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

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

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

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

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

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

Illinois has been recognized as the
country's leader in percentage of diverse spend among its utilities. In the last six years, Illinois utilities have succeeded in growing their procurement with diverse suppliers, increasing $2.1 billion from 2012 to 2018, an increase of over 300 percent in the six years.

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

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

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

As Illinois moves to bringing more renewable resources online, we need to ensure best
practices of measuring supplier diversity. This is the second year suppliers of wind, solar, hydroelectricity, nuclear, and other energy suppliers has submitted annual reports on supplier diversity. Approximately 110 energy suppliers have reported, which you can find on our website.

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

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

The ICC is proud to receive the
recognition as one of the most diverse public utility commissions in the country and the industry leader in diverse spend. Studies show that diversity sparks innovation in the workplace and creates a more inclusive environment.

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

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

You have my commitment that we as a regulating body will match your efforts and work to recruit and retain more diverse employees. I believe that together we can become the gold standard that we are touted to be.
We know that we will not find a solution to every challenge with increasing supplier diversity in this short session. Rather, our goal today is to open a dialogue, a forum, of exchange of ideas that will be taken from this room to use to make progress over the next year.

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

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

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


It's a new day in Illinois. It's been a long four years. Now with Governor Pritzker's
leadership this past spring, we passed a tremendous package of reforms, laws, and programs. They are
designed not only to deal with our state's budgetary
crisis, but also to ensure while doing so, we also
provide economic opportunities for people of color,
women, veterans, LGBTQ in this community.

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

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

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

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

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

I co-sponsored the original legislation calling for these reports with Representative Will Davis all those years ago because we wanted good quality information on utilities'
spending as it related to supplier diversity. The reports that keep on getting filed year after year are not particularly helpful.

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

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

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

Illinois companies. Let's keep it in Illinois.

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

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

Second, the ICC should clearly define professional services once and for all. Chairman Zalewski, in your opening remarks, you are so right. But we need to define them and restrict what gets
Let me show you an example of what I saw. I saw a company that took credit for a $40 million MBE spend, but $30 million of that seems to have been used for printing and mailing costs. That's a lot of money for printing even if it's printing your monthly bills. I didn't know that the U.S. Postage Service is a MBE.

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

Third, the ICC must require utilities to provide precise data about utilization of people of color and the other minority groups. Utility companies are giving themselves a big pat on the back for their diverse spending, but it appears that in no small measure, the companies are using the same group of vendors, the same people all the time. They just learned to categorize some of those vendors as diverse.
There's one utility company that highlights spending of $1.9 million in legal services with diverse firms. I looked at the appendix of the same report, and the company spent $61,000 with an African American law firm and zero dollars with Latinx or Native American people.

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

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

If you look at the population of Cook County, black people comprise 24 percent of the population. 24 percent of the population. And if you can't find them, I'll tell you where they're at. Latinx people comprise 26 percent of the population, and I'm one of them. For all the utilities operating in a place where minorities make
up a percentage of your customer base, you have a responsibility to support communities in your service area by doing business with people who look like your customers.

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

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

That brings me to my fifth challenge, Commissioners. The time has come for the ICC to audit these diversity reports and the annual reports. The ICC must read and compare the diversity reports to the yearly reports and call out inconsistencies and analyze how the companies are truly performing.

Give them a report card.

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

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

The ICC should break down these numbers and particularly list spending with Hispanic-owned companies, African American-owned companies, women-owned companies, LBGTQ-plus-owned companies, Asian-owned companies, and veteran-owned companies. The ICC shouldn't lump them all together. Neither should the utilities.

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

Over six years, the utilities have
shown that they either cannot or will not write usable reports. I'm not interesting in playing las escodites. In Mexico, in my community, we call it escodites. Las escodites means hide-and-seek. It's a lot of hide-and-seek going on in these reports.

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

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

And if you need more authority, ask for it. I'm about 300 pounds, about 3 foot wide, pretty loud. I'll respond. And I'll file
legislation on your behalf. If you don't want -- if you believe you don't have the authority, then ask for it, and be a partner with me and my members of the legislature to pass legislation to give you the authority.

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

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

An example, he personally committed to having the most diverse cabinet in the country. A report this week just found that 225 key posts within his administration and state boards and commissions,
including this commission, Governor Pritzker's
administration officials are 41 percent female, 44
percent people of color.

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

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

I recently met with a bunch of folks
in the financial world, and they say that there
are -- there's more work than there are people. Tell
that to the African American leaders in Chicago, that
there's more work than people.
I also recently read a Business Peer article that named the most influential Latinos in Illinois. No, I didn't make it. I didn't make it. I didn't make it. But I'm going to leave it to all those influential Latinos to continue to create power and wealth. I want to empower my community and want to deliver social equity to my community. And I know you do, too. I know the ICC does, also.

And I know that the vast majority of minority and white ethnic utility executives are all making an effort. Duly noted. I have met with all of them. I think they're sincere about it, but we need to see the numbers. We need to see the numbers. And it's a new day. It's a new Commission. And I reach out to you, Madam Chairwoman, as a partner in ensuring that people of color and minorities and women and veterans and LGBTQ and Asian-owned companies get their fair share.

Thank you very much, Members of the ICC.

(Appause.)

CHAIRMAN ZALEWSKI: Thank you, Senator. I
appreciate your leadership and your commitment, and I
do look forward to working with you in the future to
increase diverse spend. 

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

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

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

When I took over the Public Utilities
chairmanship this past spring, my commitment was to
work with each and every one to try to solve the
problems that each and every one of us face in a
comprehensive matter, and that involves diversity, also.

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

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

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

(Appplause.)

CHAIRMAN ZALEWSKI: Thank you, Chairman.

Next, we have the Vice Chairman of the Public Utilities Committee, Representative Thapedi.
REPRESENTATIVE THAPEDI: Thank you, Madam Chair, and good morning to everyone.

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

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

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

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

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

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

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

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

(Applause.)

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

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

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

As the Chairman stated, Section 5-117 of the Public Utilities Act requires the large,
regulated utilities to report on their diverse supplier goals and actual spending on the diverse suppliers in the previous calendar year. This morning, we will hear highlights from the CEOs of those utilities regarding their 2018 diverse suppliers programs and reports.

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

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

Each CEO will have about seven minutes to present. That will be followed by the Q&A session. As always, the Chairman and the Commissioners are welcome to ask questions throughout the session, and if we have time at the end of this panel, we'll open it up to the public for the questions.
With that, we can do the red carpet, and I would like to introduce the CEOs of our utilities.

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

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

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

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

Five years ago, I gave the first Nicor Gas Supplier Diversity Report. I stated during that report, at Nicor Gas, supplier diversity is not
a program, it's not an initiative, but a strategic business imperative.

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

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

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

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

While we certainly believe that this is a compelling achievement, we do not believe that
this is the end of our journey. More importantly, we realize that our financial accomplishments do not tell the true story of the impacts from our efforts.

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

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

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

Since 2013, Milhouse has more than doubled its annual revenue. Today, it is a company
of over 200 professionals representing the communities that they impact and nine offices across the U.S., many of those outside of Illinois. They are a company committed to advancing the academic achievement for underrepresented Chicago and the communities around the world.

