

Tori L. Giesler, Esq.
Supervising Counsel

July 20, 2021



VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: *Notice of Proposed Rulemaking for Diversity Reporting of Major Jurisdictional Utilities; Docket No. L-2020-3017284*

Dear Secretary Chiavetta:

Pursuant to the 45-day comment period established in the Pennsylvania Public Utility Commission's ("Commission" or "PUC") Notice of Proposed Rulemaking ("NOPR") entered in this proceeding on December 17, 2020, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, the "Companies") respectfully submit these brief Comments. Pursuant to the Commission's December 3, 2020 Final Policy Statement Order, the PUC updated the Commission's existing Statement of Policy at 52 Pa. Code §§ 69.801-69.809 relating to Diversity at Major Jurisdictional Utility Companies (hereinafter "Diversity Policy Statement"). Now, through the subject Notice of Proposed Rulemaking ("NOPR"), the Commission proposes to make Diversity Reporting compulsory—by way of promulgating a Diversity Reporting regulation at 52 Pa. Code §§ 51.11-51.15, which will incorporate the definitions from the Diversity Policy Statement adopting a newly created Commission form for Diversity Reporting and prescribing the information for which the PUC will now require reporting. Having previously joined comments submitted by the Energy Association of Pennsylvania¹ on September 1, 2020, and filed individual comments (in the form of a letter)² in this proceeding on that same date, the Companies wish to now briefly make just two points.

First, and foremost, the Companies would like to commend, and voice its support of, the Commission for the significant strides it has taken to date throughout this proceeding to enhance its Diversity Reporting guidelines and requirements in relation to the PUC's major jurisdictional utilities. Compulsory reporting and the required use of a specific form for reporting employee demographics will help to establish consistency among the Commonwealth's major jurisdictional utilities (in terms of the information being tracked and reported) and streamline the reporting and review process relative to diversity in employment and supply chain activities.

¹ *Comments of the Energy Association of Pennsylvania in Response to the Proposed Amended Policy Statement on Diversity at Major Jurisdictional Utilities*, Docket No. M-2020-3018089 (filed September 1, 2020).

² Letter from Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to Secretary Rosemary Chiavetta, Pennsylvania Public Utility Commission, Docket No. M-2020-3018089 (filed September 1, 2020) ("September 1 Letter").

Also, what the Companies would like to express in these *Comments* is really more so an extension of the central point communicated in the September 1 Letter submitted by the Companies in this proceeding. Therein, the Companies noted the value that the Companies and FirstEnergy Corp. (“FirstEnergy”) have placed on enhancing both workforce and supplier diversity and intoned the more strongly focused eye that has been placed on reinforcing the importance of this effort across the collective organization. However, rather than reprising those efforts delineated previously, the Companies will briefly update the Commission in this regard. Specifically, with respect to its workforce diversity and inclusion (“D&I”) efforts, the Companies continue to make substantial progress by:

- Elevating the focus and conversation regarding racial equality: listening and learning through “Speak Up” dialogue forums, through which FirstEnergy engages thousands of its employees in conversations on race and allyship;
- Educating 1,800-plus leaders on how to have courageous conversations about race, differences, and current events;
- Establishing a goal to increase FirstEnergy’s racially/ethnically diverse workforce and leadership by 30% by 2025 to better reflect the communities FirstEnergy serves – initiatives to support this include enhancing FirstEnergy’s recruiting and hiring processes and broadening its talent reach;
- Donating foundation dollars through FirstEnergy’s “Investing with Purpose” initiative to local communities served by FirstEnergy. These charitable donations are used to support non-profits advancing social justice and organizations impacted by COVID-19;
- Gauging perceptions on diversity and inclusion through FirstEnergy’s annual D&I Employee Survey and taking action to advance FirstEnergy’s culture of inclusion. All of the questions in our Diversity and Inclusion Index – 11 key questions which drive employee engagement – improved from 2019 to 2020. Since 2018, 96% of the survey items measured year-over-year improved by an average of 6 percentage points;
- Breaking down barriers by establishing a new scholarship in FirstEnergy’s Power Systems Institute program to assist with living expenses for diverse candidates who enroll in this two-year, full-time training program;
- Expanding FirstEnergy’s outreach through the FirstEnergy Ambassador Network, which builds relationships with colleges and universities, local school systems, and diverse professional organizations to attract and hire talent. Over 400 employees are serving as ambassadors;
- Committing to achieve 20% of our supply chain spend using diverse suppliers by 2025;
- Building leadership accountability for achieving FirstEnergy’s D&I goals through a compensable D&I Key Performance Indicator in the short-term incentive plan, by including FirstEnergy’s D&I goals in the same structure as other key business goals;

