



Utilities Diversity Report 2026

Pursuant to Minnesota Statutes § 216C.51, subd. 6

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Report Prepared By

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Background

Minnesota Statutes § 216C.51 requires each Public Utility to publicly file an Annual Diversity Report with the Commissioner of Commerce (the Department) that describes the company's efforts to increase diversity in the workplace. The Report must include (a) current workforce representation numbers and percentages, and (b) all procurement goals and actual spending for female, minority, and veteran-owned businesses and Small Business Enterprises for the previous year—both of which must be expressed as a percentage of the total work performed by the utility.

Each utility's Annual Report must include:

- (1) an explanation of the plan to increase diversity in the utility's workforce and among the utility's suppliers during the next year;
- (2) an explanation of the plan to increase the goals;
- (3) an explanation of the challenges faced to increase workforce and supplier diversity, including suggestions regarding actions the department could take to help identify potential employees and vendors;
- (4) a list of the certifications the company recognizes;
- (5) a point of contact for a potential employee or vendor that wishes to work for or do business with the utility; and
- (6) a list of successful actions taken to increase workforce and supplier diversity, to encourage other companies to emulate best practices.

The following utilities are required to file an annual report on their workforce diversity and diversity efforts: CenterPoint (Natural Gas); Greater Minnesota Gas (GMG) (Natural Gas); Great Plains (Natural Gas); Minnesota Energy Resources (MERC) (Natural Gas); Minnesota Power (Electricity); Otter Tail Power (Electricity); and Xcel Energy (Electricity and Natural Gas).

2026 Annual Diversity Report Findings

Current State of Workforce and Contractor Diversity

Similar to last year, the workforces of reporting Minnesota utilities are predominantly white and male. Utilities reported that their workforces were between roughly 81% and 98% white as of the end of 2024 (Figure 1) and between roughly 56% and 90% male (Figure 2).