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

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

These are real stories about real people that truly matter the most. We can't take
credit for this progress we've made alone. We've benefited greatly from our relationship with our industry partners, Ameren, Illinois-American Water, Peoples, and ComEd, as part of the IUBDC.

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

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

2018 was our largest investment year to date since Investing in Illinois began. We increased our diverse spend related to this initiative from $40 million in 2017 to approximately 125 million in 2018 with diverse partners. Finally,
we are currently executing our 2019 business
diversity plan, and our target is to exceed our 2018
performance.

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

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

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

And I'm sure that there will be those
that will ask, can we do more? Are we doing enough?
Rest assured, this is the same question I ask myself
every day.

Thank you.

(Applause.)

MR. MARK: Good morning, Commissioners.

Thank you for giving us the opportunity to be here
today to talk a little bit about our diversity
program at Ameren Illinois in 2019, some of the
successes we've had and some of the challenges and
some of the opportunities we see to continue to
improve.

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

I'd like to first just begin by
saying that at Ameren Illinois we have an intentional
strategy for engaging diverse-owned companies and
expanded opportunities for those companies to provide
their goods and services to Ameren Illinois.

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

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

This is a three-year average of Ameren Illinois diverse spending. You can see the graphs there. We've seen some success each and every
In 2018, we had a total diverse spend of a little over $357 million, which is up 28 percent from -- which is 28 percent of our total spend. I'm sorry.

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

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

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

So we try to not just spend all of
our dollars in one area geographically, but we think it's important that we work with diverse businesses throughout the State of Illinois and throughout our service territory, also.

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

Here's our total diverse spend for 2018. It's $357 million, and this kind of breaks out how it was spent. It was a 65 percent increase in our total spend compared to 2017. And we actually -- every other year, we do an Economic Impact Study, and this year we did it for 2018, and it shows about a $740 million value added in economic activity in Illinois was triggered as a result of that diverse
spend. And again, of 357 million, it's about 28.8 percent of our total spend and a significant increase over 2017.

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

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

One of the reasons I point this out is as we look at opportunities for the future and how we can build capacity with diverse spend and minority companies is, you know, to try to give them an opportunity to not just bid, but an opportunity to
grow their businesses and to understand businesses. One of the things that we found is that some small businesses lack the acumen. You know, how to really have the back office, the finances, how to make sure that their employee taxes are paid, that their workmen's compensation payments are made, that liens aren't being filed against their projects. So we've developed a diverse minority mentoring program that we're working on to try to work with these companies to help them grow their business.

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

Growing diverse businesses in energy efficiency. This I kind of carved out. This is our Energy Efficiency Program that was passed in
2017. We were able to get a part of those funds dedicated where we could improve the energy efficiency workforce, people who get involved in the workforce.

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

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

When we went looking for companies, we found that there weren't many vendors out there in
this space that are doing the work. We see that as a great opportunity for growth and development in the future, not only for jobs, but for opportunities for small businesses to get involved with energy efficiency as we go forward.

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

With that, I'll just conclude by saying that, you know, it's a journey that we've started on. We don't really see it ending. We see it as an opportunity to continuously improve, look for areas that we can expand and grow minority
vendors throughout our service territory, and how we can do more as a company to really better not only the communities we serve, our region and our state.

Thank you very much.

(Applause.)

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

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

That starts with leadership from the top, but also commitment across the board. So I'd like to begin, if you don't mind, with introducing my leadership team.
And I'm going to start on the right here with Melissa Washington. She's our Government Regulatory Affairs.

Stacy O'Brian, our Lead Counsel.

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

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

Jeanne Jones is our CFO.

And our President, Terry Donnelly.

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

I'm going to go and talk a little bit about our numbers first. I think Dwayne handed out our report.
Largely a reflection that I remember from last year, this doesn't show up all too well, but I'm going to point out a few of the numbers and throw some glasses on, not as an admission to Senator Sandoval, whose passion I greatly admire, that our font is too small --

(Laughter.)

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

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

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

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

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

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

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

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

Let me turn to Slide 2.

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

And so last year, we kicked off this Enterprise For All Program. We focused on 19 vendors where we're doing one-on-one mentorship with these
different vendors with the goal of moving them from Tier 2 vendors that have promise to Tier 1.

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

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

Because so much of the progress in this space has been made by cultivating new companies, first through Tier 2 and then bringing them to Tier 1, that those relationships are critically important, and as important, frankly, as
our efforts to just introduce them to the business.

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

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

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

Another great success story we have in a different line of work is led by Steve Davis of the Will Group. They have been a long-term partner
for us, but they've matched their spending here with ComEd with commitment to the neighborhoods opening up -- I think the photograph you see here on the right-hand side is a new manufacturing center in Chicago's North Lawndale neighborhood.

So congratulations to Steve and the entire Will Group.

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

And what we have done there is one-on-one mentoring. We've hired ALJs, former ALJs from the Commission, to supervise some of that work. We've partnered the new minority firms with majority-owned firms, and they work side by side on cases. To the extent that they're going to have an oral argument or presentation before the Commission, we're doing a dry run in front of an ALJ so they understand the content of those hearings, and they get that one-on-one education.
So you're going to hear from a couple of those firms today, but I think it's a tremendous success story.

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

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

So I'm going to stop there. I know you'll have questions. I was wondering about the reorientation of the room, and sitting here, I see the industrial logic of it. You have a clock right
at the back end, so I'll adhere to that and turn it
over to Bruce.

(Appplause.)

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

It's my pleasure to be here.

President of Illinois-American Water, Bruce Hauk.

I'm also the Senior Vice President of the Midwest
Division for American Water. But the title that I
hold most special is Chairman of the Illinois Utility
Business Diversity Council.

In hearing Senator Sandoval's
comments as we started out, it's hard not to get
motivated. But what I want to do is make my comments
very, very high level from an outcome standpoint.

But I think it's very important to walk through the
history of what brought us here today.

It started with courageous
legislators that created a law, that created the
opportunity for us to be here to share our annual
reports. I would remind the public that when that
law was created, Illinois-American Water volunteered
to be a part of that law, and Representative Will Davis and others in the room would recognize that.

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

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

But what I'm telling you is I looked in the audience in 2015, and I'm being introduced to the State of Illinois, and I'm very nervous. But since that time, I can consider Charles Matthews, Joe Dominguez, Melvin Williams, Richard Mark, personal
friends. I can consider Senator Sandoval as someone that motivates me, encourages me. I can see my good friend, Senator Clayborne, in the audience that has been a spirited helper to me in this process, in this journey.

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

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

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

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

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

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

One of the things that I want to talk about and one of the questions, what programs worked best in 2018 for Illinois-American Water? The story I want to share is our East St. Louis treatment facility, which is located in
East St. Louis. We did a $48 million -- we're in the midst of doing a $48 million investment in that facility. This serves the second population in the State of Illinois, second only to the Chicago Waterworks.

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

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

MR. MARK: That's right.

(Laughter.)

MR. HAUK: So we're down south.

$48 million spend. We had a prime event where we introduced four of the prime contractors who were bidding on the job in our facility, the opportunity to be networked with other diverse suppliers and expand their businesses.

Once we assigned the bid to the winning prime, they actually held a second event for
introducing themselves to vendors as well.

