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Assemblymember Alex Lee
Assemblymember Chris Ward
Senator Scott Wiener



April 12, 2021

The Honorable Marybel Batjer
President
California Public Utilities Report
505 Van Ness Avenue
San Francisco, CA 94102

RE: California Public Utilities Commission General Order 156 Modification in Accordance with Assembly Bill 1678 (Chapter 633, September 26, 2014) Establishing the LGTBTE Procurement Goal for California Utilities – SUPPORT A MINIMUM OF 1.5% GOAL FOR LGTBTE

Dear President Batjer:

We write to inform you that the California Legislative LGBTQ Caucus — comprised of LGBTQ+ legislators and statewide officeholders — wants a fair and equitable goal for LGBTQ businesses as part of the California Public Utilities Commission (CPUC) Utility Supplier Diversity Program.

In 2014, the California Legislature passed Assemblyman Rich Gordon's bill AB 1678, which expanded the CPUC Utility Supplier Diversity Program. The legislative intent was to grant LGBTQ businesses the same opportunities given to women-owned, ethnic minority-owned, and disabled veteran-owned businesses, under the same program. The CPUC Utility Supplier Diversity Program established procurement goals ranging between 1.5% and 15% for the other groups.

The regulatory proposal currently before the Commission to implement AB 1678 asks, "*Whether the utility proposed target procurement percentage goal for LGBT-Owned business enterprises of 0.5% for LGBT-Owned business enterprises should be included in the Supplier Diversity Program set forth in General Order 156 or whether a different percentage should be included?*"

The question itself is an insult to the LGBTQ+ community.

According to the National LGBT Chamber of Commerce (NGLCC), LGBTQ business contributions to the United States' economy exceed \$1.7 trillion. However, biases within some industry sectors still create barriers to entry. AB 1678 was designed to break down those walls and create inclusion within the utility sector.

So far, it appears the bill is working, provided businesses are willing to put in the effort. Companies such as T-Mobile, Golden State Water, and San Diego Gas & Electric have already exceeded 0.5% in procurement with LGBTQ businesses. Golden State Water achieved more than 1.8% procurement of

LGBTQ business contracts in 2017. These efforts illustrate that there are plenty of LGBTQ businesses available for California utilities to hire.

These findings also illustrate the need to set the procurement goal at a minimum of 1.5% for LGBTQ businesses. The goal needs to be aspirational. It needs to be something to achieve. Anything less is treating the LGBTQ+ community as if they are lesser than any other part of society.

Conversely, an inferior LGBTQ procurement goal rewards those who do not even try. In the September 2020 report issued by the Commission, it is clear that some utilities are not even attempting to work with the LGBTQ+ community. CenturyLink, Charter, and Frontier did not procure one LGBTQ business contract. Comcast only spent \$1,650 with LGBTQ businesses, which is less than 0.0003%. This is simply unacceptable.

For decades, the LGBTQ community has faced discrimination, only to watch its government do nothing. Today, the CPUC has the opportunity to take action by establishing a minimum procurement goal of 1.5% for LGBTQ business enterprises. This would be the first step to putting the LGBTQ community on a more level playing field with other groups in the Utility Supplier Diversity Program. The goal rewards those who work with the LGBTQ community, while also sending a strong message to utilities that fail to make a full commitment to equality. Most importantly, these actions will address a loftier goal in the legislation's intent: to establish some fairness for LGBTQ businesses that were previously excluded due to discrimination. We firmly believe that a 1.5% minimum is the first step to inclusion.

The LGBTQ Caucus' top priority is advocating for diversity and the inclusion of all people. To that end, we believe the CPUC must establish aspirational procurement goals to ensure that the LGBTQ community is not marginalized or subjected to discrimination.

We strongly recommend that you send a serious message to the utilities that the only way to move forward is through the inclusion of all Californians.

Sincerely,



Assemblymember Evan Low, Chair



Senator Susan Talamantes Eggman, Vice Chair