Figure 1: Racial Composition of Minnesota Utility Workforces

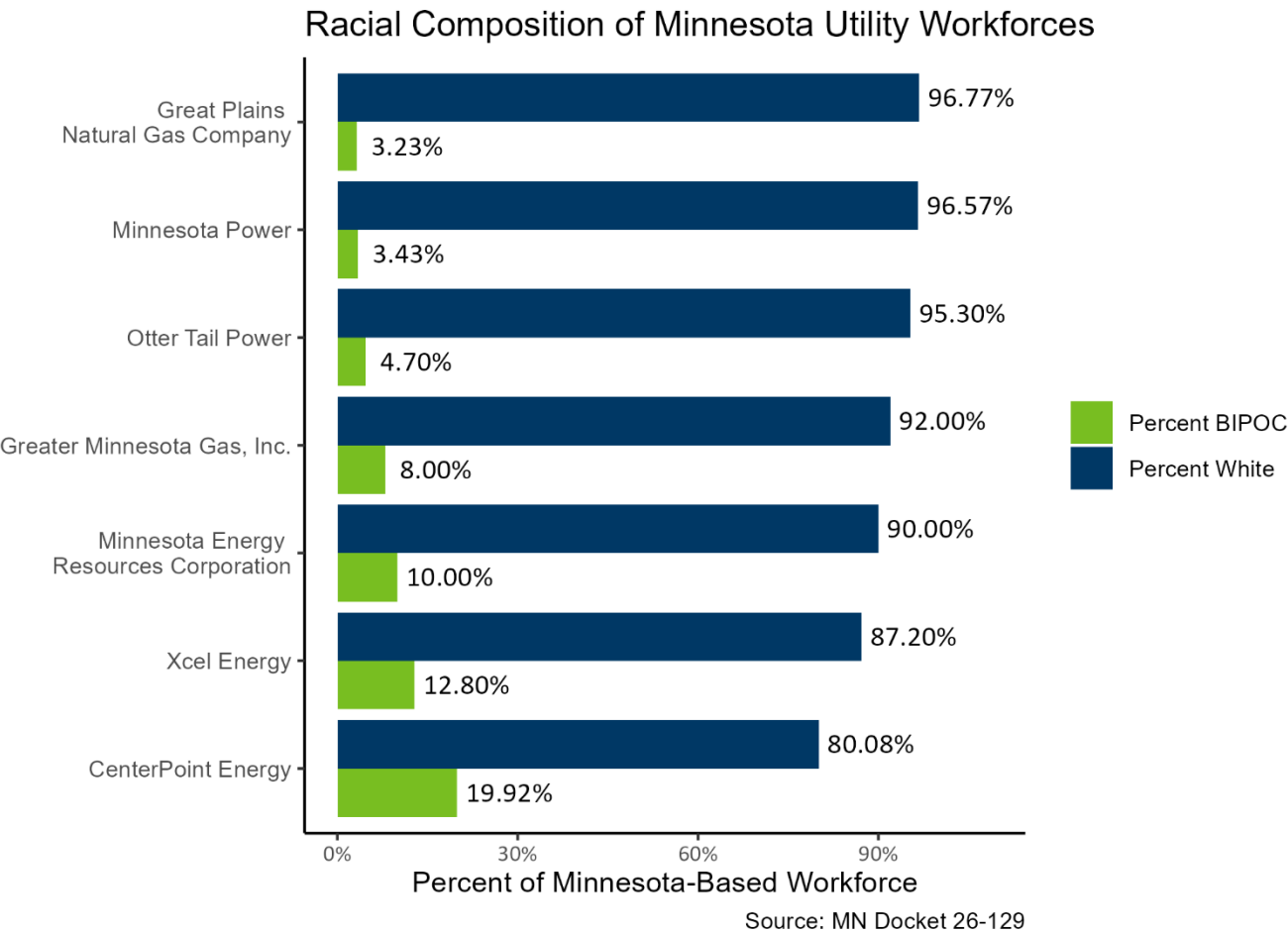
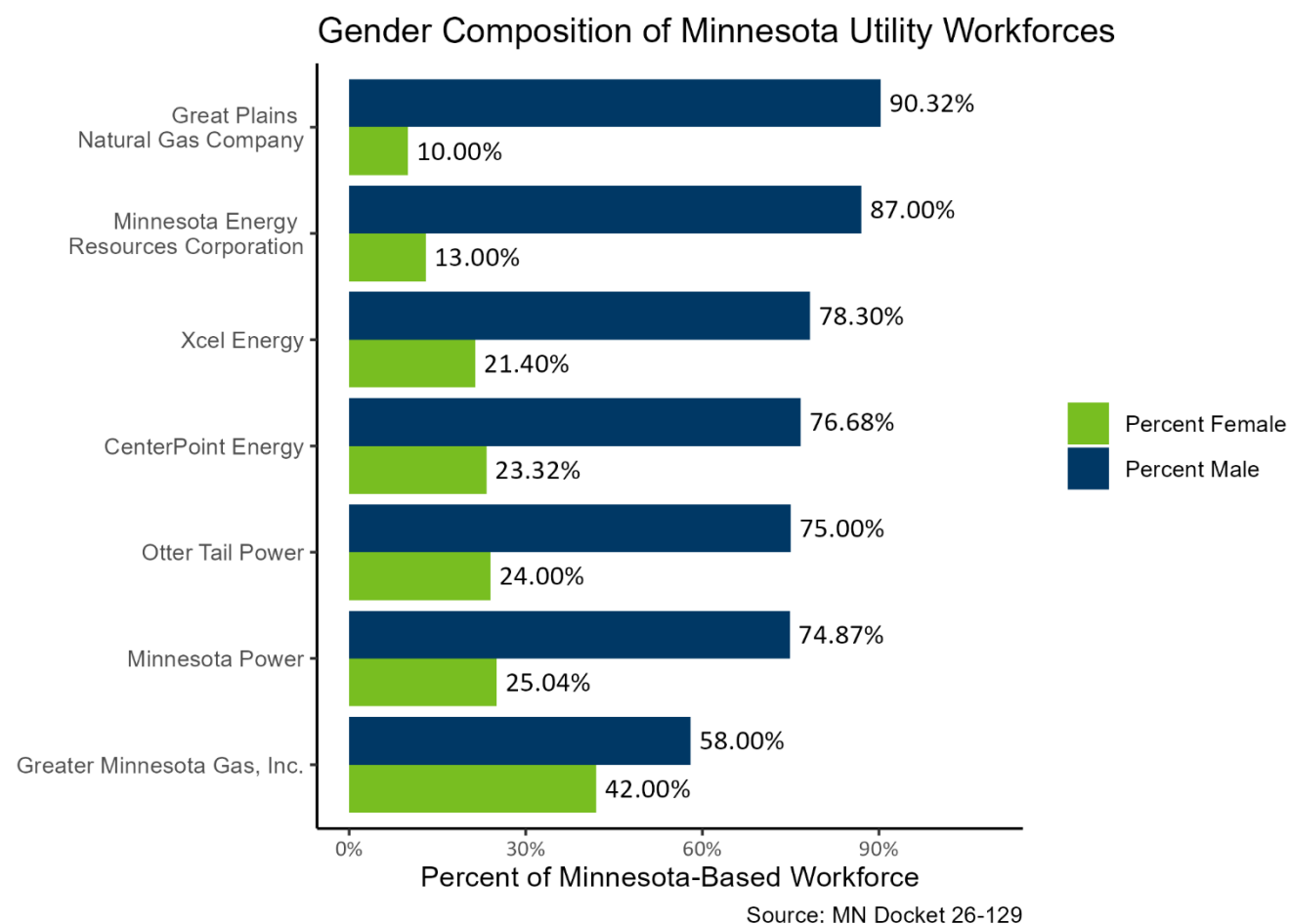