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

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

People say lives are enriched by relationships. Well, they're not. I can tell you as an executive of a utility company that, yes, I am the whitest guy in the room. You will find no one more passionate about this matter, and I have many credible witnesses to that, but our company and our business and our employees are better for it because Illinois has the courage to do the right thing. And it started with the legislature, culminated with the
Commission, and still carrying forward with our existing Commission, that's making a difference in people's lives.

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

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

(Applause.)

MR. MATTHEWS: Thank you, Bruce.

Good morning, Chairman, Commissioners.

My colleague, Bruce Hauk, I can't
tell you how fortunate we are to have you lead the IUBDC. We could not be represented by a better face from downstate even with the complexion that you talked about.

(Laughter.)

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

(Applause.)

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

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

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

But time has really moved on us.

We've made great progress on many fronts over the
past four years, and improving supplier diversity ranks at the top along with customer service and our system modernization program.

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

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

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

There also were many specific achievements worth mentioning in 2018. To begin
with, 82 percent of our diverse spending was with local companies -- that means Illinois -- and that amounted to more than $102 million spent on diverse businesses based right here.

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

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

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

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

Okay. So what have been the keys to our success. Well, we've been able to double our spending on supplier diversity and sustain that level of spending by taking a very simple and a very disciplined approach.
First, we consider supplier diversity a key corporate value. That means integrating supplier diversity goes into our annual budget and planning process. As part of that effort, we set an overall supplier diversity goal based on our total plan procurement. We monitor progress towards those goals throughout the year.

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

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

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

Fourth, we set diversity expectations
for our major prime suppliers. We expect our major prime suppliers to meet a minimum diverse spending level of 20 percent on the work they perform for us. Many of them have exceeded that goal.

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

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

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

We also continue to work with high performing Tier 2 firms to make the transition to
Tier 1. Specifically, we will consider pilot programs in which we believe diverse suppliers in core business functions could demonstrate their abilities to perform and operate independently.

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

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

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

So thank you again for allowing me to be here today and share that information with you.
(Applause.)

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

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

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

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

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

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

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

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

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

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

We often take our spin numbers and carve out small business to see the diversified spend, and I understand that and appreciate that, but I can tell you from our history early on in the process, we've really been able to grow our diversified spend through second tier to small business.
I think that's important, that small businesses work together. It's not just a prime, large contractor working with small businesses that creates diversified spend. It can happen small business to small business as well. And I think it's important for us to create those connectivities.

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

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

MS. RABCZAK: Thank you very much. That sounds very, very interesting, that you all have
thought it well through and probably through the errors tried 11 different approaches with diverse suppliers as well, and I think the suppliers we have here appreciate hearing that from you directly.

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

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

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

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

One of the things I didn't share is
we talked about best practices. I kind of talked about the journey we've been on. It takes leadership. One definition word for leadership is influence in my book.

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

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

And it took a little time for that to gain momentum, but then it became, this is serious, and once the employees realize it's serious, then I think it grabs hold and it creates the importance of
making the followups to those vendors and those relationships that I talked about earlier.

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

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

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

I can give you many examples of the alignment of that business strategy, and you'll see it in our report. We have an initiative that's called DBP -- that's Diverse Business Partnership -- where we look at our long-term financial planning and
align that with our supplier diversity strategy to
the extent that we have gaps associated with our
long-term financial planning in terms of opportunity
for diverse partners. We create developmental
opportunities to ensure that while we may not have a
partner today, we're not seeing the same thing two
years from now, three years from now.

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

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

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

So what we set up was a Diversity
Steering Committee. So the senior directors, they're
looking at their budgets and what projects they need
to do next year and they're prioritizing them. This
Diversity Steering Committee that we created, they
not only look at the dollars and the budgets they're
going to approve for projects next year, they're
asking themselves and building in, okay, how much
diverse spend are we going to get and where are the
opportunities to get it.

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

And I think that's helped us
tremendously. We have the senior directors and other
directors in the company that are approving those
budgets, approving those hundreds of projects,
thousands of projects, and each one of them, they're
looking at at the front end as part of a strategy for
MR. DOMINQUEZ: I think it's great to have the commitment externally with partners, but I think all of us would agree that leadership at the top is critically important. But when things don't happen, it's because we hit a clay layer somewhere in the organization where the message doesn't carry through.

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

In our senior-most leadership team at ComEd, we're 80 percent women or people of color, in fact, overwhelmingly, and it really does make a difference, I think, when people come in and they want to do business with us, that they see a face that they recognize, that they see an experience that they recognize, and that our leaders have kind of walked in those shoes and are able to interface with
the communities to get the best out of that relationship.

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

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

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

When you look at our spend, it's about 65 percent of our spend. So while we're trying to do all those other things at Peoples Gas and North Shore Gas, we realized that we needed to make
progress day one. And that program has been significant.

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

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

MS. RABczAK: Thank you very much.

Do we have any more questions from the Commissioners?

COMMISSIONER BOCANEGRA: Yes. Thank you, Tetyana.

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

Senator Sandoval made some comments this morning regarding how diversity spend can impact communities at the local level. Similarly, Melvin,
you made mention that some of the diverse dollars
that your company has spent have impacted these
diverse companies as well as their families.

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

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

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

    Now, in a more holistic quantitative
measure, we have collectively through the IUBDC and
as well individually done economic impact studies,
and I think the last one that we did was maybe a year
or two years ago. And at that time, the collective
impact from all of the utilities was approximately
$15 billion. So there's ways to do that.

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

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

I know one company that we've dealt with a lot in East St. Louis bought a former property that was just making homes and tore them down and that's where they built their office building. So things like that, you know, but how do we capture
that and quantify it. The best thing we have right now is through our Economic Impact Studies that we do. But it's something that we should strive to do more of.

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

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

So right now from a gap analysis, we've got a bunch of things covered, but we haven't figured out whether or not our majority partners are doing the right thing. The goal here shouldn't be to
get to 100 percent of our business with firms owned
by women and people of color. There needs to be some
proportionality. As Senator Sandoval said, we're
certainly not there yet.

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

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

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

So we had at ComEd about seven --

over a decade ago maybe $50 million of those assets were being managed by firms that are either owned by women or people of color. Today, we've moved that to $3 billion of our asset base.

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

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

MR. HAUK: I love this question. It's something that's uniquely situated with the water and wastewater industry. Juxtaposed to my peers and their industries are -- if you think about this,
under the circumstances today, over the last 20 years, 30 years, EPA data, investor-owned utilities that are in the water and wastewater space are 15 percent less likely to receive a drinking water violation, because we just do it better.

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

This is the call and the hope I would ask of Senator Sandoval and the legislature, create opportunities for investor-run utilities to expand the horizon in the water and wastewater space in the State of Illinois to create the investment, to create the opportunity to provide better service, safe, reliable service, better than anyone else, and create
the opportunity that you know is committed to inclusion and diversity, and look at the numbers after we come into a community and create that opportunity and advantage for those communities that are not seeing that today.

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

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

It takes a company like American Water or a company that sits here with me to address these issues. We figured it out in the electric and gas industry. We're just lagging in the water and wastewater industry.
So I call out to the legislature for help with that, because we have shown, and our record speaks for itself, we do it better, and we provide the economic impact that the legislators and the community deserve, and we represent and are trying to represent the communities that we serve better and better, better than our competitors.

