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March 26, 2021

The Honorable Marybel Batjer, President
The Honorable Cliff Rechtschaffen, Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Rulemaking 21-03-010 LGBT Business Enterprises Opportunities Under AB 1678

Dear President Batjer and Commissioner Rechtschaffen:

As the author of Assembly Bill 1678, I am pleased and grateful to see that the Commission is finally pushing for full implementation of this legislation, which is of great importance to the LGBTQ community throughout California.

I was very disappointed, however, that the Commission in its Rulemaking order is considering a joint utility company proposal to establish a meager procurement goal of only 0.5% for LGBT-Owned Business Enterprises under the Commission's General Order No. 156.

Quite frankly, the proposal by the joint utility companies is an insult to the LGBTQ community.

In 2014, I introduced the bill to establish equity for LGBT business owners. Prior to my legislation, the Commission's Utility Supplier Diversity Program set ambitious utility procurement goals for ethnic minority-owned, women-owned, and disabled veteran-owned businesses. My bill, which was signed into law by Governor Jerry Brown in 2014, was intended to give LGBT contractors a seat at the procurement table.

I can assure you that the joint utility company proposal for such a low procurement target for LGBT business enterprises -- a mere one-half of one percent -- was certainly not my intent as the author of the legislation. I respectfully ask that it not be adopted by the Commission.

The purpose of AB 1678 is to provide equity for LGBT business owners while spurring economic growth throughout California. LGBTQ businesses contribute more than \$1.7 trillion to the nation's economy, according to the National LGBT Chamber of Commerce report. Yet, there are still biases within many industry sectors that create barriers to entry for LGBTQ business owners. AB 1678 was designed to break down those walls and create inclusion within the utility sector.

According to your 2019 report and 2020 utility supplier diversity reports, more than a half dozen utilities have already achieved the 0.5 percent LGBT procurement goal that the joint utilities have

recommended. Four utility companies have exceeded 1.5 percent. This clearly illustrates there are plenty of qualified, willing LGBT businesses available for California utilities to hire.

Unfortunately, several utility companies are not even trying. Nearly one-third of all utilities have yet to procure even a single LGBT contract over the past four years. They have not complied with the spirit or the intent of the law. Without a meaningful goal, there is no incentive.

Establishing a substandard LGBT procurement goal, such as the joint utilities have proposed, only rewards those companies that have done nothing. The Commission should embrace a goal that is aspirational and more reflective of California's LGBT community's overall impact. Anything less is treating the members of the LGBTQ community as third-class citizens.

That is why I am requesting that the Commission please take a hard look at what the joint utilities have proposed and be prepared to adopt a much more ambitious goal for LGBT-owned business enterprises under G.O. 156. By doing so, the Commission will be making a meaningful first step towards inclusion for a community that has suffered terrible prejudice.

Most importantly, we all win when everyone has a vested interest in and unfettered access to our state's economy.

Thank you again for your intention to implement this critical legislation fully. Should you or your staff have any questions about the legislative intent behind AB 1678, please do not hesitate to contact me.

Sincerely,



Richard Gordon
California State Assembly (Retired)