

A Path Toward Inclusive and Diverse Minnesota Utility Companies



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Chairman & CEO, Hispanics In Energy

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Minnesota Public Utilities Commission

Planning Session

St. Paul, MN



About José L. Pérez

- **Founder & Publisher of Latino Journal since 1996**

- Non-partisan analysis of public policy and government
- Profiles of government leaders
- Next edition on Assembly Speaker Anthony Rendon
- www.latinojournal.net



- **Co-Founder and Chairman of California Utilities Diversity Council, an Ad Hoc group since 2003**

- 2003 to present, helped increase diverse spend from \$1 billion in 2003 to \$8.8 billion in 2015
- Assisted with CPUC En Banc – Progress reviews
- Illinois Utilities Business Diversity Council modeled after CUDC
- www.cudc.biz



- **Co-Founder, Chairman and CEO, Hispanics In Energy – A Non-profit, 501, (c), 3) organization since 2012**

- Network has grown from 4 to nearly 6,000
- Priorities include energy policy, business, jobs, Spanish language access, executive and board positions
- www.hispanicsinenergy.com



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Minnesota Population Profile – U.S. Census 2015 Estimates

Total Pop. 5.5 Million

- American Indian 1.3%
- Asian/Hmong 5.0%
- Black 6.0%
- Hispanic 5.2%
- Mixed 2.4%
- White 81.0%
- Foreign Born 7.7%
- Limited English 11.0%
- Veterans 6.2%

489,494 Businesses

- Men 268,710
- Women 157,821
- Minority 47,302
- Veteran 45,582

Is Minnesota Ready for its own Utility Diversity Council?

- 19% of Minnesotans are a member of a minority group
- Women represent 32.2% of all business
- Minorities represent 9.7% of all business
- Veterans represent 9.3% of all business
- Small business requires more research
- There is an abundance of diverse community, chamber and academic resources to engage in this proposed initiative

Benefits to be Gained

- Ratepayers get a return on their investments (business & jobs)
- More competition promotes better quality results
- MPUC would establish itself as a leader for all Minnesotans
- Utilities will enhance goodwill and harmony with ratepayers

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Former California Assembly
Member Gwen Moore,
Author of CA diversity law



Best Practices

California Legislation in 1988 allowed the California Public Utilities Commission to create General Order 156

- Established supplier diversity goals
- Created a process to validate diverse ownership
- Created a data gathering system to collect supplier diversity spend from utilities
- Required utilities to submit supplier diversity spend information by March 1 of every year

In 2003 the President of the CPUC championed General Order 156. Since then, the CPUC annually gathers company CEOs, community leaders, policy makers to review successes and challenges of the program

- **California Utilities Diversity Council (CUDC)**, an ad hoc group of stakeholder representatives, was created in 2003 to harness the good-will and interest in promoting diversity in five key areas: procurement, employment, governance, philanthropy and customer service.
- **Illinois and Maryland**, established similar initiatives.

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The Formula Is Simple

- **Assess the landscape** by reviewing the ethnic, racial, gender and veteran's profile of diverse businesses and employment data in Minnesota from the U.S. Census
- **Obtain executive corporate commitment to inclusion and diversity** "It's in the company's DNA" is a common corporate executive commitment ...



Ten CEOs appearing before the CPUC to discuss progress in diversity

- **Create effective outreach** for a robust inclusive and diverse program; this may mean allocating sufficient resources to reach out to diverse trade associations, attend their events and organize match-making sessions
- **Create metrics to measure progress**, you don't know whether you are making progress without metrics

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Create Effective Outreach

- Legal Services
- Consulting Services
- Power Purchasing Agreements
- Engineering & Construction
- Financial Services
- Advertising and Media
- Information Technology
- Energy Jobs



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What Is Possible? Here is a sample of results ...

The California Public Utilities Commission has, since 2003, led the country's most robust and highly successful supplier diversity initiative in America. Overall supplier diversity spend has climbed from \$1 billion in 2003 to \$8.8 billion in 2015.

