know, one big firm gets the  
6     business and holds onto it.

7                   That's not the case with the finance  
8     companies. You see finance companies even outside of  
9     supplier diversity having this sharing mentality.  
10    You see underwriting financial firms sharing -- four  
11    or five of them sharing the work together.

12                  You just don't see that. So law  
13    firms, just by the nature of the industry that they  
14    have operated in -- and I hate to say it. I know  
15    probably two thirds of the room are probably lawyers  
16    in here, but just not an industry that, you know, has  
17    been geared to sharing work.

18                  So we're being asked to do something  
19    different than the model that currently exists, and  
20    it's going to be challenging. We're going to have to  
21    figure out how to, you know, get those law firms to  
22    be willing to share.

1                   And it's not easy, because a lot of  
2                   these law firms are deeply entrenched, deeply  
3                   knowledgeable, and as a result, they have huge  
4                   competitive advantages that, again, the nature of  
5                   that industry is not to give that away. So we're  
6                   going to have to figure how to get past that.

7                   MR. WILLIAMS: Commissioner, one of the  
8                   challenges is, as I would describe, structural. And  
9                   as we've experienced consolidation in this industry  
10                  over the last -- really over the last several decades  
11                  where utilities have either been acquired and/or  
12                  merged, a couple of aspects with regards to what's  
13                  created challenges, when that happens, you no longer  
14                  have two CEOs. You no longer have two CFOs or CIOs  
15                  or two GCs. You create what's considered in our  
16                  company a shared services structure where the parent  
17                  company basically will then centralize those services  
18                  back to utilities.

19                  So at Nicor Gas, for instance, I  
20                  don't have a GC or a CFO at Nicor Gas. It's through  
21                  the centralized function.

22                  So part of our challenge has been

1 expanding those opportunities, which by the way are  
2 outside of Illinois, that gives diverse businesses  
3 the opportunity to be able to leverage their  
4 services.

5                   And we have examples of that. We  
6 have examples, for instance -- and I usually don't  
7 sit up here and start calling names with regards to  
8 some of the things that we're doing, but in that  
9 space with Loop Capital, we just recently executed a  
10 \$300 million opportunity with Ariel. It took five  
11 years to do that.

12                   And the long -- the runway is a  
13 little longer around these types of opportunities  
14 because of the structure, because of the ability to  
15 be able to give these firms exposure to these  
16 opportunities over a longer term horizon.

17                   But rest assured, it's something that  
18 we are certainly committed to and that we will  
19 continue to fight the fight with regards to how both  
20 internally as well as with our partners that these  
21 opportunities will continue to present themselves.

22                   Thank you.

1                   MR. MARK: I would just share Melvin's  
2                   comments, because we're structured the same way with  
3                   a shared service organization. Quite honestly, I try  
4                   to reduce our legal costs every chance I get. I  
5                   don't want to hire many lawyers.

6                   But I'll take that opportunity to --  
7                   I'd like to just introduce our new general counsel  
8                   from Ameren Corporation. She's here with me today,  
9                   Chonda Nwamu. Chonda joined us, like, four years  
10                  ago -- three years ago, okay, and she became general  
11                  counsel just appointed in August of this year.

12                  So she came with me today to try to  
13                  get to know everyone here better, to try to  
14                  understand the importance of diversity in the State  
15                  of Illinois, and I think she's going to do a great  
16                  job. She's working with us, but as Melvin said, when  
17                  you have financial relationships, the legal issues,  
18                  those take time. We've been working on it, but it  
19                  takes time for them to come.

20                  So it's just a point of we have to  
21                  continue our efforts to make sure we see that happen  
22                  more.

1                   MR. DOMINQUEZ: Commissioner Kimbrel, I'd  
2 just add to one of the comments that has already been  
3 made.

4                   One of the things I recommended  
5 earlier is that we really take a careful look at the  
6 belly buttons that are doing our work and have some  
7 robust data when we have a law firm, how much of that  
8 work is being done by women and people of color.  
9 That needs to be laid out.

10                  For Exelon, that's about  
11 36 1/2 percent, and like Melvin said, we share those  
12 services across a number of companies. So it looks,  
13 at least, at a high level pretty close to the 39  
14 percent of ComEd's overall spend, but as I start to  
15 dissect that 36 1/2 percent number, what I see is a  
16 major difference. And that is, whereas  
17 overwhelmingly, the bulk of our spend with women and  
18 minority-owned businesses is with minority-owned  
19 businesses, near 60 percent of that spend.

20                  The overwhelming amount of spend when  
21 I look at those belly buttons, who is billing the  
22 hours, if I just look at that subset of

1 36 1/2 percent, most of it is with white women.

2 And so while that's great and  
3 tremendous progress, we need to make more progress  
4 with people of color in majority-owned law firms.

5 (Applause.)

6 MR. DOMINQUEZ: And that means pressuring  
7 them, because the top line number may look good, but  
8 if what you're really looking at is affected  
9 economically challenged communities and creating that  
10 opportunity in these big law firms, we're just not  
11 there yet. We've got to pressure them. They've got  
12 to hire differently. They've got to mentor and  
13 retain differently than they are today.

14 We're not satisfied with the  
15 progress. We've shared that with our partners, and  
16 we know they're working on it. But that's an area,  
17 again, to Commissioner Bocanegra's earlier question,  
18 which I thought was exceptionally good, is where are  
19 the gaps with what we're doing, what should we be  
20 measuring that we're not measuring yet.

21 Hopefully, there's an opportunity for  
22 further discussion on those issues, because I think

1 we have some good ideas to share. We all do.

2 MS. RABCZAK: Thank you very much. I  
3 apologize. We're running late. We're running 50  
4 minutes later.

5 CHAIRMAN ZALEWSKI: I was just going to  
6 say, we're 50 minutes over, which is fine. It's been  
7 a great discussion. So we're going to take a quick,  
8 five-minute break. Keep it really quick if we can.

9 I just wanted to mention we talked  
10 about leadership in Springfield, and I would be  
11 remiss if I didn't acknowledge Commissioner Martinez.  
12 Thank you for being here today.

13 With that, we'll take a quick,  
14 five-minute break and then reconvene for our second  
15 panel. Thank you.

16 (Brief recess had.)

17 COMMISSIONER OLIVA: Okay. We are going to  
18 get started in five seconds, so if you could please  
19 have a seat or take your conversation outside. We're  
20 already running really behind.

21 Welcome back from the break, and  
22 we're going to get started with panel 2. I'm Sadzi

1       Oliva, and I'm one of the Commissioners here at the  
2       Illinois Commerce Commission, and I'm the Moderator  
3       for this panel about how to foster partnerships.

4                       I'm truly honored to moderate this  
5       particular panel and to hear from our distinguished  
6       panelists, because partnerships are such an important  
7       component to supplier diversity as we heard earlier  
8       from our utility CEOs.

9                       This summer the National Association  
10      of Regulatory Utility Commissioners, which is our  
11      national association, unanimously voted to adopt two  
12      resolutions from the Supplier and Workforce Diversity  
13      Subcommittee, which I chair.

14                      And these two resolutions, the first  
15      encouraged collaboration and partnership expanding  
16      previous resolutions. The first encourages the  
17      inclusion of all minority serving institutions in the  
18      development of long-term strategic partnerships to  
19      address pending retirements of utility professionals.

20                      The second supports diversity in not  
21      only financial services, but all professional  
22      services for investor-owned utilities. And both of

1 these directly relate to the great stories we're  
2 going to hear from our panelists next.

3 With that, I'm truly happy to  
4 introduce and for you to hear from Martin Cabrera,  
5 CEO of Cabrera Capital Markets; Homero Tristan,  
6 founding partner of Tristan and Cervantes; Tim  
7 Richards, Vice President of Project Productions and  
8 Premium Management at Richards Graphic  
9 Communications; James Clayborne, Partner at  
10 Clayborne, Sabo, & Wagner; and Sidney Dillard,  
11 Partner at Loop Capital.

12 So please join me in welcoming our  
13 panelists.

14 (Applause.)

15 COMMISSIONER OLIVA: And, Martin, you're  
16 free to begin when you're ready.

17 MR. CABRERA: Thank you, Commissioner  
18 Oliva.

19 Madam Chair and Commissioners, thank  
20 you for the opportunity as well as thanking Senator  
21 Sandoval as well as Senator Martinez and the other  
22 elected officials that are here.

1                   I just want to share some of our  
2 thoughts on some of the success that we've had that's  
3 been due to the ICC as well as elected officials that  
4 have come together with the executives.

5                   I wanted to thank kind of some of our  
6 partners as well, ComEd and Exelon as well as Peoples  
7 Gas and Wisconsin Energy.

8                   I did want to share a story of our  
9 partnership with American Water, and this goes back  
10 to about a year ago. From the hearings from the ICC,  
11 we did kind of start a relationship with American  
12 Water. And it was kind of something that kind of --  
13 Bruce kind of took the bull by the horns and reached  
14 out and wanted to spend some time to learn more about  
15 the business.

16                   And we sat down with some of our  
17 banking team to go over our areas of strength and  
18 where we thought we could bring value to American  
19 Water. And about April of 2019 -- we started having  
20 some discussions in January about having -- being  
21 able to participate in some of the transactions. And  
22 in about April of 2019, we kind of put together

1     what's called a non-deal roadshow, and what that  
2     means is that we're going to provide kind of American  
3     Water and their treasury team, some of the large  
4     buyers here in the midwest and some came from Texas  
5     as well, to spend some time one on one hearing about  
6     the American Water story and the positive things that  
7     were happening.

8                     It was kind of timely in the sense  
9     that about a week before we actually had the road  
10    show, they were downgraded by Moody's. And the  
11    downgrade is never a good thing for a corporation,  
12    but it allowed American Water to spend some time with  
13    some of their investors, the new investors, to tell  
14    their story and the positive impacts that were taking  
15    place at American Water and what it meant to some of  
16    the clients out there.

17                    So they were able to sit across the  
18    table from the treasury team, and the buyers that we  
19    brought together -- it was over 550 billion worth of  
20    assets. Also, to share the story of what American  
21    Water was doing in ESG, what's called environment,  
22    sustainability, and governance.

1                   ESG is an environmental kind of  
2                   sustainability and corporate governance. Those are  
3                   areas where a lot of the investors were buying  
4                   corporations' bonds or looking at, and the impact  
5                   that they were having not just on their diversity  
6                   spend, but also for their board makeup and what they  
7                   were doing in the environment.

8                   So it caused a lot of interest. So  
9                   the dialogue that we had with some of the money  
10                  managers and the treasury team from American Water  
11                  kind of flying out to spend time with some of those  
12                  managers here in Chicago that were flying in from  
13                  around the country as well was time well-spent. But  
14                  it allowed us to expand some of the diversity --  
15                  diversity in some of their buyers for their bonds.

16                  It was something that ultimately kind  
17                  of bode well for American Water, but it allowed us to  
18                  show where we bring value to the table, and we were  
19                  able to participate in the transactions that American  
20                  Water had for about 1.1 billion and providing orders  
21                  for their book, but it was something that we were  
22                  able to bring in new buyers to the American Water

1 bonds on there, which kind of made a huge difference  
2 for them, but it also allowed American Water through  
3 that non-deal roadshow to tell their story of  
4 success.

5                   It was reflected in the pricing of  
6 their bonds, but also kind of the value that we were  
7 able to bring. It was something that I share with  
8 you in the sense that it was a start of a  
9 relationship and a partnership, and it wasn't just a  
10 bond transaction. We wanted to show where we could  
11 bring value from our buyers that were here in the  
12 states as well as in Europe and Asia and how it  
13 would be helpful to American Water and their bottom  
14 line.

15                   But it started with kind of the  
16 intention of Bruce and his team and Rhonda coming out  
17 as well to really kind of do some due diligence on us  
18 and to see kind of what we could do to help them grow  
19 their business and their bottom line.

20                   And that's kind of the way we've  
21 approached business, and it's been helpful to  
22 American Water, but it's also been helpful to us, and

1 we know that it's part of a relationship that will  
2 continue to grow, but it wouldn't have been possible  
3 if it weren't for the ICC, the initiative, as well as  
4 the elected officials coming together with the  
5 executives from the utility companies to give those  
6 companies like ourselves that opportunity to compete.

7           Once we're given the opportunity to  
8 compete, then we're kind of at a point where we have  
9 to prove ourselves, and for some of those firms that  
10 are smaller and larger, it's a jump ball at that  
11 point, and you're out there competing with the  
12 largest firms.

13           But I think it's something that  
14 opened up the doors with American Water, and we'll  
15 continue to grow our relationship and our business,  
16 but to see where we can bring them value.

17           We've also kind of been looking for  
18 different water municipalities that may be  
19 interested, as Bruce had mentioned previously, that  
20 may be looking to get out of the water business where  
21 they can acquire and bring them different  
22 municipalities throughout the country that they would

1 consider for acquisitions.