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

But immediately today, you know, we need to hold our partners accountable. I can't tell you how many phone calls I've gotten on projects where I'm meeting a 50 percent target that I have set from community leaders calling me and telling me, there's nobody on the worksite that looks like
anybody in the community, but yet, I'm getting credit for 50 percent. Fake dollars.

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

MS. RABczak: Thank you very much.

Commissioner Sheahan?

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

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

Over the past five years, the ICC has joined you in this journey to improve diversity
beginning on my first day with a commitment to Commissioner Edwards, who is in the front row.

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

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

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

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

We had the first African American
Chief Judge, Commissioner Kimbrel, in 105 years, the first female African American Chief Judge in 105 years, the first African American Bureau Chief in 105 years, and the first Hispanic Chief of Police in 105 years.

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

(Applause.)

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

Can I say that one of the most important aspects of the collective success of these
utilities has been the fact that we've had a
constructive regulatory and policy environment as
well as legislative environment, and I would implore
all of us to ensure that that continues.

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

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

So thank you.

MS. RABEZAK: Thank you for the
constructive dialogue.

Commissioner Kimbrel?

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

(Laughter.)

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

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

MR. HAUUK: I'll take a stab at this.

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

Just three examples. The first session that was in 2015 and the following year we
placed $100 million with Pugh Investments, which is a minority-based enterprise. Martin is going to share the story where part of our transaction -- something that's unique, a non-deal roadshow, which we also did with Loop Capital. Sidney Dillard is in the room, and we did that in Camden in our headquarters recently.

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

MR. MATTHEWS: I'll just add, Commissioner, that I certainly think all of us have seen progress, significantly more progress on the financial side and the legal side and starting to see significant progress on the IT side.
The challenge with the legal side, you know, and this is just my perspective, is the model that the legal professional operates in, you know, even before you start to talk about diversity, and it is typically, you know, one big firm gets the business and holds onto it.

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

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

So we're being asked to do something different than the model that currently exists, and it's going to be challenging. We're going to have to figure out how to, you know, get those law firms to be willing to share.
And it's not easy, because a lot of these law firms are deeply entrenched, deeply knowledgeable, and as a result, they have huge competitive advantages that, again, the nature of that industry is not to give that away. So we're going to have to figure how to get past that.

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

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

So part of our challenge has been
expanding those opportunities, which by the way are outside of Illinois, that gives diverse businesses the opportunity to be able to leverage their services.

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

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

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

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

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

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

So it's just a point of we have to continue our efforts to make sure we see that happen more.
MR. DOMINQUEZ: Commissioner Kimbrel, I'd just add to one of the comments that has already been made.

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

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

The overwhelming amount of spend when I look at those belly buttons, who is billing the hours, if I just look at that subset of
36 1/2 percent, most of it is with white women.

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

(Applause.)

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

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

Hopefully, there's an opportunity for further discussion on those issues, because I think
we have some good ideas to share. We all do.

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

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

I just wanted to mention we talked about leadership in Springfield, and I would be remiss if I didn't acknowledge Commissioner Martinez.

Thank you for being here today.

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

(Brief recess had.)

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

Welcome back from the break, and we're going to get started with panel 2. I'm Sadzi
Oliva, and I'm one of the Commissioners here at the Illinois Commerce Commission, and I'm the Moderator for this panel about how to foster partnerships.

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

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

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

The second supports diversity in not only financial services, but all professional services for investor-owned utilities. And both of
these directly relate to the great stories we're
going to hear from our panelists next.

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

So please join me in welcoming our
panelists.

    (Applause.)

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

MR. CABRERA: Thank you, Commissioner
Oliva.

Madam Chair and Commissioners, thank
you for the opportunity as well as thanking Senator
Sandoval as well as Senator Martinez and the other
elected officials that are here.
I just want to share some of our thoughts on some of the success that we've had that's been due to the ICC as well as elected officials that have come together with the executives.

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

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

And we sat down with some of our banking team to go over our areas of strength and where we thought we could bring value to American Water. And about April of 2019 -- we started having some discussions in January about having -- being able to participate in some of the transactions. And in about April of 2019, we kind of put together
what's called a non-deal roadshow, and what that means is that we're going to provide kind of American Water and their treasury team, some of the large buyers here in the midwest and some came from Texas as well, to spend some time one on one hearing about the American Water story and the positive things that were happening.

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

So they were able to sit across the table from the treasury team, and the buyers that we brought together -- it was over 550 billion worth of assets. Also, to share the story of what American Water was doing in ESG, what's called environment, sustainability, and governance.
ESG is an environmental kind of sustainability and corporate governance. Those are areas where a lot of the investors were buying corporations' bonds or looking at, and the impact that they were having not just on their diversity spend, but also for their board makeup and what they were doing in the environment.

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

It was something that ultimately kind of bode well for American Water, but it allowed us to show where we bring value to the table, and we were able to participate in the transactions that American Water had for about 1.1 billion and providing orders for their book, but it was something that we were able to bring in new buyers to the American Water
bonds on there, which kind of made a huge difference for them, but it also allowed American Water through that non-deal roadshow to tell their story of success.

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

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

And that's kind of the way we've approached business, and it's been helpful to American Water, but it's also been helpful to us, and
we know that it's part of a relationship that will continue to grow, but it wouldn't have been possible if it weren't for the ICC, the initiative, as well as the elected officials coming together with the executives from the utility companies to give those companies like ourselves that opportunity to compete.

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

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

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

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

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

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

And that's what kind of sparked the
relationship there with American Water. We're grateful. But also with some of the others at ComEd and Peoples Gas and their parent companies. So we appreciate the opportunity to be here and hoping later for questions. Thank you.

COMMISSIONER OLIVA: Thank you, Martin.

Homero?

MR. TRISTAN: Thank you, Commissioner.

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

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

And on this topic of partnership, I believe that the gentleman that really epitomizes the word and the true meaning of it is here, Senator Sandoval, who has partnered with the ICC and has partnered with the utilities to say, I think there's an issue here that we want to resolve, and we want to resolve it as partners. So thank you for all your work in that effort, Senator.
The mentor-protege' relationship is a time-honored method for learning and gaining knowledge in professional development. It is a symbiotic relationship between a mentor-protege' pair who assist each other to meet mutual objectives.

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

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

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

Now, the story of my partnership with ComEd is not a simple story. It didn't start with an
immediate -- with an immediate opportunity. Instead, it started with what many MBE vendors often face. That is, seeking to work in an area where they have not traditionally been present.

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

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

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

So a couple of years ago through the
leadership of ComEd, they created what I believe is the first of its kind mentor-protege' or mentorship program, and we were chosen as one of the two firms that are participating in that particular mentorship. And the program pairs us with a majority firm, and currently, we're working with a majority firm here in the City of Chicago which is a national firm, and we're working with the utility experts along with attorneys directly from ComEd, and they asked us to begin to learn the areas of regulatory law. Now, because it's a partnership, ComEd didn't simply say, here's the work, go and do it. They also made sure that we had buy-in and that we invested. So it wasn't that ComEd was only giving. ComEd was also asking. They asked us to invest in the resources. They asked us to invest our time. They asked us to invest the ability to spend time that would be training, going back to school essentially, to do coursework throughout the year, to do homework to enable our lawyers to be able to understand a different area of law.
So they didn't just partner with us to say that we're going to give you work. They asked us to also put skin in the game, and that skin for us was to make sure that we had the resources and that we were investing in this partnership.