- Benchmarking to continue to improve and learn about effective D&I initiatives from best-practice companies and organizations. This work has resulted in recognition from Diversity Inc. (Top Utilities List, ESG List, and Philanthropy List), GI Jobs Military, Friendly Employer – Silver recognition, and the National Organization on Disability as a Leading Disability Employer; and
- Engaging FirstEnergy employees through our Employee Business Resource Groups, of which there are 7 in total and 17 chapters across FirstEnergy’s service territory (1,500 employees), and through FirstEnergy’s local D&I Implementation Teams (more than 240 employees) who take action on FirstEnergy’s annual D&I survey to advance diversity and inclusion within their business units.

With respect to its “D&I” efforts in relation to its suppliers, as the Companies noted in their September 1 Letter, FirstEnergy exceeded its 2019 supplier diversity goals. The Companies are pleased to announce that FirstEnergy also did the same in 2020 and is on track to meet or exceed them again in 2021. Additionally, in 2021 FirstEnergy implemented a Diverse Supplier Development Program, a targeted supplier diversity program with an emphasis on minority suppliers. The 24-month program seeks to support minority businesses within their respective FirstEnergy operating company footprint through using a three-pronged approach, which consists of:

1. Annual Enrollment – Companies identified by FirstEnergy will be given the opportunity to grow their existing relationship and possibly be used as a supplier.
2. Support – assisting suppliers enrolled in the program through mentorship and training.
3. Investment – investing in minority-owned funds that are willing and able to invest in diverse businesses across its service territory.

The preferred suppliers invited to participate in the program were specifically chosen because they can help provide some of the goods and services that FirstEnergy relies on to deliver safe and reliable electric service to customers. The first Diverse Supplier Development Program class started in January 2021 and will run until December 2022. Throughout the program, enrolled businesses will have access to members of the FirstEnergy leadership team and will participate in training workshops covering a variety of topics related to FirstEnergy’s supply chain process.

In conclusion, the Companies want to take this opportunity to thank the Commission for allowing interested parties to comment on this very important subject area and to, once again, commend the PUC for the significant steps it has taken throughout this proceeding to greatly enhance diversity reporting. As the Companies demonstrated through its descriptions and updates in both these *Comments* and its September 1 Letter regarding FirstEnergy's myriad D&I initiatives/programs, FirstEnergy is meaningfully committed to developing, maintaining, and fomenting a workforce and supply chain that are representative of the community it serves throughout the entirety of its footprint. Should you have any additional questions or concerns, please do not hesitate to contact me.

Very truly yours,



Tori L. Giesler

kbw
Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Notice of Proposed Rulemaking for Diversity :
Reporting of Major Jurisdictional Utilities : **Docket No. L-2020-3017284**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).


Service by electronic mail, as follows:

Steve Gray
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
sgray@pa.gov

Christine Maloni Hoover
Office of Consumer Advocate
555 Walnut Street, 5th Floor Forum Place
Harrisburg, PA 17101
choover@paoca.org

Richard A. Kanaskie
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Rkanaskie@pa.gov

Dated: July 20, 2021



Tori L. Giesler
Attorney No. 207742
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, Pennsylvania 19612-6001
(610) 921-6658
tgiesler@firstenergycorp.com