2 But it's something that wouldn't have  
3 started without the opportunity, and we appreciate  
4 the opportunity from our utility partners that we've  
5 worked with in the past, because that's our  
6 opportunity to grow kind of those relationships and  
7 partnerships.

8 But it's the elected officials and  
9 the ICC and having the foresight of how Illinois is  
10 that model around the country where you have other  
11 firms around the country coming here to take  
12 advantage of those opportunities, and it's very  
13 competitive, which is a great thing and it puts  
14 everybody on their toes.

15 So it's an example that we share that  
16 we're proud of, and we know the relationship will  
17 continue to grow, and I think the Senator mentioned  
18 this yesterday that kind of you have to trust folks  
19 in order to do business with them. But in order to  
20 trust them, you have to come together and do some  
21 business.

22 And that's what kind of sparked the

1 relationship there with American Water. We're  
2 grateful. But also with some of the others at ComEd  
3 and Peoples Gas and their parent companies. So we  
4 appreciate the opportunity to be here and hoping  
5 later for questions. Thank you.

6 COMMISSIONER OLIVA: Thank you, Martin.

7 Homero?

8 MR. TRISTAN: Thank you, Commissioner.

9 Good morning. And thank you for all  
10 the work that you're doing in this area, and good  
11 morning to the Chair and fellow Commissioners.

12 My name is Homero Tristan, founder of  
13 Tristan Cervantes, a legal services firm here in the  
14 City of Chicago.

15 And on this topic of partnership, I  
16 believe that the gentleman that really epitomizes the  
17 word and the true meaning of it is here, Senator  
18 Sandoval, who has partnered with the ICC and has  
19 partnered with the utilities to say, I think there's  
20 an issue here that we want to resolve, and we want to  
21 resolve it as partners. So thank you for all your  
22 work in that effort, Senator.

1           The mentor-protege' relationship is a  
2           time-honored method for learning and gaining  
3           knowledge in professional development. It is a  
4           symbiotic relationship between a mentor-protege' pair  
5           who assist each other to meet mutual objectives.

6           Effective mentoring is intentional.  
7           Effective mentoring requires conscious effort.  
8           Ultimately, the successful protege' develops the set  
9           of tools that enables autonomous performance and  
10          mastery.

11          And I submit that the mentor is made  
12          better by also learning from the protege's unique  
13          experience such that they create and enable mutual  
14          learning and benefit.

15          Now, today, our panel is discussing  
16          the story of partnerships and ways to foster  
17          partnerships through success, scalability, and  
18          strategy. Partnerships arise out of a need to  
19          provide a solution or to tackle a problem that one  
20          alone cannot manage as well.

21          Now, the story of my partnership with  
22          ComEd is not a simple story. It didn't start with an

1 immediate -- with an immediate opportunity. Instead,  
2 it started with what many MBE vendors often face.  
3 That is, seeking to work in an area where they have  
4 not traditionally been present.

5 For us, we had an ambition to  
6 practice regulatory law before the ICC and to do  
7 utility practice here in Illinois. And to ComEd's  
8 credit, they had a strong desire to work with MBE  
9 firms in the regulatory space.

10 However, the challenge was that we  
11 didn't have the experience necessarily in the unique  
12 prospect of utility work, and there weren't many MBE  
13 law firms providing that service. So ComEd was  
14 unable to just quickly go to the Rolodex and contact  
15 these folks.

16 So that was the challenge, it was a  
17 challenge that was identified by ComEd. And rather  
18 than identify it as a problem, an obstacle, or a  
19 barrier, they decided rather than repeat the popular  
20 refrain of, no, you don't have the experience, they  
21 created a strategy in partnership with MBE law firms.

22 So a couple of years ago through the

1 leadership of ComEd, they created what I believe is  
2 the first of its kind mentor-protege' or mentorship  
3 program, and we were chosen as one of the two firms  
4 that are participating in that particular mentorship.  
5 And the program pairs us with a majority firm, and  
6 currently, we're working with a majority firm here in  
7 the City of Chicago which is a national firm, and  
8 we're working with the utility experts along with  
9 attorneys directly from ComEd, and they asked us to  
10 begin to learn the areas of regulatory law.

11 Now, because it's a partnership,  
12 ComEd didn't simply say, here's the work, go and do  
13 it. They also made sure that we had buy-in and that  
14 we invested. So it wasn't that ComEd was only  
15 giving. ComEd was also asking.

16 They asked us to invest in the  
17 resources. They asked us to invest our time. They  
18 asked us to invest the ability to spend time that  
19 would be training, going back to school essentially,  
20 to do coursework throughout the year, to do homework  
21 to enable our lawyers to be able to understand a  
22 different area of law.

1                   So they didn't just partner with us  
2                   to say that we're going to give you work. They asked  
3                   us to also put skin in the game, and that skin for us  
4                   was to make sure that we had the resources and that  
5                   we were investing in this partnership.

6                   And the classroom instruction along  
7                   with real-life work working with the majority firm  
8                   produced a success, so that partnership has been  
9                   successful and the partnership is achieving success.  
10                  We started with a few projects, small in scale and  
11                  really piecemeal, working alongside just to begin to  
12                  get our bearings.

13                  Ultimately, we grew to more complex  
14                  assignments, and currently, we're handling multiple  
15                  assignments for ComEd, and that is only because of  
16                  the success of the partnership. And that partnership  
17                  is only strengthened by continuous encouragement and,  
18                  yes, critique, and it goes both ways.

19                  ComEd has held us in and said, well,  
20                  here's some areas that we really want you guys to  
21                  spend time, and we've said to ComEd, here are some  
22                  issues where I think we can, perhaps, do better.

1                   But that partnership has fostered  
2                   that success, and I believe that ComEd is continuing  
3                   to invest its time in making sure that this  
4                   partnership is long lasting and sustaining.

5                   Ultimately, both of us hope that this  
6                   particular partnership creates scalability. Now,  
7                   scalability is an attribute that describes the  
8                   ability of an organization to grow and manage  
9                   increased demand. I submit that this, too, is  
10                  symbiotic. We grow in our knowledge and in our  
11                  workload, and we grow in the business that we're  
12                  doing.

13                  In fact, last week we moved to new  
14                  offices because of that expansion and because of the  
15                  partnership. And I believe that ComEd grows in its  
16                  skills and its stature of its commitment to  
17                  diversity. They really are the ones that should be  
18                  looked at as creating a model, seeing a problem, and  
19                  saying it's a problem, but we're going to fix it  
20                  through strategy and in partnering with MBE firms.

21                  Partnerships have to be able to  
22                  evolve over time and develop new ways to grow and

1     achieve goals. ComEd has said to us that they wanted  
2     to continue to grow with us because they not only  
3     provide us with piecemeal or smaller projects, but  
4     they wanted us to really strengthen the amount of  
5     complex matters and the ability to manage matters on  
6     our own.

7                     And to that end, as part of our  
8     evolution, our firm has developed a relationship with  
9     an of-counsel lawyer, John Ratnaswamy, who has his  
10    firm and works with Tristan and Cervantes as well,  
11    and he's adding some of the expert guidance to allow  
12    us to evolve and continue to scale the abilities that  
13    we have and for us to continue to train our young  
14    attorneys as well as the partners that have been  
15    assigned to these relationships.

16                    So I want to thank ComEd for  
17    partnering with us and for achieving not only the  
18    relationship toward mutual gain, but to also be an  
19    example for others and how this particular issue can  
20    be resolved through partnership.

21                    Thank you.

22                    (Applause.)

1 COMMISSIONER OLIVA: Thank you.

2 Tim?

3 MR. RICHARDS: Good morning. My name is  
4 Tim Richards. I would like to thank the ICC and the  
5 Commissioners for hosting this supplier diversity  
6 session, as well as specifically Michelle Muhammad  
7 (phonetic) over at supplier diversity at Nicor Gas  
8 for nominating us to be here on this panel. So thank  
9 you.

10 This morning I'm going to share the  
11 story of Richards Graphics, our partnership with  
12 Nicor Gas, and then how Richards Graphics through  
13 this partnership gives back to the community of  
14 Bellwood. That's where we are located.

15 So to start off the story, Richards  
16 Graphics is a 94-year-old tech company startup.

17 (Laughter.)

18 MR. RICHARDS: I figured that was going to  
19 bottom, so I appreciate that.

20 My great-grandfather started the  
21 company in 1925. When he passed away a few years  
22 later, my great-grandmother ran the company for about

1 ten years. So while not sanctioned by the State of  
2 Illinois, we were a woman-owned business back then.

3 When my grandfather returned from  
4 service in the Navy, he became owner and ran it,  
5 again, not sanctioned by the state, but as a  
6 veteran-owned company. And today, Mary Lawrence, my  
7 aunt, who volun-told me to sit here in front of  
8 you --

9 (Laughter.)

10 MR. MARK: She's on vacation, a  
11 well-deserved vacation. She runs the company with a  
12 woman-owned business, WBE certification.

13 In terms of how Richards Graphics was  
14 formed, we're obviously a very family-oriented  
15 business, and so our employees, our vendors,  
16 everybody from -- everybody has the family mentality.  
17 We're very inclusive in that regards.

18 Through all the ups and downs over  
19 the years, one story really pops up to mind as you  
20 guys are trying to work with diverse companies. In  
21 the '90s, our business was growing. We were on scale  
22 to make a large investment in a new printing press.

1 So we invested about \$2 million to move this press  
2 into our facility.

3 And the final piece was going in. We  
4 held a celebration, an open house on September 10,  
5 2001. There was not a job that ran on that press for  
6 the next four months because of September 11th. So  
7 there's a lot of unforeseen risks in investment from  
8 the small business community.

9 In terms of our partnership with  
10 Nicor Gas, it's been about 12 years. We were  
11 approached on some small jobs, kind of got our feet  
12 wet, and then over time we developed into a -- more  
13 of a resource and advisory role. From a print  
14 perspective, that is not normal.

15 Through that partnership, we  
16 developed relationships with implementation  
17 contractors for energy efficiency. So CLEAResult and  
18 Franklin Energy are some of those on the screen as  
19 well. But that business came directly from our  
20 relationship with Nicor gas.

21 And then through those energy  
22 efficiency programs and those implementation

1 contractors, our business also grew through Ameren,  
2 Com Ed, ONCOR out of Ohio.

3 So in terms of what we're doing today  
4 for Nicor Gas, we developed a trade ally site. So  
5 the HVAC guys out in the field can come onto our site  
6 and order a residential rebate fact sheet with their  
7 logo on it as well as Nicor Gas' information so they  
8 look like experts in the energy efficiency field.

9 So additionally, it's very  
10 well-organized. This was a joint effort with the  
11 communications team of Nicor Gas as well as some HVAC  
12 input into getting these resources available for them  
13 to order. They're available as pdfs. Obviously,  
14 we're a printing company, so the goal is for us to  
15 print it and distribute it, but in this modern era, a  
16 lot of communications happen via email.

17 The site is where we are focusing our  
18 growth and our business in making sure that the asset  
19 library of Nicor Gas is easily accessible from the  
20 communications team to the human resources team.  
21 Procurement can come in here and see what  
22 their dollar spends are. All of that information --

1 our goal is to develop it in response to the feedback  
2 from the vendors or from -- sorry -- from Nicor Gas.

3 So some of the collateral  
4 additionally that we're sending out is in the bill  
5 inserts. So I hope all of you are opening your bill  
6 inserts. If you want to send Melvin an email saying  
7 you read it, I would appreciate it. As well as  
8 employee communications.

9 We are also helping the IUBDC with  
10 invitations to their events, their signage. The  
11 Naperville Rib Fest was one of the events that we  
12 also helped with.

13 In terms of giving back to the  
14 community, the focus of our corporation is literacy,  
15 so a lot of our initiatives surround those charities.  
16 So Cradles to Crayons and Books to Women in Prison  
17 are some of the recipients of some charitable  
18 donations.

19 In addition, all of our employees are  
20 from around the Bellwood area, so they are Illinois  
21 employees. They give back their time and  
22 their dollars as well to initiatives in this area.

1 Including this morning. I was running a board  
2 meeting for a charity in Blue Island that supports  
3 the area with food pantries and suppers.

4 So in closing, as I listen to myself,  
5 I think the initiatives that you guys are taking here  
6 on this Commission have a butterfly effect to the  
7 community that is not trackable in your earlier  
8 question, Commissioner.

9 The investments that you -- that  
10 utilities make in small businesses are enormous  
11 growth opportunities for the local region. So thank  
12 you.

13 (Applause.)

14 COMMISSIONER OLIVA: Thank you, Tim.

15 James?

16 MR. CLAYBORNE: Thank you, Commissioner.

17 It's a pleasure to be here. And to the Commission  
18 and the Chairman, my former colleague who spoke. I  
19 don't see my other colleague here. But it's an honor  
20 to be here.