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

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

ComEd has held us in and said, well, here's some areas that we really want you guys to spend time, and we've said to ComEd, here are some issues where I think we can, perhaps, do better.
But that partnership has fostered that success, and I believe that ComEd is continuing to invest its time in making sure that this partnership is long lasting and sustaining. Ultimately, both of us hope that this particular partnership creates scalability. Now, scalability is an attribute that describes the ability of an organization to grow and manage increased demand. I submit that this, too, is symbiotic. We grow in our knowledge and in our workload, and we grow in the business that we're doing.

In fact, last week we moved to new offices because of that expansion and because of the partnership. And I believe that ComEd grows in its skills and its stature of its commitment to diversity. They really are the ones that should be looked at as creating a model, seeing a problem, and saying it's a problem, but we're going to fix it through strategy and in partnering with MBE firms. Partnerships have to be able to evolve over time and develop new ways to grow and
achieve goals. ComEd has said to us that they wanted to continue to grow with us because they not only provide us with piecemeal or smaller projects, but they wanted us to really strengthen the amount of complex matters and the ability to manage matters on our own.

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

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

Thank you.

(Appplause.)
COMMISSIONER OLIVA: Thank you.

Tim?

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

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

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

(Laughter.)

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

My great-grandfather started the company in 1925. When he passed away a few years later, my great-grandmother ran the company for about
ten years. So while not sanctioned by the State of Illinois, we were a woman-owned business back then. When my grandfather returned from service in the Navy, he became owner and ran it, again, not sanctioned by the state, but as a veteran-owned company. And today, Mary Lawrence, my aunt, who volun-told me to sit here in front of you -- (Laughter.)

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

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

Through all the ups and downs over the years, one story really pops up to mind as you guys are trying to work with diverse companies. In the '90s, our business was growing. We were on scale to make a large investment in a new printing press.
So we invested about $2 million to move this press into our facility.

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

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

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

And then through those energy efficiency programs and those implementation
contractors, our business also grew through Ameren, Com Ed, ONCOR out of Ohio.

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

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

The site is where we are focusing our growth and our business in making sure that the asset library of Nicor Gas is easily accessible from the communications team to the human resources team. Procurement can come in here and see what their dollar spends are. All of that information --
our goal is to develop it in response to the feedback from the vendors or from -- sorry -- from Nicor Gas.

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

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

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

In addition, all of our employees are from around the Bellwood area, so they are Illinois employees. They give back their time and their dollars as well to initiatives in this area.
Including this morning. I was running a board
meeting for a charity in Blue Island that supports
the area with food pantries and suppers.

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

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

    (Applause.)

COMMISSIONER OLIVA: Thank you, Tim.

James?

MR. CLAYBORNE: Thank you, Commissioner.

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

    I'm here on behalf -- at the request
of Ameren, but I, too, want to not only express my
appreciation to Ameren for the opportunity they have given me, but also Nicor, Illinois-American Water, Peoples, and ComEd for the opportunities you have provided my firm.

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

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

We also were involved with other
aspects of development, and it gave us a different
and unique perspective.

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

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

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

And what that does, again, it
legitimates your ability to provide the same level of services, quality legal services, and frankly, I'm sure we were not charging -- we are not charging what the big Chicago firms are charging. So again, it gives us the ability out in the market to be legitimized.

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

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

We have opportunities as it relates to -- with other utilities, same thing. Looking at practicing -- we do JULIE litigation. We're involved
with easements that we've helped obtain for Ameren and other utilities. We're currently involved with a contract to provide replevin work for Nicor that I understand we have an exclusive agreement with them on. We've done with work with ComEd in that same area.

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

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

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

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

Melvin and I have developed a great relationship. I'm very appreciative of Melvin and
all that he's done to help.

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

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

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

Having said that, it's very important
that we make an assessment of who is out in the
market and how we can help scale them up. I
personally believe, and I had this conversation with
Chonda a couple of weeks ago, one of the ways that
you scale up a minority firm is to give them predictability. It's hard to invest in additional manpower or labor if you don't know that there's a consistent amount of work coming, particularly as lawyers.

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

And I only say that to say this.

If -- and this is not knock on the firm, but if we had not been given opportunities, they would not know what our capabilities are. And obviously, we bring an advantage to the table, and they bring an advantage to create us and give us -- an advantage for us to create greater opportunities and exposure.

So the point that I want to leave with is that I believe without the effort of Richard and Melvin and Bruce and Charles and Joe, a lot of us would not have received some of the exposure and the
growth that we are currently experiencing. So I'm very appreciative. My colleague, Senator Sandoval, knows, and it's been stated, that there's a lot of more progress that can take place. I'm very appreciative of the progress that's taken place, and I look forward to continuing to work with you all and to grow to scale. And I want to express my thank you as well with the ICC.

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

Thank you.

(Applause.)

COMMISSIONER OLIVA: Thank you, James. Sidney?

MS. DILLARD: Good afternoon. I'm Sidney Dillard, and I am a partner, and I head our corporate investment banking business at Loop Capital Market.
I want to give you a little bit of backdrop on Loop. We compete in an industry that is dominated by giants, but we have proven that there are significant opportunities for firms like Loop partnering with companies that are represented here in this room today and the gentlemen who spoke earlier. There are opportunities, and I want to talk about -- specifically about one that we have with Peoples Gas that we work with and all of the utilities here that are represented in the State of Illinois.

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

We started in 1997. We are Chicago based and rooted with a global reach in terms of the
companies and the institutional investors that we
work with and the business that we do.

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

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

In the context of Peoples, we
started -- from the beginning, they demonstrated a
commitment to us as a local firm, as a minority firm,
but most importantly, as a firm that had capabilities
that were aligned with what their needs were.

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

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

And where we saw this happening was
that when Charles Matthews came in as the President
of Peoples Gas and North Shore Gas was really kind of
how he hit the ground in Chicago, and his advocacy on behalf of those companies that were working with them and advocating with the folks in Wisconsin around the importance of continuing to do business with firms like ours and making meaningful opportunities.

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

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

So the opportunities that we have had to work with Peoples have been broad and diverse. It
has leveraged our capabilities in terms of the
investor relationships that we have and opportunities
that we've had to work on financing both from a tax
exempt perspective as well as from a taxable
perspective.

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

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

We had our first opportunity to work
with Peoples Gas in 2001, and since that time, we have consistently worked with them across their needs.

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

Thank you.

(Applause.)

COMMISSIONER OLIVA: Thank you, Sidney.

(Applause.)

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

Commissioner Bocanegra?

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

My question for any of the firms really is, as the beneficiaries of a lot of the
successes that you have shared with us, how do you ensure -- either as a Tier 1 or a Tier 2, how do you pass that along and ensure that that butterfly effect, as someone spoke about, or those opportunities continue beyond your firm?

Specifically, maybe share some examples of how you have also engaged in diverse spending.

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

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

So we have -- at one point in time -- the challenge with a smaller firm is that -- in particular being where we're located, it's similar to probably practicing law in Cicero versus downtown Chicago. Even though you practice in downtown Chicago, your office is not located there. So that's part of the challenge.
But at one point, in Belden, Illinois, I had more Asian lawyers in my office than I had any other minority. So, obviously, we practice what we preach.