2016 Supplier Diversity Spend

• Pacific Gas & Electric	44.4%	\$2.851 billion
• Southern California Edison	44.7%	\$1.685 billion
• Southern California Gas	35.0%	\$0.672 billion
• San Diego Gas & Electric	43.0%	\$0.620 billion

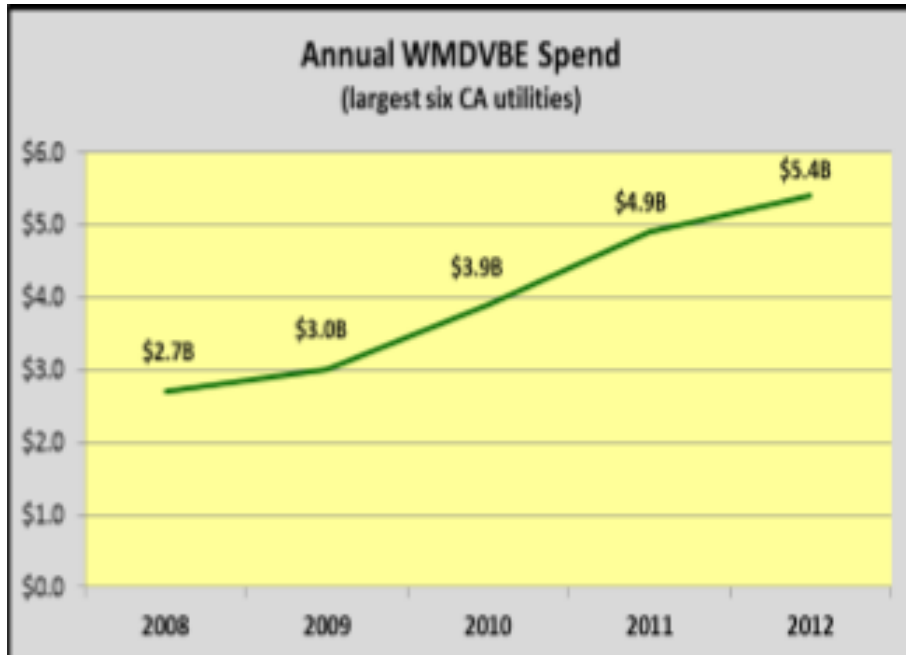
Detailed reports may be viewed in their entirety at www.cpuc.ca.gov



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Metrics Measures Progress:



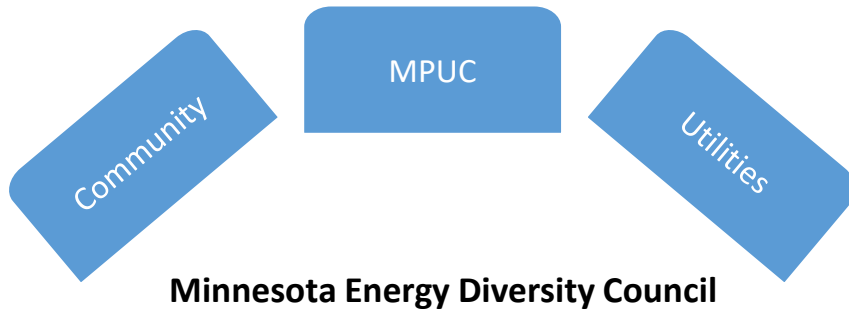
Company	Total Procurement Spend Billions	Total Diversity Spend Billions	African American Spend Millions	Asian American Spend Millions	Latino/Hispanic Spend Millions	Native American Spend Millions	Women Owned Spend Millions	DVBE Spend Millions	Other Spend Millions
SCE	4.0	1.5	183.6	240.8	359.7	38.3	655.7	40.8	2.8
PG&E	5.3	2.1	355.8	289.8	460.6	171.6	658.9	115.1	None
SDG&E	1.2	0.4	46.5	47.8	122.5	31.7	144.6	42.0	3.9
SoCal Gas	0.8	0.3	53.6	38.2	125.5	7.6	107.5	14.9	0.7
AT&T	2.3	1.0	108.7	137.7	375.0	12.4	267.6	113.2	0.5
Verizon	0.2	0.1	11.7	10.0	215.5	6.8	59.7	4.1	None
Spend \$	\$13.8	\$5.4	\$759.9	\$764.3	\$1,658.8	\$268.4	\$1,894.0	\$330.1	\$7.9
Spend %		39.6%	13.8%	13.9%	26.6%	4.9%	34.4%	6.0%	0.1%

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Suggestion for the Minnesota Public Utilities Commission and Utility Executives

- Consider creation of an ad hoc **Minnesota Energy Diversity Council** that meets regularly with key stakeholder representatives to map out a course for a robust inclusive diversity program



Community

Asian/Hmong Chamber of Commerce

African American Chamber of Commerce/Somalian Community

Minnesota Latino Chamber of Commerce/CLUES

Minnesota NAWBO

ELITE Service Disabled Veterans Network

Minnesota Small Business Association

Utilities/Companies

Xcel Energy

CenterPoint Energy

Minnesota Power

Minnesota Energy Resources

Dakota Electric

Minnesota Municipal Utilities Assn.

Co-Ops



www.hispanicsinenergy.com



www.cudc.biz

Thank You

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