21 I'm here on behalf -- at the request  
22 of Ameren, but I, too, want to not only express my

1 appreciation to Ameren for the opportunity they have  
2 given me, but also Nicor, Illinois-American Water,  
3 Peoples, and ComEd for the opportunities you have  
4 provided my firm.

5 It's a little different being on this  
6 side. I was on the other side for a long time, and  
7 some of the people I represent now, I have been on  
8 the other side. I work with them. I may have been  
9 in opposition with them. But I think there's always  
10 been a level of respect and honor and appreciation.

11 And I think that's what the utilities  
12 have provided, and in particular Ameren since -- and  
13 all that I mentioned before. But, you know, my firm,  
14 I think, is somewhat unique in the sense that for a  
15 significant number of years, I represented a  
16 municipality, so different from a lot of minority  
17 firms. You know, I was exposed, my firm was exposed  
18 to working in an area such as negotiating franchise  
19 agreements, involved with redevelopment projects  
20 where we had to negotiate easements and/or land use  
21 deals.

22 We also were involved with other

1 aspects of development, and it gave us a different  
2 and unique perspective.

3 So having said that, Ameren has given  
4 us an opportunity to work in those areas. We are  
5 negotiating franchise agreements on their behalf.

6 We just had a major victory for  
7 Ameren. I guess it was almost -- it comes up pretty  
8 fast. Almost a year ago where there was a fight  
9 between a municipality for land that they had annexed  
10 that Ameren actually had their utilities, their poles  
11 in that area that had been annexed, and the  
12 municipality wanted that land back and actually went  
13 to district court.

14 They won in district court. We won  
15 at the appellate level. And the Supreme Court did  
16 not take the case. So we were successful. And  
17 again, Ameren allowed us to do the things that --  
18 practice in the area that we had practiced before and  
19 given us an opportunity. They could have gone with a  
20 big Chicago majority firm, but they gave us that  
21 opportunity.

22 And what that does, again, it

1 legitimizes your ability to provide the same level of  
2 services, quality legal services, and frankly, I'm  
3 sure we were not charging -- we are not charging what  
4 the big Chicago firms are charging. So again, it  
5 gives us the ability out in the market to be  
6 legitimized.

7 Ameren has also, again, worked with  
8 us in relationship to what our capabilities are and  
9 given us that opportunity to be able to, again,  
10 demonstrate what we're capable of doing.

11 Negotiating franchise agreements.  
12 Not many firms, the majority or minority firms, are  
13 participating in negotiating franchise agreements  
14 with various municipalities. Because we do have  
15 expertise in that area, again, it gives us, again, an  
16 opportunity to legitimize ourselves and to legitimize  
17 ourselves out in the market of being able and capable  
18 of doing -- performing practices in areas that,  
19 again, traditional minority firms don't practice in.

20 We have opportunities as it relates  
21 to -- with other utilities, same thing. Looking at  
22 practicing -- we do JULIE litigation. We're involved

1 with easements that we've helped obtain for Ameren  
2 and other utilities. We're currently involved with a  
3 contract to provide replevin work for Nicor that I  
4 understand we have an exclusive agreement with them  
5 on. We've done with work with ComEd in that same  
6 area.

7 I think that what has happened with  
8 us and the opportunities presented is all about  
9 leadership, and I think my other colleagues have  
10 talked about it. You know, there's a -- if you've  
11 seen the movie, *Remember the Titans*, there's a scene  
12 in *Remember the Titans* where the all-American, white  
13 linebacker gets into it with the defensive end, and  
14 he talks about the fact that the defensive end is  
15 pushing up field and not containing his space.

16 And the team actually had an African  
17 American quarterback, and the defensive end looks at  
18 the linebacker and says, "When they start blocking  
19 for Rev, then I will play team ball." And he says  
20 to him further, he says, "Attitude reflects  
21 leadership."

22 And I think that if you heard the

1 panel that spoke earlier, we've made in this state  
2 outstanding -- in my mind, outstanding  
3 accomplishments in terms of building partnerships.  
4 And I'm talking about my former colleagues in the  
5 ICC. Building former partnerships with leaders who  
6 have the vision and leadership to step out and make a  
7 change and give access and opportunities to those  
8 talented lawyers and/or financial planners and/or --  
9 financial industry and/or construction or whatever  
10 contracts that exist.

11 I think that when we formed this --  
12 and I'm kind of digressing a little bit. I think  
13 when we took on the challenges of making sure that  
14 opportunities reflect what our state looks like, that  
15 we've come a long way, but we still have a long way  
16 to go. But I will sum it up by saying, I'm very  
17 appreciative of Richard, who I have known all my  
18 life, and I'm very appreciative of the opportunity  
19 that Richard has always opened the doors and always  
20 said what he can do.

21 Melvin and I have developed a great  
22 relationship. I'm very appreciative of Melvin and

1 all that he's done to help.

2                   Bruce Hauk. Bruce -- Bruce lives --  
3 the headquarters is a mile from my house, and Bruce  
4 and I have lunch occasionally, and I'm very  
5 appreciative of Bruce stepping out and being  
6 aggressive. I met Bruce one of the first weeks I  
7 think Bruce took office, and Bruce made the  
8 expression that -- he made the statement that he's  
9 going to do much better than what he's done, and I  
10 think Bruce has kept his commitment.

11                   Joe and I have not worked together in  
12 this capacity, but Joe and I go back probably about  
13 15 years when we were dealing with electric issues,  
14 and I'm always appreciative of that relationship.

15                   And as well as Charles. I have known  
16 Charles the last four or five years, and Charles is  
17 very committed to the task at hand.

18                   Having said that, it's very important  
19 that we make an assessment of who is out in the  
20 market and how we can help scale them up. I  
21 personally believe, and I had this conversation with  
22 Chonda a couple of weeks ago, one of the ways that

1 you scale up a minority firm is to give them  
2 predictability. It's hard to invest in additional  
3 manpower or labor if you don't know that there's a  
4 consistent amount of work coming, particularly as  
5 lawyers.

6 And I do believe -- and I'll say  
7 this. Since I have been here, I received an email  
8 from a majority firm that I worked with on another  
9 project, and this is the second email that they sent  
10 me in three weeks wanting me to be a partner in  
11 their -- in RFPs that they're going to respond to.

12 And I only say that to say this.  
13 If -- and this is not knock on the firm, but if we  
14 had not been given opportunities, they would not know  
15 what our capabilities are. And obviously, we bring  
16 an advantage to the table, and they bring an  
17 advantage to create us and give us -- an advantage  
18 for us to create greater opportunities and exposure.

19 So the point that I want to leave  
20 with is that I believe without the effort of Richard  
21 and Melvin and Bruce and Charles and Joe, a lot of us  
22 would not have received some of the exposure and the

1 growth that we are currently experiencing. So I'm  
2 very appreciative.

3 My colleague, Senator Sandoval,  
4 knows, and it's been stated, that there's a lot of  
5 more progress that can take place. I'm very  
6 appreciative of the progress that's taken place, and  
7 I look forward to continuing to work with you all and  
8 to grow to scale. And I want to express my thank you  
9 as well with the ICC.

10 You know, I have my son here, and he  
11 will tell you that I have always raised him to  
12 believe that if you show up every day and you work  
13 hard, that you can be successful. And I believe that  
14 the gentlemen here who spoke earlier have been a true  
15 example of showing up and creating opportunities.

16 Thank you.

17 (Applause.)

18 COMMISSIONER OLIVA: Thank you, James.

19 Sidney?

20 MS. DILLARD: Good afternoon. I'm Sidney  
21 Dillard, and I am a partner, and I head our corporate  
22 investment banking business at Loop Capital Market.

1                   I want to give you a little bit of  
2                   backdrop on Loop. We compete in an industry that is  
3                   dominated by giants, but we have proven that there  
4                   are significant opportunities for firms like Loop  
5                   partnering with companies that are represented here  
6                   in this room today and the gentlemen who spoke  
7                   earlier. There are opportunities, and I want to talk  
8                   about -- specifically about one that we have with  
9                   Peoples Gas that we work with and all of the  
10                  utilities here that are represented in the State of  
11                  Illinois.

12                  But in the context of the investment  
13                  banking business, the giants that we all know,  
14                  J. P. Morgan, Morgan Stanley, Goldman Sachs, B of A,  
15                  et cetera, are formidable. But one of the things  
16                  that we have done as a firm is really looked at what  
17                  is the lane that we can operate in and how it is that  
18                  we get to know our clients and leverage those  
19                  capabilities that we have invested in as a firm to  
20                  help meet the needs that our clients have.

21                  We started in 1997. We are Chicago  
22                  based and rooted with a global reach in terms of the

1 companies and the institutional investors that we  
2 work with and the business that we do.

3 I have had the opportunity to work  
4 with Peoples Gas over many, many years. Even before  
5 I joined Loop Capital Markets in 2002, I had worked  
6 with Peoples Gas really since the mid '90s. And one  
7 of the things that is important about that is when  
8 Loop was getting started in 1997, we were a new firm,  
9 but the people that worked at the firm and who  
10 continue to work at the firm today had a tremendous  
11 amount of experience in the financial services  
12 industry.

13 And one of the things that Peoples  
14 recognized at that time was that even though the firm  
15 was newer in its existence, our people had tremendous  
16 experience. And that's really one of the things that  
17 we want to make sure that our clients recognize is  
18 the experience that our people bring to the table in  
19 their time at Loop as well as in their time at other  
20 organizations where they have worked and been  
21 successful and worked effectively with clients.

22 In the context of Peoples, we

1 started -- from the beginning, they demonstrated a  
2 commitment to us as a local firm, as a minority firm,  
3 but most importantly, as a firm that had capabilities  
4 that were aligned with what their needs were.

5           So the interesting thing, though, is  
6 along the way -- and I think someone mentioned  
7 earlier just around the amount of activity and  
8 acquisition and M and A activity that's occurred in  
9 the market, and Peoples was acquired by We Energies  
10 in 2015. And so sometimes when that happens, your  
11 relationship can change.

12           But what we saw is that our  
13 relationship did not diminish at all, but, in fact,  
14 it grew more. And what ended up happening is that  
15 the commitment that Peoples had in advance of the  
16 acquisition by We Energies just grew that much  
17 larger, that they were actually acquired by a company  
18 that shared that same commitment, a company that we  
19 had worked with previously.

20           And where we saw this happening was  
21 that when Charles Matthews came in as the President  
22 of Peoples Gas and North Shore Gas was really kind of

1       how he hit the ground in Chicago, and his advocacy on  
2       behalf of those companies that were working with them  
3       and advocating with the folks in Wisconsin around the  
4       importance of continuing to do business with firms  
5       like ours and making meaningful opportunities.

6                       As well -- and this is actually a  
7       little bit of an anomaly, but certainly not for  
8       Illinois utilities, because we have the blessing that  
9       all of our utilities in Illinois focus on -- from a  
10      supplier diversity perspective focus not just on  
11      construction opportunities, but also on professional  
12      services and financial services opportunities.

13                      We saw that work and that engagement  
14      by Jerry Fuller in his role from a supplier diversity  
15      perspective. And it was significant because Jerry  
16      was attuned to and he was plugged into the folks in  
17      finance and treasury. That is not the norm across  
18      Fortune 500 companies in this country, but it is  
19      definitely the norm for our Illinois utilities,  
20      including Peoples Gas.

21                      So the opportunities that we have had  
22      to work with Peoples have been broad and diverse. It

1 has leveraged our capabilities in terms of the  
2 investor relationships that we have and opportunities  
3 that we've had to work on financing both from a tax  
4 exempt perspective as well as from a taxable  
5 perspective.

6                   The dialogue and transparency that  
7 we've had has been helpful to making it so that as a  
8 firm we're able to think about ideas that can be  
9 helpful to the organization. And the other piece is  
10 that, you know, outside of capital raising, which  
11 obviously utilities do a lot of, we also had an  
12 opportunity around kind of our broader capabilities  
13 to work with Peoples Gas and We Energies providing  
14 the services of our financial consulting services  
15 team around valuations.

16                   And so, you know, the opportunity has  
17 been broad, and we've appreciated the fact that the  
18 company has been able to look at us in terms of all  
19 the capabilities we can bring to bear around their  
20 needs and given us an opportunity to step forward and  
21 to provide those services.

22                   We had our first opportunity to work

1 with Peoples Gas in 2001, and since that time, we  
2 have consistently worked with them across their  
3 needs.

4 And I just want to close to say that  
5 we have, you know, been grateful for the support that  
6 the Illinois utilities have provided to Loop Capital  
7 as a firm, and particularly, that which Peoples Gas  
8 has provided to us through the changes that have  
9 occurred there, and we look forward to opportunities  
10 to continue to work together as we move forward.