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

We were recently awarded a development on the southwest side. It will be a fairly large project, about 320 million. But if you look at our partners, our joint venture partners, they're African American. Milhouse was mentioned earlier. They're one of our partners. But, also, Latino architects, engineers, attorneys as well, and
other, kind of, African American architects and engineers. So that it is trickling down. It has to be a snowball effect.

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

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

But it's also showing some of the other businesses that we work with that we expect the same from them, that they're going to be working with other minorities as well. So it's definitely kind of us putting our influence and our leadership, as was mentioned before, on the boards that we sit on, but also the people that we do business with and what's expected of them as well.
MR. TRISTAN: I would echo what Martin has said. Just about all of the providers that we use, from printing to our banker, are minorities. Our firm is comprised of a majority women and a majority minority within the attorney ranks. So it's not just a leadership.

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

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

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

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

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

And then outside of our people in terms of wages and bonuses, et cetera, then our other expenses around our insurance services and other consulting services that we use as a firm, we always
use minority firms to work with us in the context of those services. So top of mind for us.

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

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

COMMISSIONER OLIVA: Do my colleagues have any other questions?

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

COMMISSIONER SHEAHAN: I have a point of personal privilege. Because we're running over so late, I have to pick up our eight year old. I have to leave early. I wanted to apologize to the
panelists that are going to come after. It's
certainly not a reflection of my commitment to this
discussion or the Chair's leadership. Thank you.

COMMISSIONER OLIVA: Thank you.

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

Let's give them a round of applause.

(Applause.)

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

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

So on behalf of the Commission, I
would like to thank Bruce for volunteering to give
this presentation. So please join me in welcoming Bruce.

(Applause.)

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

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

With that, thank you, Madam Chairman and Commissioners.

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

In 2015, we agreed to join forces to tackle an issue that transcended each of our respective businesses. With the strong leadership
support from the Illinois Commerce Commission, we
made the bold determination to make Illinois a
national leader and practice of business diversity.
Since then, our IUBDC charter members, Ameren Illinois, Commonwealth Edison,
Illinois-American Water, Nicor Gas, North Shore Gas,
and Peoples Gas, have steadily built a coalition that
is opening doors for diverse companies to enter the
utility supply chain generating significant economic
benefits along the way.
Today I report to the Commission that
the goods and services purchased from our diverse
businesses led by the IUBDC members are making a
measurable impact on the local, regional, and state
economies.
One of the things that we've done at
the Illinois Utility Business Diversity Council is we
did an Economic Impact Study in 2017. We represented
that over $1.1 billion of spend took place in 2017.
Now I'm going off-script.
Unfortunately, I didn't carry enough weight to update
the Economic Impact Study for 2018, so we'll do
update for '19, and the new Chair, Chair-Elect Charles Matthews, will be able to provide that information.

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

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

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

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

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

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

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

Both Regine and Joshua have told us their participation in the program not only offered expert instruction on how to manage a successful business today, but provided a framework for how they can grow their business in the future.
Additionally, you have heard us talk previously about our GIS tool, the mapping tool where we have vendors and suppliers archiving their information into the map tool, and that provides a path for suppliers and potential suppliers to connect with other companies and our companies, and learn about new opportunities as an interactive mapping feature. We're rolling that out expanded in 2020. Lastly, developing Tier 2 suppliers.

On May 7th, the IUBDC provided the leaders of our Tier 1 original equipment manufacturer suppliers an opportunity to gain insights on strategies for increasing work with diverse subcontractors and vendors. More than 50 attendees gathered for the workshop in Chicago, part of the IUBDC's ongoing effort to increase contract opportunities for its minorities, women, and veteran business partners. This is a concerted effort to grow the pipeline of work for qualified Tier 2 diverse suppliers. Among the attendees were Illinois Commerce Commissioner Sadzi Oliva and her legal policy advisors as well as the ICC's past Deputy
Executive Director of Policy, Jean Gibson.

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

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

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

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

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

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

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

Our next panel, we're going to
discuss ways in which energy suppliers can achieve supplier diversity goals, ideas for how to comply with reporting requirements, and ways to overcome structural impediments to achieving supplier diversity goals.

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

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

We're now going to hear from representatives of energy suppliers who are helping to connect energy suppliers with diverse suppliers. With us here today we have Nakhia Morrissette,
SEIA, the Solar Energy Industries Association, and Jeff Danielson, Central Regional Director of AWEA, the American Wind Energy Association.

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

MS. MORRISSETTE: Thank you, Alejandro.

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

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

As Alejandro stated, my name is
Nakhia Morrissette, and I'm the Regulatory Counsel and Midwest Regional Director for the Solar Energy Industries Association or SEIA for short.

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

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

SEIA values diversity, inclusion, and equity within our organization and the promotion of these values across the solar industry. We envision an industry that is committed to fostering a culture of inclusivity, and we aim to achieve this by
encouraging openness and transparency about diversity issues and progress.

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

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

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

More recently, we've begun collecting each state's diversity suppliers, minority businesses, and other relevant resources for our members to utilize. This content is being
reformatted into an interactive map, which will be accessible to our members on our website.

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

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

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

We've also hosted women's empowerment summits, which was held just last year here in
Chicago, to devote networking and to develop action plans to encourage positive change for women within our member companies.

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

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

We've also partnered with the NAACP through our Solar Equity Initiative, which is a project organized through their environmental and climate justice programs and advances its civil rights programs, including economic development, labor, education, health, and criminal justice, and provide solar job skills training to individuals and
access to solar in states across the country.

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

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

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

So moving to Illinois, here is a breakdown of where the state ranks in solar production. Currently, less than 1 percent of Illinois' electricity comes from solar, but we see
that number rising quite significantly from just under 120 megawatts to just over 1500 megawatts in the next five years, making Illinois one of the fastest-rising states for solar energy in the country.

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

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

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

What we also saw with FEJA was an influx of companies wanting to do business in the state and some of the incentives it provided, including the increase of the state RPS and the introduction of the Long-Term Renewable Resources
Procurement Plan, which ultimately created new programs, the Adjustable Block Program and Illinois Solar For All.

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

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

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

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

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

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

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

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

(Applause.)

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

So we appreciate the opportunity. I'm new to this role for the American Wind Energy Association. My title is slightly longer than Nakhia's, Central Region Director, but essentially
the midwest as well, and I appreciate her friendship and being a colleague and inviting me to be a part of this, because otherwise, I probably would not have known about it.

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

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

And, Madam Chair, thank you for your leadership.

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

And if you look at the map of the United States, obviously, the midwest and the central region of the United States is very important to the
wind industry, employing over 114,000 Americans.

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

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

Specifically for Illinois, Illinois is a leader, as Nakhia mentioned, in renewables. The Wind Energy Association shows Illinois to be fourth in the nation over -- up to 8,000 jobs around the state. If you look at the graphic, the wind turbines are the actual wind generation facilities, and then the year, manufacturing year, is the facilities that
provide the supply chain for that energy output. So Illinois is a clear leader, and this should represent to the Commission that there are opportunities to achieve your goals through not only what's currently here in Illinois, but what will grow in the future.

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

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

I was a veteran, U.S. Navy. My resume' wore combat boots, and when I got out of the Navy, almost none of my training was honored by either the four year universities or the community colleges. So some of my work in the Iowa Senate was to change that, and I'm proud to say today that if
your resume' wears combat boots in Iowa, much of that
is honored with real credit and advancement towards a
college degree.

