



Maryland PSC Utility Supplier Diversity Hearing Notes Record Diverse Spend

Maryland's utility companies spent more than \$800 million with women-, minority- and service-disabled veteran-owned businesses in 2017 – the highest diverse spend since the program began in 2009. At the Maryland Public Service Commission's annual hearing on July 24, 2018, utilities, advocates and contractors discussed best practices, lessons learned and innovative ways to reach diversity goals. Participating companies, which include electric, natural gas, transportation and telecommunication providers spent nearly \$3.3 billion on all goods and services in 2017. The 24.8% total diverse spend ratio—a key metric of the program--represented a 17% increase over the previous year and also set a record as the highest ever.

“Maryland ranks number one in the nation for minority and women business ownership—there's no doubt we are moving in the right direction,” said Special Secretary Jimmy Rhee, head of the Governor's Office of Small, Minority and Women Business Affairs, the entity charged with connecting small businesses with greater economic opportunity. Secretary Rhee noted that the 580,000 small businesses in Maryland—more than half of which are women and minority-owned--employ half of the state's workforce. “Everything that we do in Maryland to improve the small business community is inherently good for minority and women-owned businesses as well.”

The Commission's Public Conference 16 on Supplier Diversity (PC16) is aimed at providing diverse companies with greater opportunities to compete for contracts and subcontracts with public utilities, with a goal of awarding 25% of utilities' total spend to diverse suppliers.

Of the 15 companies which filed reports, six of them met or exceeded that goal in 2017 -- Association of Maryland Pilots (39.5%), Potomac Edison (34%), Baltimore Gas & Electric Company (29.7%), AT&T (26.8%), Comcast (26.7%), and Potomac Electric Power Company (25.7%).

Wayne Frazier, president of the Maryland Washington Minority Companies Association, Inc., attending his ninth straight hearing, congratulated the companies that exceeded the 25% goal and had words of encouragement for those companies that did not meet the goal but actively participate in the program, noting “their tireless work in search of new talent and firms” demonstrated by contact with his organization. Mr. Frazier commended the Commission's efforts to encourage supplier diversity remarking that the utilities' record combined spending levels with diverse firms “are the fruits of that labor.”

Commissioner Emeritus Harold Williams, who left the Commission last year, attended the hearing and was praised by Commissioner Obi Linton as a mentor and inspiration even in retirement. Commissioner Williams had been a champion of supplier diversity for many years.

The Commission opened dialogue on questions related to expansion of the program, specifically how to get more companies to participate, whether to include categories for LGBTQ-owned and veteran-owned suppliers, and whether to count dollars spent with subcontractors, in addition to prime contractors. The Commissioners also expressed support for collaborative efforts including the Utility Forum and the Eastern Shore Energy Alliance—a network of smaller, more rural, municipal and cooperative utilities such as Choptank Electric Cooperative, Easton Utilities and the Southern Maryland Electric Cooperative.

More information on PC 16 and supplier diversity is available on the Commission's website, www.psc.state.md.us, under the [Supplier Diversity link](#) on the homepage.

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