11 Thank you.

12 (Applause.)

13 COMMISSIONER OLIVA: Thank you, Sidney.

14 (Applause.)

15 COMMISSIONER OLIVA: Do the Commissioners  
16 and Chairman have any questions of our panelists?

17 Commissioner Bocanegra?

18 COMMISSIONER BOCANEGRA: Thank you all for  
19 your time this afternoon, and congratulations on all  
20 of your successes that you have shared with us today.

21 My question for any of the firms  
22 really is, as the beneficiaries of a lot of the

1 successes that you have shared with us, how do you  
2 ensure -- either as a Tier 1 or a Tier 2, how do you  
3 pass that along and ensure that that butterfly  
4 effect, as someone spoke about, or those  
5 opportunities continue beyond your firm?  
6 Specifically, maybe share some examples of how you  
7 have also engaged in diverse spending.

8 MR. CLAYBORNE: So my health benefits, my  
9 investment monies are all with minorities. We buy  
10 our furniture from a minority-owned firm. Our  
11 website and maintenance of it is owned by a woman.  
12 It's supplied by a woman-owned firm.

13 So every opportunity that we have --  
14 in fact, my firm, we have more women in my firm as  
15 lawyers than we do male lawyers.

16 So we have -- at one point in time --  
17 the challenge with a smaller firm is that -- in  
18 particular being where we're located, it's similar to  
19 probably practicing law in Cicero versus downtown  
20 Chicago. Even though you practice in downtown  
21 Chicago, your office is not located there. So that's  
22 part of the challenge.

1                   But at one point, in Belden,  
2                   Illinois, I had more Asian lawyers in my office than  
3                   I had any other minority.

4                   So, obviously, we practice what we  
5                   preach.

6                   MR. CABRERA: I would say that, as Jim  
7                   mentioned, for ourselves, it's kind of a diversity  
8                   that we have, and it doesn't stop with just our firm  
9                   getting those opportunities. From our health  
10                  benefits, our printers, we're looking to see who are  
11                  the minority and women-owned business that we can  
12                  work with, but also the boards that we sit on --  
13                  we're kind of involved in many boards and our  
14                  executives as well, so that their presence is felt,  
15                  and other opportunities are being given as well.

16                  We were recently awarded a  
17                  development on the southwest side. It will be a  
18                  fairly large project, about 320 million. But if you  
19                  look at our partners, our joint venture partners,  
20                  they're African American. Milhouse was mentioned  
21                  earlier. They're one of our partners. But, also,  
22                  Latino architects, engineers, attorneys as well, and

1 other, kind of, African American architects and  
2 engineers. So that it is trickling down. It has to  
3 be a snowball effect.

4 And I think, Commissioner Bocanegra,  
5 that's what you were kind of getting to in your last  
6 question. Even for those utility executives, they  
7 want to see that those minority and women-owned  
8 businesses are given opportunities, that those people  
9 are involved and they're giving back.

10 We've given back over 3.8 million to  
11 not for profits over the years. That's something  
12 that we're proud of. But it's allowed us to grow and  
13 be one of the largest Latino financial services firms  
14 in the country.

15 But it's also showing some of the  
16 other businesses that we work with that we expect the  
17 same from them, that they're going to be working with  
18 other minorities as well. So it's definitely kind of  
19 us putting our influence and our leadership, as was  
20 mentioned before, on the boards that we sit on, but  
21 also the people that we do business with and what's  
22 expected of them as well.

1                   MR. TRISTAN: I would echo what Martin has  
2                   said. Just about all of the providers that we use,  
3                   from printing to our banker, are minorities. Our  
4                   firm is comprised of a majority women and a majority  
5                   minority within the attorney ranks. So it's not just  
6                   a leadership.

7                   And what's also important is that  
8                   since we occupy a space which is so unique to people  
9                   of color, we try to support other industries. And so  
10                  as an example, Martin, who I have known for many  
11                  years, goes out of his way to mentor me in an area  
12                  that's not his area. So he's brought relationships  
13                  to me that he understands would help me to grow. And  
14                  I try and do the same.

15                  As people and folks, whether it's  
16                  students or other things, where we try to also  
17                  provide not just direct business services, but the  
18                  opportunity to give them a connection or a  
19                  relationship, because that's as important because all  
20                  MBEs are in this really together. And although I  
21                  don't do -- I may not be purchasing things from Loop  
22                  Capital, there might be a relationship that I might

1 bring to bear and vice versa.

2 Because I think it's not just  
3 incumbent on us to do the direct, but also how do we  
4 continue to grow this community, because that  
5 ultimately makes us all better.

6 MS. DILLARD: I would just add, for us,  
7 from a financial services perspective, we have about  
8 185 people on our platform. So our biggest expense  
9 are our people, and half of our partners are  
10 minority. Half of our employees are minority.

11 And, you know, we have the blessing  
12 that the financial services jobs are very well-paid  
13 jobs, and we like to think we have -- probably a  
14 little more than half of those folks are here in  
15 Chicago, and we are able to impact the community that  
16 we are in from a headquarters perspective in a pretty  
17 significant way through the folks that are on our  
18 platform.

19 And then outside of our people in  
20 terms of wages and bonuses, et cetera, then our other  
21 expenses around our insurance services and other  
22 consulting services that we use as a firm, we always

1 use minority firms to work with us in the context of  
2 those services. So top of mind for us.

3 MR. RICHARDS: And I already highlighted  
4 our participation in the community, but I did want to  
5 point out the enormous difficulty it is in the supply  
6 chain. Specifically, for printers -- I guess for  
7 everybody -- but ComEd happens to be one of our  
8 largest bills. A lot of the manufacturing of  
9 printing equipment isn't diverse.

10 So a lot of our large investment --  
11 large dollars that would be reflective, it isn't  
12 available in the marketplace.

13 COMMISSIONER OLIVA: Do my colleagues have  
14 any other questions?

15 Well, it's 1:00 o'clock, and this is  
16 when we were scheduled to end this policy session.  
17 So to not delay anymore -- Commissioner Sheahan, do  
18 you have a question?

19 COMMISSIONER SHEAHAN: I have a point of  
20 personal privilege. Because we're running over so  
21 late, I have to pick up our eight year old. I have  
22 to leave early. I wanted to apologize to the

1 panelists that are going to come after. It's  
2 certainly not a reflection of my commitment to this  
3 discussion or the Chair's leadership. Thank you.

4 COMMISSIONER OLIVA: Thank you.

5 So I just want to thank our panelists  
6 again for engaging in this discussion and talking  
7 about strategies for fostering partnerships, and I  
8 look forward to seeing you all again soon and working  
9 with you in the future. Thank you.

10 Let's give them a round of applause.

11 (Applause.)

12 MR. ZHANG: Hello, everyone. My name is  
13 Jimmy, and I'm a Legal and Policy Advisor here at the  
14 ICC for Commissioner Sheahan.

15 We're moving a couple of things  
16 around to move Bruce's presentation up, because he  
17 has an IUBDC support meeting at 2:00. Due to the  
18 unexpected overtime -- but it's a great discussion.  
19 It's a good thing we're all flexible here and making  
20 things happen.

21 So on behalf of the Commission, I  
22 would like to thank Bruce for volunteering to give

1 this presentation. So please join me in welcoming  
2 Bruce.

3 (Applause.)

4 MR. HAUK: I'll just be real honest. I  
5 typically don't speak from a script, so I am going to  
6 read the comments, because I think it's imperative to  
7 get it right for all collective utilities.

8 When I'm speaking on my own behalf or  
9 my own company, then, you know, I deal with what I  
10 say. So this I'm speaking for others, so I want to  
11 make sure I say what's needed to be said.

12 With that, thank you, Madam Chairman  
13 and Commissioners.

14 Before I provide a brief overview of  
15 the council's progress, I would like to publicly  
16 recognize the previous IUBDC Chairman, Richard Mark,  
17 for his leadership. Richard and past-Chairman Melvin  
18 Williams set high standards of excellence. I'm  
19 honored to carry forward their efforts.

20 In 2015, we agreed to join forces to  
21 tackle an issue that transcended each of our  
22 respective businesses. With the strong leadership

1 support from the Illinois Commerce Commission, we  
2 made the bold determination to make Illinois a  
3 national leader and practice of business diversity.

4 Since then, our IUBDC charter  
5 members, Ameren Illinois, Commonwealth Edison,  
6 Illinois-American Water, Nicor Gas, North Shore Gas,  
7 and Peoples Gas, have steadily built a coalition that  
8 is opening doors for diverse companies to enter the  
9 utility supply chain generating significant economic  
10 benefits along the way.

11 Today I report to the Commission that  
12 the goods and services purchased from our diverse  
13 businesses led by the IUBDC members are making a  
14 measurable impact on the local, regional, and state  
15 economies.

16 One of the things that we've done at  
17 the Illinois Utility Business Diversity Council is we  
18 did an Economic Impact Study in 2017. We represented  
19 that over \$1.1 billion of spend took place in 2017.

20 Now I'm going off-script.  
21 Unfortunately, I didn't carry enough weight to update  
22 the Economic Impact Study for 2018, so we'll do

1 update for '19, and the new Chair, Chair-Elect  
2 Charles Matthews, will be able to provide that  
3 information.

4 But I would say, without going too  
5 far off-script here, the impact is still significant  
6 as you aggregate the spend across the companies and  
7 the impact in the state, but being prudent with  
8 our dollars, we didn't want to waste the spend on an  
9 Economic Impact Study annually. We'll do it most  
10 likely biannually.

11 So again, just to reflect that that  
12 last Economic Impact Study was 1.1 billion, and the  
13 greater impact was over 2 billion that we heard the  
14 previous Chairman, Chairman Sheahan, speak to.

15 One of the things that we wanted to  
16 talk about is some of the programs that we've done.  
17 We wanted to highlight the Kellogg scholarship. Last  
18 year at this time, we introduced you to Heriberto  
19 Ortiz, the owner-operator of a certified MBA  
20 accounting and auditing consulting service from the  
21 Chicago area. Mr. Ortiz was the first recipient of  
22 the IUBDC-funded scholarship established with the

1 Kellogg Executive Program at Northwestern University.

2 Today I'm pleased to introduce our  
3 2019 scholarships recipients who recently completed  
4 their training, Regine Jeune, President of DB Sterlin  
5 Consultants, Inc.

6 It's my understanding that they're in  
7 the room, and I have not had the opportunity to be  
8 introduced.

9 As well as Joshua Davis, President of  
10 Lyons View Manufacturing and Supply, a Will Group  
11 company.

12 Now, this is a program that the IUBDC  
13 started off to create these opportunities for small  
14 businesses, MBEs or WBEs, to create opportunities and  
15 to engage in, as Melvin and others said, to learn our  
16 businesses. So that's what this program is about,  
17 and we are expanding it.

18 Both Regine and Joshua have told us  
19 their participation in the program not only offered  
20 expert instruction on how to manage a successful  
21 business today, but provided a framework for how they  
22 can grow their business in the future.

1                   Additionally, you have heard us talk  
2                   previously about our GIS tool, the mapping tool where  
3                   we have vendors and suppliers archiving their  
4                   information into the map tool, and that provides a  
5                   path for suppliers and potential suppliers to connect  
6                   with other companies and our companies, and learn  
7                   about new opportunities as an interactive mapping  
8                   feature. We're rolling that out expanded in 2020.

9                   Lastly, developing Tier 2 suppliers.  
10                  On May 7th, the IUBDC provided the leaders of our  
11                  Tier 1 original equipment manufacturer suppliers an  
12                  opportunity to gain insights on strategies for  
13                  increasing work with diverse subcontractors and  
14                  vendors. More than 50 attendees gathered for the  
15                  workshop in Chicago, part of the IUBDC's ongoing  
16                  effort to increase contract opportunities for its  
17                  minorities, women, and veteran business partners.

18                  This is a concerted effort to grow  
19                  the pipeline of work for qualified Tier 2 diverse  
20                  suppliers. Among the attendees were Illinois  
21                  Commerce Commissioner Sadzi Oliva and her legal  
22                  policy advisors as well as the ICC's past Deputy

1 Executive Director of Policy, Jean Gibson.

2 In closing, we are proud of the  
3 progress we have made, and we thank the Illinois  
4 Commerce Commission for its support.

5 I'll open it up for any questions  
6 that you may have.

7 MR. ZHANG: Thank you, Chair Bruce Hauk,  
8 for the IUBDC update. For the sake of time, I'm just  
9 going to ask one question.

10 You were mentioning about the mapping  
11 tools. I was wondering if you have any updated  
12 statistics regarding how many contracts are signed up  
13 and how it's being used currently.

14 MR. HAUK: Unfortunately, I don't have that  
15 data before me or committed to memory, but I'm sure  
16 we can gather that information and provide it to the  
17 Commission.