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

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

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

One, I think this was great to be
part of the panel to raise awareness. As one of the
senators referenced, making sure that the reporting format is simple and understandable achieves higher compliance for our member companies.

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

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

AWEA is focused on being a member of other organizations that help sustain our goals. So Women of Renewable Industries and Sustainable Energy WRISE is embedded in AWEA's programming. They are a major part of our trade show. And I signed up and am a member as a result of the overall AWEA memberships, and if not weekly, but biweekly, we get information and outreach from this group on opportunities that
are available to encourage women, especially in renewable energy.

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

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

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

(Applause.)

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

MS. MORRISSETTE: Sure.

It was reflected a little bit in my presentation, but I think as we approach April 2020,
it would be great to continue to have discussions with the ICC, whether it's Commissioners or ICC staff, to define the parameters a bit more in terms of who -- which companies are required to report. The solar industry is made up of a lot of different companies, from residential rooftop solar, behind the meter, to community solar, CNI and utility scale.

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

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

MR. AIXALA: Does anybody have any additional questions?

Comissioner Bocanegra?

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

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

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

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

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

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

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

MR. AIXALA: Any additional questions?

Well, I think that's all the time we have for this panel, and thank you guys.
If we could get a round of applause for our presenters?

(Applause.)

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

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

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

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

We also have Jamie di Paulo, who is President and CEO of Illinois Hispanic Chamber of
We have Martin P. Greene -- we will have Martin P. Greene joining us. He is the board member of NAMWOLF which stands for National Association of Minority and Women Owned Law Firms.

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

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

Miss Gloria, whenever you're ready.

MS. CASTILLO: Good afternoon, everyone.

I'll try to keep the energy up here.

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

We were established in 1968 by a small group of CEOs who determined that in the wake of Dr. King's assassination, they did not have
to wait for government action in order to create change.

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

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

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

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

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

The way that we approach our work is how do we help companies change their thinking around the utilization of minority businesses, and I think
you heard a lot of that today where companies are really moving to create business diversity as part of the DNA of their organization, as part of a strategic imperative.

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

The advocacy work of Chicago United in terms of business diversity is embedded in a platform that we call Five Forward. Five Forward is a very simple concept, but it is very effective. We get CEO level commitment to select five local minority businesses to do business over a period of five years so they can plan, build to scale and capacity.
In some ways, you can think about this as an access-to-revenue program. For a lot of assist organizations, the focus is on technical assistance and access to capital, critically important, but without access to revenue, we don't have the full picture.

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

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

I'm going to just refer for a moment to the effectiveness of the program. In our first cohort of the program where we measured 18 corporations' participation in the initiative, the University of Illinois measured $850 million of economic activity and 4500 jobs associated with Five
Forward. Today, we have 20 corporations committed, and we're enrolling companies through the end of 2020.

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

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

And I think what you heard across the panels earlier today is two things mattered to them,
the consistency and the ability to plan. There isn't a company that can grow without an ability to plan, and for the most part, when customers utilize, particularly, the professional services firms, they are using them on a very sporadic and kind of transactional basis.

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

I also want to mention that one of the things that we're proud of in building the capacity of minority firms and in working with our utility companies is that we've realized that there are business accelerators across the country who want to replicate this model. So we are actually looking
at creating a licensed product so that this business acceleration process can be replicated.

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

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

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

So what we see is that as minority
businesses grow to scale, and particularly in the professional services arena, they create new opportunities across the board with other minority firms and with young people.

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

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

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

Gloria, we couldn't do what we do without the help of Chicago United. I think Chicago
United has paved the road for many minority firms to succeed.

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

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

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

And that's what many firms like Chicago United do to pave the roads. All we do is build capacity. I'll leave it there and answer some questions later.
MR. GREENE: My name is Martin Greene, and I am here representing the National Association of Minority and Women Owned Law Firms. I am with a law firm myself. That firm is Zuber, Lawler & Del Duca, but I'm here in place of Joel Stern, who is the CEO of NAMWOLF, and he asked me to come to present, and I was happy to do so.

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

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

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

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

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

And one might make the mistake of thinking that there has been huge change in the development of such firms, but not when you look at
the development of the legal profession over that period of time.

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

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

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

That's not going to happen in the
near future, and, in fact, it looks as though the appointments to these lifetime positions on the bench of African American lawyers is less than 1 percent. So there is a problem that we are all going to have to confront.

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

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

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

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

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

And that's where some of the people you saw on the panel today come into mind. And, in fact, they really need to bring more people in to help with that effort, because all of this burden cannot be placed upon the people who are trying to
run businesses as well as and as efficiently as anyone else.

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

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

So that said, some might get the impression -- because we're here talking about diverse law firms, get the impression that there are opportunities in a majority of law firms that diverse lawyers can pursue. Not so. Because all of the studies show that advancements in those firms has been extremely poor, in some categories stagnant, but in some categories actually going backwards. And don't be an African American female in such a firm. You are a unicorn. You don't get anywhere near the opportunities of others.
So it's a battle that has to go on and on and on, but we need to enlist everybody in that battle. It can't just be the people who are the victims who are expected to get someone to stop beating on them.

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

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

Now, congratulations to the leaders in the room -- I didn't want -- I did not want to fail to do what my mom taught me to do, which is to say thank you -- for bringing this gathering together. But you see just like with anything else, different people have a different approach. My approach is perhaps a little bit different from some of the other speakers that you heard.
But if we all know one thing, we know that there are a lot of different ways to accomplish a particular goal. I'm suggesting this way to try and motivate people to do more because of time. We have been through all of these efforts so many times over the years. It's time that we finally accomplished something permanent.

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

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

Thank you.
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.

(MR. JOHNSON: (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
regard to banks.

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

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

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

You know, I have always had the goal
to be premier. I do not like Tier 2. I always
wanted to be Tier 1. So our goal of our firm is always to work up to be Tier 1.

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

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

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

Some of those efforts that paid off after that year-long training that ComEd did -- and I can't thank them enough, because that was what was necessary. Not just a quick training, but a year-long training with every different area of
regulatory litigation, and we learned all of it. And we're excited to continue on that, and we accept it as a charge to ensure that we bring others with us.

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

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

And so from my firm, as we continue on our goal of becoming a premier one firm, we're going to ensure that there's no other firm that's more passionate about hiring minorities than my firm. Right now, like I say, we have over 100 staff. 95 percent are minority. I take it very personally.
Karla was selected to specifically work in the regulatory field due to her litigation skills, and you know, we want everyone to know that it's important that you consider this as a team growth, not necessarily just give us the work. We want to make sure we not only do the work, but we also support you in the work, and we support the end-all goal, which is to bring more minorities into the field of regulatory work.

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

Lastly, we're going to work with others in the industry and ensure that we also help
and teach them the ways of the regulatory work and
the regulatory industry.

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

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

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

Ken briefly talked about our
partnership and mentorship that we have had with
ComEd and also with Ameren. This was not an
overnight thing. ComEd didn't just throw work at us.
They invested time and energy in training us. We
went through a year-long, very extensive training.
If you know anything about the regulatory industry,
it's like learning a new language, all the acronyms
and statutes and the Administrative Code.
So we were studying like we were back in law school and learning the language, the acronyms, reading the statutes, going through the codes.