18 MR. ZHANG: Okay. Perfect. That's all I  
19 have for now, and I'll hand it offer to Alejandro.

20 MR. AIXALA: Good afternoon. Thanks,  
21 Jimmy. Thanks for that discussion.

22 Our next panel, we're going to

1 discuss ways in which energy suppliers can achieve  
2 supplier diversity goals, ideas for how to comply  
3 with reporting requirements, and ways to overcome  
4 structural impediments to achieving supplier  
5 diversity goals.

6 In addition to requiring utilities to  
7 report on their supplier diversity spending and  
8 goals, several new entities were included in the  
9 reporting requirements in Section 5-117 of the Public  
10 Utilities Act; specifically, suppliers of wind  
11 energy, solar energy, hydroelectricity, nuclear  
12 energy, and any other supplier of energy in Illinois.

13 The statute requires that newly  
14 reporting entities submit an Annual Report beginning  
15 in 2015. One goal of its annual public duties is to  
16 seek solutions to achieving stated goals by reporting  
17 them.

18 We're now going to hear from  
19 representatives of energy suppliers who are helping  
20 to connect energy suppliers with diverse suppliers.  
21 With us here today we have Nakhia Morrissette,  
22 Regulatory Counsel and Midwest Regional Director of

1 SEIA, the Solar Energy Industries Association, and  
2 Jeff Danielson, Central Regional Director of AWEA,  
3 the American Wind Energy Association.

4 After their presentation, we'll  
5 continue with the questions and answers, but first  
6 I'll turn it over to our first presenter, Nakhia  
7 Morrissette, who is here to provide a perspective of  
8 the solar industry's opportunities and challenges in  
9 contracting with diverse suppliers.

10 MS. MORRISSETTE: Thank you, Alejandro.

11 Okay. Good afternoon, everyone. And  
12 thank you to the Chairman and Commissioners for  
13 inviting me here today, and also thanks to Kathryn  
14 McAline (phonetic), and the rest of the ICC staff for  
15 organizing this policy session.

16 I'm here representing the solar  
17 industry, to introduce my organization, how we work  
18 to advance diversity amongst the solar industry and  
19 our member companies, and how we can assist the ICC  
20 and the reporting solar entities with its supplier  
21 diversity reporting in Illinois.

22 As Alejandro stated, my name is

1 Nakhia Morrissette, and I'm the Regulatory Counsel  
2 and Midwest Regional Director for the Solar Energy  
3 Industries Association or SEIA for short.

4 We are the national trade association  
5 of the solar industry. We represent over a thousand  
6 member companies and more than 250,000 employees  
7 across the nation. We represent all organizations  
8 that promote, manufacture, install, and support the  
9 development of solar energy, and we do that by  
10 championing the use of cost competitive solar in  
11 America, building jobs and diversity, removing market  
12 barriers, and educating the public on the benefit of  
13 solar energy.

14 I should preface this by saying  
15 there's a lot of information on these slides that I  
16 am just summarizing for the sake of time, especially  
17 in light of the fact that it's after 1:00.

18 SEIA values diversity, inclusion, and  
19 equity within our organization and the promotion of  
20 these values across the solar industry. We envision  
21 an industry that is committed to fostering a culture  
22 of inclusivity, and we aim to achieve this by

1 encouraging openness and transparency about diversity  
2 issues and progress.

3 We assist our members by developing  
4 strategies, programs, and tools that seek to equalize  
5 opportunities and allow for discussing and sharing  
6 best practices within the solar industry.

7 Some of the resources we use to  
8 assist our members include things like guest speakers  
9 and case studies. On a monthly basis, we invite  
10 guest speakers to join our community engagement  
11 working group to discuss programs and opportunities  
12 for SEIA member companies to engage with them.  
13 Topics vary widely from hiring to apprenticeship  
14 programs to charity installs and more.

15 That information is collected from  
16 the speakers and is then formatted into mini case  
17 studies for our data base, which is accessible to  
18 members for future use.

19 More recently, we've begun collecting  
20 each state's diversity suppliers, minority  
21 businesses, and other relevant resources for our  
22 members to utilize. This content is being

1 reformatted into an interactive map, which will be  
2 accessible to our members on our website.

3 SEIA has also launched a diversity  
4 and inclusion webinar series which highlights topics  
5 such as implementing D and I initiatives, recruiting  
6 from HBCUs, hiring veterans and formerly incarcerated  
7 individuals, retaining minorities and women, and  
8 unconscious bias training.

9 We also funded the first industrywide  
10 diversity study, which allows us to track progress as  
11 well as identify additional areas where SEIA can  
12 develop resources to assist our members and those  
13 interested in joining the industry.

14 In addition to all of this, we  
15 educate and promote innovations and policies that  
16 facilitate broadening low-to-moderate-income  
17 participation in the solar economy, and to the extent  
18 possible, collaborate with diverse communities when  
19 pursuing action in state legislatures, public utility  
20 commissions, and zoning boards.

21 We've also hosted women's empowerment  
22 summits, which was held just last year here in

1 Chicago, to devote networking and to develop action  
2 plans to encourage positive change for women within  
3 our member companies.

4 In addition to these resources, SEIA  
5 has been proactive in developing partnerships with  
6 other organizations to promote and advance equity in  
7 the solar industry. Those partnerships include  
8 working with the historically black colleges and  
9 universities communities, Development Action  
10 Coalition to form the HBCU Community Development  
11 Initiative.

12 SEIA recently signed an MOU with this  
13 organization to create career pathways from HBCUs,  
14 community colleges, and training programs to solar  
15 companies.

16 We've also partnered with the NAACP  
17 through our Solar Equity Initiative, which is a  
18 project organized through their environmental and  
19 climate justice programs and advances its civil  
20 rights programs, including economic development,  
21 labor, education, health, and criminal justice, and  
22 provide solar job skills training to individuals and

1 access to solar in states across the country.

2 Our CEO, Abby Hopper, signed the CEO  
3 Action Pledge for diversity and inclusion, the  
4 largest CEO driven business commitment to advance  
5 diversity and inclusion within the workplace, and she  
6 also initiated the Hashtag Campaign, which resulted  
7 in over 80 companies committing to the CEO Action  
8 Pledge as well.

9 The Solar Training Network is a  
10 program funded by the U.S. Department of Energy  
11 SunShot Initiative and is implemented by the Solar  
12 Foundation. It's a new resource for solar job  
13 seekers, training providers and employers to connect  
14 and grow the solar workforce. SEIA is a partner of  
15 this initiative.

16 And finally, we incorporate content  
17 into our trade shows and events to amplify the  
18 importance of diversity amongst the industry.

19 So moving to Illinois, here is a  
20 breakdown of where the state ranks in solar  
21 production. Currently, less than 1 percent of  
22 Illinois' electricity comes from solar, but we see

1 that number rising quite significantly from just  
2 under 120 megawatts to just over 1500 megawatts in  
3 the next five years, making Illinois one of the  
4 fastest-rising states for solar energy in the  
5 country.

6 With nearly 5,000 jobs in solar  
7 installations in the state, the opportunity for  
8 diverse businesses is very promising.

9 So as we think about how  
10 newly-reporting solar entities will comply with the  
11 applicable statute, I think it's important to  
12 consider some of the key dates and developments that  
13 led us to where we are today.

14 So it may have been previously  
15 mentioned, but FEJA was enacted in mid-2017 and  
16 requires solar energy suppliers to report to the ICC  
17 similar to ILUs in Illinois.

18 What we also saw with FEJA was an  
19 influx of companies wanting to do business in the  
20 state and some of the incentives it provided,  
21 including the increase of the state RPS and the  
22 introduction of the Long-Term Renewable Resources

1 Procurement Plan, which ultimately created new  
2 programs, the Adjustable Block Program and Illinois  
3 Solar For All.

4 These programs through a thorough  
5 stakeholder process were formed by the IPA and  
6 approved by the ICC in April of 2018, and then after  
7 another year, in 2019, April to be specific, the IPA  
8 held a lottery to award projects through those  
9 programs. So due to the time it takes to produce a  
10 project from its conception, many projects didn't  
11 come online in the 2018 reporting year and will only  
12 sporadically begin to come online during the second  
13 half of this year through October of 2020.

14 In a webinar held in April of 2019  
15 that was organized by our state affiliate, the  
16 Illinois Solar Energy Association or ICEA, ICC staff  
17 noted that given the timing and other factors  
18 resulting from the IPA Adjustable Block Program  
19 lottery and associated adjustments to the  
20 interconnection queue process, the ICC wouldn't  
21 require suppliers that didn't actually supply energy  
22 to any Illinois customer in the calendar year of 2018

1 to supply supplier diversity reports this year.

2 So all things considered, many solar  
3 suppliers did not file in April 2019 for the 2018  
4 calendar year, but we see an opportunity here and  
5 both SEIA and ICEA are working with the industry to  
6 ensure compliance.

7 So as the industry prepares to submit  
8 reports in April 2020, SEIA plans to continue to be a  
9 resource to its members and the industry at large to  
10 continue to amplify to the community that this  
11 requirement exists, to provide resources to both  
12 locate diverse suppliers and specifically track this  
13 information in Illinois, and work with the ICC to  
14 ensure clearly-defined parameters for the industry.

15 SEIA and its members -- I think I  
16 have been -- I have come here maybe four or five  
17 times in the past five months, so I think it's quite  
18 clear that we're willing and very enthusiastic to  
19 work with the ICC, and we see a great opportunity to  
20 forge a relationship between the Commission and SEIA  
21 and its member companies.

22 We recognize Illinois' enthusiasm to

1 provide more renewable energy to its residents. In  
2 fact, we project that the amount of solar capacity  
3 installed in Illinois is expected to grow by more  
4 than 1700 percent over the next five years.

5 So on behalf of the solar industry,  
6 we look forward to doing business in the state as it  
7 continues to be a trailblazer in the energy space.

8 And I'll take questions when we're  
9 ready. Thank you.

10 (Applause.)

11 MR. DANIELSON: Thank you. Thank you,  
12 Alejandro. Thank you to the Commissioners for  
13 inviting us to be a part of this panel, and to the  
14 distinguished guests and legislators who are here,  
15 thank you for your service. As somebody who wore  
16 that hat in a previous life as a state senator, I  
17 will try to avoid getting the red card from your  
18 staff. I'll try to be brief.

19 So we appreciate the opportunity.  
20 I'm new to this role for the American Wind Energy  
21 Association. My title is slightly longer than  
22 Nakhia's, Central Region Director, but essentially

1 the midwest as well, and I appreciate her friendship  
2 and being a colleague and inviting me to be a part of  
3 this, because otherwise, I probably would not have  
4 known about it.

5 I think it is important for those  
6 that represent the businesses and the employees in  
7 both of our respective associations, solar and wind,  
8 to be here, encourage this effort, and provide you  
9 with information.

10 It's good to see Commissioner  
11 Bocanegra again. We met in DesMoines briefly, and I  
12 look forward to working with you in the future.

13 And, Madam Chair, thank you for your  
14 leadership.

15 The Wind Energy Association, like  
16 Nakhia's association, represents a thousand --  
17 roughly a thousand member companies around the globe  
18 and the U.S. Those jobs include the categories that  
19 you see here.

20 And if you look at the map of the  
21 United States, obviously, the midwest and the central  
22 region of the United States is very important to the

1 wind industry, employing over 114,000 Americans.

2 We are committed to workforce  
3 development. We do focus on it as an association,  
4 have similar programs to what Nakhia described, and a  
5 focus on making sure that the goals that you all have  
6 in achieving renewable energy and the energy of the  
7 future has a workforce that can help you achieve  
8 those goals.

9 So here is a national map of our wind  
10 manufacturing facilities, basically the supply chain  
11 around the U.S. that serves the wind industry. You  
12 notice that while some states may not have strong  
13 wind assets in terms of natural resources, we believe  
14 the U.S. supply chain in the wind industry is pretty  
15 robust and provides opportunities across America.

16 Specifically for Illinois, Illinois  
17 is a leader, as Nakhia mentioned, in renewables. The  
18 Wind Energy Association shows Illinois to be fourth  
19 in the nation over -- up to 8,000 jobs around the  
20 state. If you look at the graphic, the wind turbines  
21 are the actual wind generation facilities, and then  
22 the year, manufacturing year, is the facilities that

1 provide the supply chain for that energy output.

2 So Illinois is a clear leader, and  
3 this should represent to the Commission that there  
4 are opportunities to achieve your goals through not  
5 only what's currently here in Illinois, but what will  
6 grow in the future.

7 We also have staff at AWEA,  
8 specifically Michelle, who works on our workforce  
9 development committee. That's our member companies  
10 who advise the association on their goals and their  
11 needs in order to comply in the states that they  
12 work, like Illinois and others.

13 Then a couple of specific areas where  
14 we're focused on diversity in our workforce. This is  
15 available on our website. We have a specific focus  
16 on veterans.

17 I was a veteran, U.S. Navy. My  
18 resume' wore combat boots, and when I got out of the  
19 Navy, almost none of my training was honored by  
20 either the four year universities or the community  
21 colleges. So some of my work in the Iowa Senate was  
22 to change that, and I'm proud to say today that if

1 your resume' wears combat boots in Iowa, much of that  
2 is honored with real credit and advancement towards a  
3 college degree.

4 I think the other thing to think  
5 about when it comes to veterans is that many veterans  
6 are minorities. They don't come from families of  
7 wealth or privilege. They come from urban areas, and  
8 they serve their country proudly, but they are also,  
9 in addition to being veterans, Americans that come  
10 from their communities and reflect that.

11 We have an outreach program for  
12 veterans specifically, and we have a pretty high rate  
13 of employing veterans in the wind industry. We are  
14 67 percent higher than the national average for  
15 hiring veterans.

16 Alejandro provided some questions  
17 that we should contemplate, so I've provided some  
18 information on the slide. What can the Illinois  
19 Commerce Commission do to help energy suppliers  
20 report their overall diverse spending.

21 One, I think this was great to be  
22 part of the panel to raise awareness. As one of the

1 senators referenced, making sure that the reporting  
2 format is simple and understandable achieves higher  
3 compliance for our member companies.

4 Then, obviously, we're honored to be  
5 a part of this panel and look forward to working with  
6 you in the future because somebody that's new to this  
7 role might take away is that I need to communicate to  
8 our member companies about Illinois' laws  
9 specifically and provide them with information about  
10 your hearings and your compliance.

11 And then things that AWEA is doing.  
12 I saw the red card, so I will finish up with these  
13 final points and, hopefully, be able to take  
14 questions.

15 AWEA is focused on being a member of  
16 other organizations that help sustain our goals. So  
17 Women of Renewable Industries and Sustainable Energy  
18 WRISE is embedded in AWEA's programming. They are a  
19 major part of our trade show. And I signed up and am  
20 a member as a result of the overall AWEA memberships,  
21 and if not weekly, but biweekly, we get information  
22 and outreach from this group on opportunities that

1 are available to encourage women, especially in  
2 renewable energy.

3 And then there's the American  
4 Association of Blacks in Energy. AWEA is a willing  
5 partner with this group. We've also had training  
6 inhouse for our own AWEA employees. We've had a  
7 speaker come from this organization and share  
8 programs and the ways in which we can participate.

9 And then finally, as I mentioned  
10 earlier, our Veterans Outreach Program.

11 And I appreciate the opportunity to  
12 present to the Commission and appreciate your work  
13 and look forward to questions.

14 (Applause.)

15 MR. AIXALA: Thank you, both Nakhia and  
16 Jeff for that presentation. I just wanted to give  
17 you an opportunity to respond to the questions in  
18 terms of, you know, what the ICC can do to help  
19 energy suppliers.

20 MS. MORRISSETTE: Sure.

21 It was reflected a little bit in my  
22 presentation, but I think as we approach April 2020,

1 it would be great to continue to have discussions  
2 with the ICC, whether it's Commissioners or ICC  
3 staff, to define the parameters a bit more in terms  
4 of who -- which companies are required to report.

5 The solar industry is made up of a  
6 lot of different companies, from residential rooftop  
7 solar, behind the meter, to community solar, CNI and  
8 utility scale.

9 We also have banks and financial  
10 companies who ultimately end up owning projects. The  
11 projects are owned by companies, in other words, that  
12 vary in size, they vary in function, they vary in  
13 business model.

14 So it would be great to engage with  
15 the ICC to determine exactly how those parameters  
16 should be defined as we approach the next reporting  
17 year.

18 MR. AIXALA: Does anybody have any  
19 additional questions?

20 Commissioner Bocanegra?

21 COMMISSIONER BOCANEGRA: Thank you,  
22 Alejandro. Thank you, both.

1                   This is kind of piggybacking off the  
2                   same -- that was actually part of my question.  Aside  
3                   from what the Commission can do and looks forward to  
4                   doing in the coming months, as an organization for  
5                   either solar or wind companies, have you guys taken  
6                   any role in defining those parameters for yourselves  
7                   on behalf of your members?

8                   I think you highlighted, Jeff,  
9                   earlier Senator Sandoval's expressed concern over,  
10                  perhaps, the lack of definition of things like  
11                  professional services.  How do you prepare your  
12                  member companies to, perhaps, adopt uniform  
13                  definitions or practices or measurements?

14                  MS. MORRISSETTE:  I think I kind of  
15                  addressed it a little in my presentation, so if you  
16                  want, I'll piggyback off you.

17                  MR. DANIELSON:  So a part of our own values  
18                  as AWEA employees, which we're about 50 strong in  
19                  terms of the folks that work at AWEA, it's embedded  
20                  in our core values.  I mentioned the training that  
21                  was offered to our own employees.

22                  But frankly, this has been an

1 eye-opening experience for me as a new employee of  
2 AWEA in terms of our member companies' engagement. I  
3 reached out as I knew I was going to be a part of  
4 this panel, and I think there's a lack of  
5 understanding about whether they had to report and  
6 whether that definition fit who they were, and so I  
7 think that goes to Nakhia's advice.

8 I think we need to work more closely  
9 with you and make sure that that compliance is there.  
10 We obviously have staff to communicate that. We have  
11 a committee structure that's thinking about it. So I  
12 think there's a way to improve that reporting.

13 And AWEA is really, really good at  
14 research and providing information. So this is one  
15 area where I think we can help the Commission get the  
16 base-level knowledge, clear reporting, the outcomes  
17 that are more meaningful to you rather than inputs,  
18 and begin to engage our member companies in Illinois  
19 specifically around that goal.

20 MR. AIXALA: Any additional questions?

21 Well, I think that's all the time we  
22 have for this panel, and thank you guys.

1                   If we could get a round of applause  
2                   for our presenters?

3                   (Applause.)

4                   MR. AIXALA: Now, I'm going to turn it over  
5                   to Carrera.

6                   MS. THIBODEAUX: I'm going to go off script  
7                   for the sake of time, and what's coming up next is  
8                   professional services, and I think that this is one  
9                   of the topics that needs to be talked about, because  
10                  it's not one -- within diverse spending, it's one of  
11                  the smallest areas where money is going, and it's  
12                  also one of the smallest growing aspects from year to  
13                  year.

14                  So I think this is a conversation  
15                  that needs to be had, and to develop this  
16                  conversation, on this panel we will hear from assist  
17                  agencies and diverse professional service firms. So  
18                  please help me in welcoming our presenters.

19                  We have Gloria Castillo, the  
20                  President and CEO of Chicago United.

21                  We also have Jamie di Paulo, who is  
22                  President and CEO of Illinois Hispanic Chamber of

1 Commerce.

2 We have Martin P. Greene -- we will  
3 have Martin P. Greene joining us. He is the board  
4 member of NAMWOLF which stands for National  
5 Association of Minority and Women Owned Law Firms.

6 We will also have with us -- or have  
7 with us right now Ken Johnson, Managing Partner and  
8 Head of Regulatory Practice at Johnson, Blumberg, &  
9 Associates.

10 We also have Karla M. Stepter,  
11 Supervising Litigation Attorney, also at Johnson,  
12 Blumberg & Associates.

13 Miss Gloria, whenever you're ready.

14 MS. CASTILLO: Good afternoon, everyone.  
15 I'll try to keep the energy up here.

16 Let me first introduce you to Chicago  
17 United. Chicago United is a corporate membership  
18 organization whose mission is to advance parity of  
19 economic opportunity for people of color.

20 We were established in 1968 by a  
21 small group of CEOs who determined that in the  
22 wake of Dr. King's assassination, they did not have

1 to wait for government action in order to create  
2 change.

3 So today, we continue with a CEO  
4 engagement model. Our members are corporate members  
5 who are comprised of large corporations, including  
6 utility companies, minority-owned businesses, as well  
7 as nonprofit institutions. And I'm really proud of  
8 the fact that our founding members, ComEd and Peoples  
9 Gas, are both still members of Chicago United  
10 represented by Joe Dominquez and Charles Matthews.  
11 And Nicor is represented by Melvin Williams in our  
12 CEO council.

13 The fact that we have large  
14 corporations and minority businesses is important.  
15 Ken Johnson is actually also a member of our CEO  
16 council. It allows us to hear the broad range of  
17 voices across the city in terms of the needs of the  
18 city.

19 As an organization, we focus on three  
20 things. We focus on corporate policy related to  
21 corporate governance, who is sitting on the boards of  
22 directors, is it inclusive. We focus on the talent

1 management pipeline.

2 But we also look at how do we help  
3 develop strategic partnerships between large  
4 corporations and minority-owned firms, and that's  
5 clearly what we're here to talk about today, and I  
6 think the passion of Senator Sandoval is equaled by  
7 the passion of the members of Chicago United.

8 First let me just say something about  
9 the term, supplier diversity, because we're here to  
10 talk about professional services. At Chicago United,  
11 we do not talk about supplier diversity. We talk  
12 about business diversity, and that's very  
13 intentional. Because when we talk about business  
14 diversity, we know that, yes, we are talking about  
15 manufacturing, we're talking about distribution, but  
16 we're also talking about professional services, and  
17 that can range everywhere from accounting to legal  
18 services to marketing and certainly the financial  
19 services industry.

20 The way that we approach our work is  
21 how do we help companies change their thinking around  
22 the utilization of minority businesses, and I think

1 you heard a lot of that today where companies are  
2 really moving to create business diversity as part of  
3 the DNA of their organization, as part of a strategic  
4 imperative.

5           You heard about how it's embedded in  
6 the budgeting process. That's really what we're  
7 advocating for. And the reason why that is so  
8 important, particularly as you address the need to  
9 expand professional services and business diversity  
10 in general, is because Chicago -- Illinois is not  
11 advancing the scale of minority businesses as rapidly  
12 as other large population states. So the work that  
13 you are doing here today is actually critically  
14 important.

15           The advocacy work of Chicago United  
16 in terms of business diversity is embedded in a  
17 platform that we call Five Forward. Five Forward is  
18 a very simple concept, but it is very effective. We  
19 get CEO level commitment to select five local  
20 minority businesses to do business over a period of  
21 five years so they can plan, build to scale and  
22 capacity.

1                   In some ways, you can think about  
2                   this as an access-to-revenue program. For a lot of  
3                   assist organizations, the focus is on technical  
4                   assistance and access to capital, critically  
5                   important, but without access to revenue, we don't  
6                   have the full picture.

7                   We know that it is a long-term  
8                   investment to build strategic relationships with  
9                   minority-owned firms, and that is especially true  
10                  with professional services.

11                  I think what we heard earlier really  
12                  brings this home. When we think about how -- Homero  
13                  Tristan talked about the mentoring program in the law  
14                  firm, and we heard Martin Cabrera talk about how they  
15                  take a long view on investing, and that's embedded in  
16                  the Five Forward program.

17                  I'm going to just refer for a moment  
18                  to the effectiveness of the program. In our first  
19                  cohort of the program where we measured 18  
20                  corporations' participation in the initiative, the  
21                  University of Illinois measured \$850 million of  
22                  economic activity and 4500 jobs associated with Five

1 Forward. Today, we have 20 corporations committed,  
2 and we're enrolling companies through the end of  
3 2020.

4 A number of the committed  
5 corporations are actually the utility companies.  
6 They are taking a lead, and we need more companies in  
7 Illinois to do what you are doing not only in the  
8 professional services arena; although, that is  
9 clearly a focus, but across the spectrum.

10 What we do with Five Forward is we  
11 look at a five-step process. It includes CEO  
12 empowerment, identifying substantial and meaningful  
13 opportunities for potential MBE partners, identifying  
14 the potential MBE partners that are in the  
15 marketplace, selecting -- going through their due  
16 diligence in selecting their partner, and making that  
17 five-year commitment. Then going through a  
18 goal-setting process, and finally, measuring revenue  
19 every quarter. So it is that consistency that  
20 creates the success for the program.

21 And I think what you heard across the  
22 panels earlier today is two things mattered to them,

1 the consistency and the ability to plan. There isn't  
2 a company that can grow without an ability to plan,  
3 and for the most part, when customers utilize,  
4 particularly, the professional services firms, they  
5 are using them on a very sporadic and kind of  
6 transactional basis.

7           You can't grow a company like that,  
8 and that's why, particularly with professional  
9 service opportunities, you have to take that  
10 long-term investment perspective. You wouldn't put  
11 money into your 401K and pull it out the next year.  
12 The only way that you would know that that money was  
13 going to grow was making a long-term investment and  
14 staying with that investment, and that's what has to  
15 happen with professional services firms, and that's  
16 what we do at Chicago United.