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

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

Ken came back after meeting with Stacy and said, Karla, we're going to help ComEd get approval for the microgrid, and I said, what's a microgrid? He's, like, you've got to find out, because it's going to be in your neighborhood. Because I live in Bronzeville.
I'm like, okay, sounds exciting.

So we did our own research. We met with the ComEd GCs and different staff at ComEd, and they taught us, and we went through the docket. We helped with the witnesses and the testimony and the briefing, and it was an amazing experience just to see a different aspect in the legal industry, to learn the public utility regulation space.

We also worked on the Rider VA Adjustment, helped with the response to ICC's -- there was some inquiry for electric vehicles.

And because of the experience and the skills that we've gotten working with ComEd, we are now working with Ameren. We just recently assisted with their uncollectible rider, and we hope to, as Ken said, have many more things on this list come next year.

So we definitely appreciate the opportunity to be here today to talk about diversity and just the importance of it, not just in vendors, but just overall in society.

MS. THIBODEAUX: Wow. Thank you to our
First, before you're dismissed, I do want to ask if Madam Chairman or the Commissioners have any questions.

COMMISSIONER BOCANEGRA: I think we've all talked a little bit about, I guess, some of the barriers as it pertains to the legal side of professional services. I think what I have heard, and I'm sure my fellow Commissioners would probably agree, I think that one of the concerns that is commonly echoed, I think from the utility side as it pertains to legal services, I guess is this perceived barrier that the general counsels won't or can't give up some of their relationships. I think the other criticism is that regulatory law is highly complex.

So aside from building that acumen, like you guys said, it was like going to law school all over again, what can the utilities do with their general counsels or their departments to, I guess, divest themselves with a little bit of that other nonregulatory work that might cater to some of the acumen that already exists for minority law firms?
I think there was a law firm earlier that spoke kind of playing and leveraging to what their talent was already focused on. I think they mentioned, like, easements and perhaps some real estate type law.

But what specifically do you have in mind that utilities can or should be doing?

MR. GREENE: If you don't mind, let me give you an example of something that did work. It worked for us.

About 15 years ago, we had an opportunity to meet Frank Clark, who at the time was President of ComEd. Frank Clark was very interested in what we were able to do, and we -- after we got to know him a little bit, did not have to convince him that we had the skills and abilities to do the work that he was interested in sending our way. He got involved in the assignment of a 700 plaintiff toxic tort case that was filed against ComEd and the Chicago Housing Authority.

He gave direction to the Law Department, and the Law Department hired us to
represent Commonwealth Edison. We were the only lawyers representing Commonwealth Edison.

Throughout the course of the litigation through discovery practice and through motion practice, we hammered the number of plaintiffs down to a much smaller number, and the case settled in a way that the client was extremely happy with. That's an example of what can happen when a truly committed executive gets involved in the process.

And this is not a knock on the Law Department or any one individual in the Law Department, but the nature of our practice, of our profession, is you go to those that you know. And people just tend to go to those that they know because they have a high comfort level there.

That has to change. Someone has got to shake it up so that that changes. And it needs to be institutionalized, because, as you know, Frank is retired from that position, so it didn't last forever. But the firms that had the business before that became institutionalized, and they have the business now.
So that's a long answer to a very direct question. Executives have to get directly involved in that decisionmaking process.

We lawyers like to think what we do is magical. 80 percent of it is not magical. We can learn it. And even for something that's complicated like regulatory, the lawyers who are doing it, they learned it. So we can all learn to do what is necessary for the client.

The other 20 percent, you're counting on creativity and other sorts of things, which is enhanced by having diverse viewpoints on how to handle litigation or any other matters that come to you.

So my short answer is that the executives need to get involved, because the lawyers aren't going to do it on their own.

MR. JOHNSON: I would add one thing. A lot of times the answer is, well, we don't know where to find these firms. And I would argue through the establishment of Chicago United and NAMWOLF, you can go right there and get the firms. So you can do
replevin work. You can find it. There's replevin firms. I guarantee it. I know everybody that's doing it.

So all of these things that they do, you will be able to find that there are a lot of firms out there, minority owned, that do that work. It's just establishing that connection. And once that connection is made, you'll see the synergy, and I think you can take it from there.

MS. CASTILLO: You know, I think the other part of it is, while it is really helpful to have a single executive who takes a lead role and champions, if you don't build it into the DNA of the organization, it becomes episodic, and the episodic is what really damages the long-term prospects.

So we heard earlier about a budgeting process in which you say, okay, let's set out our budget. Now, in that budget, what percentage is going to work that is including diverse businesses.

That should be done at every level of the organization, whether it is the law department, whether it is the marketing department, whether it is
finance. In every department, firms know what their operations are going to be over the next year, in their five-year plan. They know what they're going to be doing. They're not suddenly saying, oh, we're just going to plan our utilities work for the next 12 months. That's not how it works, and we all know that.

So there is a long-term view that needs to be taken in terms of building into the DNA of the organization, what are our plans, what kinds of opportunities are there, who are we including in the opportunities, how are we identifying the firms that could participate in those opportunities, how are we vetting those firms, are we only vetting firms that we have long-term relationships with, or are we looking at firms that are emerging with new skill sets that we can leverage over the long term.

So until we build it into the DNA of the organizations where they are looking at it systemically and creating the processes for the evaluation long term, you are going to continue to have these episodic pieces of work, and that is not
what is going to change the landscape.

If you look at innovation -- you know, I'll give a shout out to IHDC, when you look at the technology innovation in Chicago and that landscape, there's not a better organization that is identifying innovators.

And so when companies say they can't find firms, the technical assistance organizations like IHDC are identifying them every day and providing opportunities for you to get together with them. So it's up to the firms to understand what their opportunities are and then go and meet the firms at the forums like the ones provided by IHDC.

MS. THIBODEAUX: Are there any further questions?

COMMISSIONER KIMBREL: I don't really have a question as much as just a comment.

Mr. Greene, I met with you and your partner -- I don't know -- was it 20, 30 years ago? Early on in my career. I don't know if it was an interview or guidance.

MR. GREENE: I recall we've met.
COMMISSIONER KIMBREL: But it was good to see you.

And, Mr. Johnson, I was the Chief ALJ when you were handling a portion of your microgrid case, so it's good to see you here with your partner.

MR. JOHNSON: I'm well-aware of that.

(Laughter.)

COMMISSIONER KIMBREL: You did a good job.

MS. THIBODEAUX: On behalf of the Commission, I would like to thank the presenters for educating us on the obstacles and possible solutions.

At this time, I will turn it over to our Madam Chairman for closing remarks.

(Applause.)

CHAIRMAN ZALEWSKI: Really quickly. Thank you for everyone who stayed. I know we are well over our allotted time, so I appreciate it.

It was great to have so many perspectives. I think there was a really great exchange of ideas. I know I learned a lot.

Just a quick plug. How we work on
diversity at the Commission is we try to bring on
diverse professionals. So we're always looking for
interns and advisors, so if you spread the word,
that's how we work on the cause as well.

I want to thank everyone for their
time, and we'll see you back here next year. I
appreciate it. Thank you.

(Appplause.)

(WHEREUPON, the matter was
adjourned.)