17           I also want to mention that one of  
18 the things that we're proud of in building the  
19 capacity of minority firms and in working with our  
20 utility companies is that we've realized that there  
21 are business accelerators across the country who want  
22 to replicate this model. So we are actually looking

1 at creating a licensed product so that this business  
2 acceleration process can be replicated.

3 We're really proud of the  
4 relationship that we have with American Water.  
5 American Water in their California footprint is  
6 actually testing this model to expand the model, and  
7 we're supported not only by American Water, but by  
8 one of our MBE members, FDI Presence, who is an IT  
9 managed services provider, who plays the role of not  
10 only a service provider, a member of Chicago United,  
11 but also a committed corporation.

12 And this is the critical factor that  
13 I think the Commission has been asking. How do we  
14 see the growth of minority businesses then move into  
15 the community. How do we replicate that?

16 So the relationship that we see with  
17 FDI, a professional services firm, they actually  
18 become a committed corporation, and they select five  
19 local minority businesses to do business with. They  
20 also bring on a number of interns and provide  
21 training opportunities.

22 So what we see is that as minority

1 businesses grow to scale, and particularly in the  
2 professional services arena, they create new  
3 opportunities across the board with other minority  
4 firms and with young people.

5 So I want to just close with what is  
6 important in the professional services arena is  
7 taking that long-term view, the commitment has to  
8 come from the top, you have to have processes in  
9 place that will drive the relationships and sustain  
10 the relationships and measure the outcomes.

11 And so with that, I will -- I realize  
12 that we are running short, so I'm trying to capsulize  
13 everything. But that's the context with which we  
14 work to expand the capacity of local minority-owned  
15 firms, particularly in the professional services  
16 space.

17 MR. DI PAULO: Thank you. My name is Jaime  
18 di Paulo. I'm the President of the Illinois Hispanic  
19 Chamber of Commerce. I'm very happy to be here.  
20 Commission, thank you for the invitation.

21 Gloria, we couldn't do what we do  
22 without the help of Chicago United. I think Chicago

1 United has paved the road for many minority firms to  
2 succeed.

3 The Illinois Hispanic Chamber of  
4 Commerce, we represent over 3,000 members, and about  
5 300 of them are in the engineering and construction  
6 field, and they work a lot with utilities. So our  
7 goal and mission is to build capacity within our  
8 community, and that's solely what we do is build  
9 capacity.

10 We develop contracts, and I'm glad to  
11 see a couple of CEOs here, Joe Dominquez and my  
12 friend from Peoples Gas here. Building capacity is  
13 the key to success of minority-owned firms.

14 Also, we work with banking  
15 institutions, because without capital, they couldn't  
16 go anywhere. We hold banks accountable. We bring  
17 them to the table from day one. That's what we do is  
18 build capacity, build capacity, build capacity.

19 And that's what many firms like  
20 Chicago United do to pave the roads. All we do is  
21 build capacity. I'll leave it there and answer some  
22 questions later.

1                   MR. GREENE: My name is Martin Greene, and  
2 I am here representing the National Association of  
3 Minority and Women Owned Law Firms. I am with a law  
4 firm myself. That firm is Zuber, Lawler & Del Duca,  
5 but I'm here in place of Joel Stern, who is the CEO  
6 of NAMWOLF, and he asked me to come to present, and I  
7 was happy to do so.

8                   Welcome to you all, especially those  
9 who have sacrificed lunch to listen to this  
10 particular panel. We all appreciate it.

11                   I have been on the board for about  
12 five years or so, and I have been with a firm that's  
13 been a member of NAMWOLF for more -- like, 15 years.  
14 I have put it that way because prior to being in the  
15 current firm, which has offices in LA, New York, and  
16 Chicago, my partner and I, Eileen Letts, ran our own  
17 firm here in Chicago, Greene & Letts, for 26 years or  
18 so, and you may have heard of that firm.

19                   But I am happy to be here addressing  
20 this topic, and I was particularly encouraged to see  
21 that there is some sensitivity to the fact that the  
22 legal profession is horrible when it comes to

1 diversity and inclusion.

2 Now, I say that as a lawyer and fully  
3 cognizant of the fact that we lawyers have taken such  
4 positions of leadership in society over the years  
5 that have caused such great change to the better, but  
6 at the same time, when it comes to these matters  
7 having to do with the power and money that goes along  
8 with controlling clients, very little seems to  
9 change. It's almost as though the legal profession  
10 believes that all the other rules apply to all the  
11 other people, but not to the profession, and there is  
12 much that needs to be done about that.

13 Now, by way of background, I have  
14 been practicing law since 1977, and since 1980, I  
15 have been practicing in the form of a minority-owned  
16 law firm. So I have seen a lot of efforts at  
17 diversity and inclusion from the ADA Minority Counsel  
18 Demonstration Program in the '80s to NAMWOLF right  
19 now, which has hundreds of member law firms.

20 And one might make the mistake of  
21 thinking that there has been huge change in the  
22 development of such firms, but not when you look at

1 the development of the legal profession over that  
2 period of time.

3 Law firms have grown exponentially.  
4 Law firms have offices all over the country, all over  
5 the world. The numbers of lawyers at these law firms  
6 have grown exponentially, and the revenues are  
7 enormous at those law firms. They used to be counted  
8 in millions of dollars. Now it's billions  
9 of dollars.

10 So when you look at it from that  
11 perspective, diverse firms are running well behind  
12 where they should be in terms of providing legal  
13 services. What will it take to change this?

14 And I will point out by the way, and  
15 there is an elephant in this room, and that is the  
16 United States over the last two and three quarter  
17 years. Before that period of time, you saw the  
18 administration appointing judges of all types at all  
19 levels. We have judges in offices that we've never  
20 seen before. I saw Sotomayer on TV the other night,  
21 and I was happy to see a sister on TV.

22 That's not going to happen in the

1 near future, and, in fact, it looks as though the  
2 appointments to these lifetime positions on the bench  
3 of African American lawyers is less than 1 percent.  
4 So there is a problem that we are all going to have  
5 to confront.

6                   So we can try as we might in this  
7 particular forum. We have to keep in mind that  
8 there's a ton more work that has to be done to right  
9 the ship. Unfortunately, what we have learned from  
10 all of this is that despite all the sacrifices made  
11 by so many people over the years, it can be undone in  
12 a very short period of time, and we have to start  
13 over.

14                   How do we do that? Well, one of the  
15 things that I wanted to address with you is the fact  
16 that diverse lawyers and law firms cannot be the ones  
17 expected to cure the problem. They didn't create the  
18 problem. The problem was created by people with  
19 money and power, who decided they're only going to  
20 send business to those friends of theirs that happen  
21 to look like them and are of the same gender.

22                   People starting their businesses,

1 their law firms, have enough burdens in learning what  
2 to do. They got the education. They have to learn  
3 what to do. They have to make the contacts. And  
4 they can't also be required to fix what's wrong in  
5 this society.

6 That's why we need those -- those  
7 representatives of the community who are by and large  
8 white and male to talk to individuals who are white  
9 and male to get them to come around to what needs to  
10 be corrected in terms of creating opportunities for  
11 others.

12 I cannot tell you that I understand  
13 at all how someone can have money and power yet feel  
14 victimized. That's kind of not in my experience.  
15 Maybe I'd like to see that some time. I can't  
16 explain it. Somebody else is going to have to talk  
17 to those people and get them to come around.

18 And that's where some of the people  
19 you saw on the panel today come into mind. And, in  
20 fact, they really need to bring more people in to  
21 help with that effort, because all of this burden  
22 cannot be placed upon the people who are trying to

1 run businesses as well as and as efficiently as  
2 anyone else.

3 When you go through a school, you get  
4 the credentials. You get the training. You know  
5 you're going to have to swim upstream. Well,  
6 upstream should not also include convincing other  
7 people that they're stopping you from swimming  
8 upstream.

9 The people who are stopping you, it's  
10 almost as if they sit back and say, I broke it, you  
11 fix it. That should not be the way it works.

12 So that said, some might get the  
13 impression -- because we're here talking about  
14 diverse law firms, get the impression that there are  
15 opportunities in a majority of law firms that diverse  
16 lawyers can pursue. Not so. Because all of the  
17 studies show that advancements in those firms has  
18 been extremely poor, in some categories stagnant, but  
19 in some categories actually going backwards. And  
20 don't be an African American female in such a firm.  
21 You are a unicorn. You don't get anywhere near the  
22 opportunities of others.

1                   So it's a battle that has to go on  
2                   and on and on, but we need to enlist everybody in  
3                   that battle. It can't just be the people who are the  
4                   victims who are expected to get someone to stop  
5                   beating on them.

6                   So I put it in terms of a societal  
7                   problem. It is a professional problem. And it's  
8                   something that we all need to do something about.

9                   And I know I'm preaching to the choir  
10                  in this room, because the corporations that are here,  
11                  you would not be here if you did not have an  
12                  understanding of that. What I'm trying to do is to  
13                  encourage you to do more, because the problem is  
14                  huge, and it has gotten worse just recently.

15                  Now, congratulations to the leaders  
16                  in the room -- I didn't want -- I did not want to  
17                  fail to do what my mom taught me to do, which is to  
18                  say thank you -- for bringing this gathering  
19                  together. But you see just like with anything else,  
20                  different people have a different approach. My  
21                  approach is perhaps a little bit different from some  
22                  of the other speakers that you heard.

1                   But if we all know one thing, we know  
2                   that there are a lot of different ways to accomplish  
3                   a particular goal. I'm suggesting this way to try  
4                   and motivate people to do more because of time. We  
5                   have been through all of these efforts so many times  
6                   over the years. It's time that we finally  
7                   accomplished something permanent.

8                   We've got to do something so that  
9                   it's not lost just because somebody comes in to a  
10                  particular administration and decides that nobody  
11                  that looks like that particular person is entitled to  
12                  anything.

13                  So I say all that to say -- and I'm  
14                  happy to take any questions, but I would encourage  
15                  everyone here and those who work for corporations  
16                  where the CEOs have already left, please encourage  
17                  them, too, to see what they can do to recruit others  
18                  like them and to do much more. We'll help from the  
19                  outside as much as we can, but we would like to see  
20                  this cured in a few generations, not a few more  
21                  centuries.

22                  Thank you.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

(Applause.)

MR. JOHNSON: Good afternoon, everyone. My name is Ken Johnson. When we received the agenda, I looked at my fellow attorney, Karla, and I said, at least we're not last.

(Laughter.)

MR. JOHNSON: And here we are. We're dead last. The last group, the last speakers. But we're going to push on.

With that, I just want to say, welcome, and thank you, Chairwoman Zalewski for having us, as well as fellow Commissioners. We appreciate you having us, and we appreciate everything you're doing for the community at large.

As far as myself and my firm, once again, my name is Ken Johnson. My firm was founded in 2003 as a minority certified firm. Myself and my partner were working at another firm, and we were doing banking and regulatory compliance for banks. So we did that, and we decided to leave the firm and start our own firm with the goal of being a premier firm in the banking and regulatory industry with

1 regard to banks.

2 I would say it's somewhat successful  
3 because 16 or so years later, we went from being two  
4 guys with card tables and fold-up chairs to 100 --  
5 over 100 staff. We're licensed in six states. We  
6 have firms -- actual staffed firms in four of those  
7 states, and we found that, you know, with our broad  
8 base and depth, we're able to operate almost in a --  
9 not necessarily being a small, but we operate in the  
10 middle firm field.

11 It also allows us to have the  
12 capacity to move quickly in the industry, meaning we  
13 can -- if there needs to be a giant project, we're  
14 able to bring all of our attorneys together to  
15 circulate and make sure that happens.

16 I believe that may have been one of  
17 the reasons why we were brought on. We were the  
18 second firm that was selected by ComEd to learn and  
19 do the regulatory work. So I want to say quick  
20 something about that.

21 You know, I have always had the goal  
22 to be premier. I do not like Tier 2. I always

1 wanted to be Tier 1. So our goal of our firm is  
2 always to work up to be Tier 1.

3 That being said, I remember when we  
4 were selected, I was working with Stacy O'Brien at  
5 ComEd, and I looked her in the face, and I said,  
6 Stacy, I need you to know one thing. It's my goal to  
7 be the premier regulatory firm in the country on  
8 this.

9 She says, okay. I'm going to have  
10 you start off by sitting on the microgrid case. I  
11 sat back in my chair, and I thought, micro what?  
12 Then I went back and did all my research and figured  
13 out what that was.

14 Now, two years later, we've covered  
15 several topics, which Karla will discuss. We learned  
16 a lot in the industry, and our goal is to continue in  
17 the industry.

18 Some of those efforts that paid off  
19 after that year-long training that ComEd did -- and I  
20 can't thank them enough, because that was what was  
21 necessary. Not just a quick training, but a  
22 year-long training with every different area of

1 regulatory litigation, and we learned all of it. And  
2 we're excited to continue on that, and we accept it  
3 as a charge to ensure that we bring others with us.

4 That work has also allowed us to  
5 bring on a new client. After a wonderful lunch with  
6 Chonda Nwamu, we were able to also work with Ameren.  
7 So they're another company, you'll be seeing us  
8 appear on their cases as well. And next year, I'm  
9 going to say a couple of more. Because I'm on it.

10 With regard to all that, we want to  
11 make sure that we let you guys know that we also see  
12 it as a challenge, that it's not necessarily just the  
13 utilities' problem. It's the firm's problem as well.  
14 So we take that challenge personally, and we want to  
15 make sure that we have the desire and the goals to  
16 bring people along with us.

17 And so from my firm, as we continue  
18 on our goal of becoming a premier one firm, we're  
19 going to ensure that there's no other firm that's  
20 more passionate about hiring minorities than my firm.  
21 Right now, like I say, we have over 100 staff. 95  
22 percent are minority. I take it very personally.

1                   Karla was selected to specifically  
2                   work in the regulatory field due to her litigation  
3                   skills, and you know, we want everyone to know that  
4                   it's important that you consider this as a team  
5                   growth, not necessarily just give us the work. We  
6                   want to make sure we not only do the work, but we  
7                   also support you in the work, and we support the  
8                   end-all goal, which is to bring more minorities into  
9                   the field of regulatory work.

10                   Now, how are we going to do that?  
11                   Number one -- oh, my gosh. Time already? -- what we  
12                   plan on doing is working with NAMWOLF. They have  
13                   these things called packs. We've been a member of  
14                   NAMWOLF for the past three years. And those are  
15                   small groups that create specialties in the country  
16                   in certain areas. We're going to develop a pack in  
17                   regulatory work with NAMWOLF, which is made up of 600  
18                   of the top minority law firms in the country, and  
19                   we're going to ensure that we start a pack and do  
20                   that.

21                   Lastly, we're going to work with  
22                   others in the industry and ensure that we also help

1 and teach them the ways of the regulatory work and  
2 the regulatory industry.

3 Okay. That being said, I guess I'll  
4 cut off half of what I was going to say and leave it  
5 up to Karla.

6 MS. STEPTER: Hi. I'm Karla Stepter. I'm  
7 the Supervising Litigation Attorney at Johnson,  
8 Blumberg & Associates. I have been with the firm for  
9 11 years now.

10 This is my friend, so that's why I  
11 have stayed. We've built a rapport and a  
12 relationship not just within the firm, but also with  
13 our clients.

14 Ken briefly talked about our  
15 partnership and mentorship that we have had with  
16 ComEd and also with Ameren. This was not an  
17 overnight thing. ComEd didn't just throw work at us.  
18 They invested time and energy in training us. We  
19 went through a year-long, very extensive training.  
20 If you know anything about the regulatory industry,  
21 it's like learning a new language, all the acronyms  
22 and statutes and the Administrative Code.

1                   So we were studying like we were back  
2                   in law school and learning the language, the  
3                   acronyms, reading the statutes, going through the  
4                   codes.

5                   It was important to build a  
6                   relationship and learn what ComEd was teaching us as  
7                   well as going on on our own researching and  
8                   developing our own experience and skills.

9                   I'm going to be pretty quick. I'm  
10                  going to talk about the work that I have done --  
11                  we've done for ComEd in the last two years. We've  
12                  represented ComEd in the 2018 and 2019 formula rate  
13                  update, the 2018-2019 smart grid AIPR report, the  
14                  Rider DG Rebate Adjustment, implementation of the  
15                  microgrid, which was the first project that we worked  
16                  on.

17                  Ken came back after meeting with  
18                  Stacy and said, Karla, we're going to help ComEd get  
19                  approval for the microgrid, and I said, what's a  
20                  microgrid? He's, like, you've got to find out,  
21                  because it's going to be in your neighborhood.  
22                  Because I live in Bronzeville.

1 I'm like, okay, sounds exciting.

2 So we did our own research. We met  
3 with the ComEd GCs and different staff at ComEd, and  
4 they taught us, and we went through the docket. We  
5 helped with the witnesses and the testimony and the  
6 briefing, and it was an amazing experience just to  
7 see a different aspect in the legal industry, to  
8 learn the public utility regulation space.

9 We also worked on the Rider VA  
10 Adjustment, helped with the response to ICC's --  
11 there was some inquiry for electric vehicles.

12 And because of the experience and the  
13 skills that we've gotten working with ComEd, we are  
14 now working with Ameren. We just recently assisted  
15 with their uncollectible rider, and we hope to, as  
16 Ken said, have many more things on this list come  
17 next year.

18 So we definitely appreciate the  
19 opportunity to be here today to talk about diversity  
20 and just the importance of it, not just in vendors,  
21 but just overall in society.

22 MS. THIBODEAUX: Wow. Thank you to our

1 presenters.

2 First, before you're dismissed, I do  
3 want to ask if Madam Chairman or the Commissioners  
4 have any questions.

5 COMMISSIONER BOCANEGRA: I think we've all  
6 talked a little bit about, I guess, some of the  
7 barriers as it pertains to the legal side of  
8 professional services. I think what I have heard,  
9 and I'm sure my fellow Commissioners would probably  
10 agree, I think that one of the concerns that is  
11 commonly echoed, I think from the utility side as it  
12 pertains to legal services, I guess is this perceived  
13 barrier that the general counsels won't or can't give  
14 up some of their relationships. I think the other  
15 criticism is that regulatory law is highly complex.

16 So aside from building that acumen,  
17 like you guys said, it was like going to law school  
18 all over again, what can the utilities do with their  
19 general counsels or their departments to, I guess,  
20 divest themselves with a little bit of that other  
21 nonregulatory work that might cater to some of the  
22 acumen that already exists for minority law firms?

1 I think there was a law firm earlier  
2 that spoke kind of playing and leveraging to what  
3 their talent was already focused on. I think they  
4 mentioned, like, easements and perhaps some real  
5 estate type law.

6 But what specifically do you have in  
7 mind that utilities can or should be doing?

8 MR. GREENE: If you don't mind, let me give  
9 you an example of something that did work. It worked  
10 for us.

11 About 15 years ago, we had an  
12 opportunity to meet Frank Clark, who at the time was  
13 President of ComEd. Frank Clark was very interested  
14 in what we were able to do, and we -- after we got to  
15 know him a little bit, did not have to convince him  
16 that we had the skills and abilities to do the work  
17 that he was interested in sending our way. He got  
18 involved in the assignment of a 700 plaintiff toxic  
19 tort case that was filed against ComEd and the  
20 Chicago Housing Authority.

21 He gave direction to the Law  
22 Department, and the Law Department hired us to

1 represent Commonwealth Edison. We were the only  
2 lawyers representing Commonwealth Edison.

3           Throughout the course of the  
4 litigation through discovery practice and through  
5 motion practice, we hammered the number of plaintiffs  
6 down to a much smaller number, and the case settled  
7 in a way that the client was extremely happy with.  
8 That's an example of what can happen when a truly  
9 committed executive gets involved in the process.

10           And this is not a knock on the Law  
11 Department or any one individual in the Law  
12 Department, but the nature of our practice, of our  
13 profession, is you go to those that you know. And  
14 people just tend to go to those that they know  
15 because they have a high comfort level there.

16           That has to change. Someone has got  
17 to shake it up so that that changes. And it needs to  
18 be institutionalized, because, as you know, Frank is  
19 retired from that position, so it didn't last  
20 forever. But the firms that had the business before  
21 that became institutionalized, and they have the  
22 business now.

1                   So that's a long answer to a very  
2                   direct question. Executives have to get directly  
3                   involved in that decisionmaking process.

4                   We lawyers like to think what we do  
5                   is magical. 80 percent of it is not magical. We can  
6                   learn it. And even for something that's complicated  
7                   like regulatory, the lawyers who are doing it, they  
8                   learned it. So we can all learn to do what is  
9                   necessary for the client.

10                  The other 20 percent, you're counting  
11                  on creativity and other sorts of things, which is  
12                  enhanced by having diverse viewpoints on how to  
13                  handle litigation or any other matters that come to  
14                  you.

15                  So my short answer is that the  
16                  executives need to get involved, because the lawyers  
17                  aren't going to do it on their own.

18                  MR. JOHNSON: I would add one thing. A lot  
19                  of times the answer is, well, we don't know where to  
20                  find these firms. And I would argue through the  
21                  establishment of Chicago United and NAMWOLF, you can  
22                  go right there and get the firms. So you can do

1 replevin work. You can find it. There's replevin  
2 firms. I guarantee it. I know everybody that's  
3 doing it.

4 So all of these things that they do,  
5 you will be able to find that there are a lot of  
6 firms out there, minority owned, that do that work.  
7 It's just establishing that connection. And once  
8 that connection is made, you'll see the synergy, and  
9 I think you can take it from there.

10 MS. CASTILLO: You know, I think the other  
11 part of it is, while it is really helpful to have a  
12 single executive who takes a lead role and champions,  
13 if you don't build it into the DNA of the  
14 organization, it becomes episodic, and the episodic  
15 is what really damages the long-term prospects.

16 So we heard earlier about a budgeting  
17 process in which you say, okay, let's set out our  
18 budget. Now, in that budget, what percentage is  
19 going to work that is including diverse businesses.

20 That should be done at every level of  
21 the organization, whether it is the law department,  
22 whether it is the marketing department, whether it is

1 finance. In every department, firms know what their  
2 operations are going to be over the next year, in  
3 their five-year plan. They know what they're going  
4 to be doing. They're not suddenly saying, oh, we're  
5 just going to plan our utilities work for the next 12  
6 months. That's not how it works, and we all know  
7 that.

8                   So there is a long-term view that  
9 needs to be taken in terms of building into the DNA  
10 of the organization, what are our plans, what kinds  
11 of opportunities are there, who are we including in  
12 the opportunities, how are we identifying the firms  
13 that could participate in those opportunities, how  
14 are we vetting those firms, are we only vetting firms  
15 that we have long-term relationships with, or are we  
16 looking at firms that are emerging with new skill  
17 sets that we can leverage over the long term.

18                   So until we build it into the DNA of  
19 the organizations where they are looking at it  
20 systemically and creating the processes for the  
21 evaluation long term, you are going to continue to  
22 have these episodic pieces of work, and that is not

1 what is going to change the landscape.

2 If you look at innovation -- you  
3 know, I'll give a shout out to IHDC, when you look at  
4 the technology innovation in Chicago and that  
5 landscape, there's not a better organization that is  
6 identifying innovators.

7 And so when companies say they can't  
8 find firms, the technical assistance organizations  
9 like IHDC are identifying them every day and  
10 providing opportunities for you to get together with  
11 them. So it's up to the firms to understand what  
12 their opportunities are and then go and meet the  
13 firms at the forums like the ones provided by IHDC.

14 MS. THIBODEAUX: Are there any further  
15 questions?

16 COMMISSIONER KIMBREL: I don't really have  
17 a question as much as just a comment.

18 Mr. Greene, I met with you and your  
19 partner -- I don't know -- was it 20, 30 years ago?  
20 Early on in my career. I don't know if it was an  
21 interview or guidance.

22 MR. GREENE: I recall we've met.

1                   COMMISSIONER KIMBREL: But it was good to  
2 see you.

3                   And, Mr. Johnson, I was the Chief ALJ  
4 when you were handling a portion of your microgrid  
5 case, so it's good to see you here with your partner.

6                   MR. JOHNSON: I'm well-aware of that.

7                   (Laughter.)

8                   COMMISSIONER KIMBREL: You did a good job.

9                   MS. THIBODEAUX: On behalf of the  
10 Commission, I would like to thank the presenters  
11 for educating us on the obstacles and possible  
12 solutions.

13                   At this time, I will turn it over to  
14 our Madam Chairman for closing remarks.

15                   (Applause.)

16                   CHAIRMAN ZALEWSKI: Really quickly. Thank  
17 you for everyone who stayed. I know we are well over  
18 our allotted time, so I appreciate it.

19                   It was great to have so many  
20 perspectives. I think there was a really great  
21 exchange of ideas. I know I learned a lot.

22                   Just a quick plug. How we work on

1 diversity at the Commission is we try to bring on  
2 diverse professionals. So we're always looking for  
3 interns and advisors, so if you spread the word,  
4 that's how we work on the cause as well.

5 I want to thank everyone for their  
6 time, and we'll see you back here next year. I  
7 appreciate it. Thank you.

8 (Applause.)

9 (WHEREUPON, the matter was  
10 adjourned.)

11

12

13

14

15

16

17

18

19

20

21

22