Figure 2: Gender Composition of Minnesota Utility Workforces



Also similar to last year, procurement spending varies by utility, but spending going towards Minority-Owned and Female-Owned enterprises remains low (see the Appendix for definitions). Procurement spending on Female-Owned Enterprises as a share of total work performed and ranged from 4.4% to .8% (Figure 3), whereas procurement spending on Minority-Owned Enterprises ranged from .01% to 1.0% (Figure 4).

Figure 3: Utility Spending on Female-Owned Enterprises

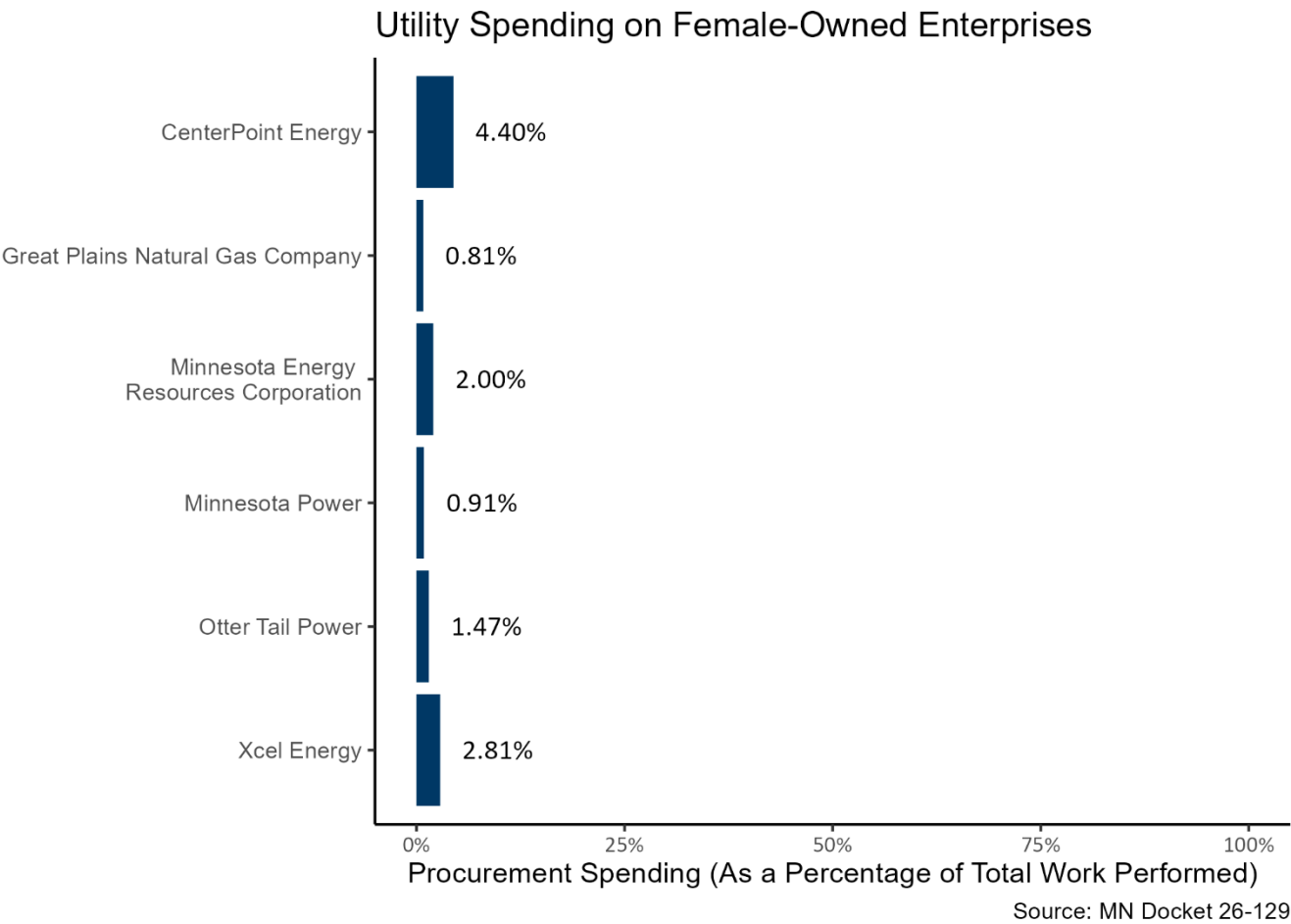
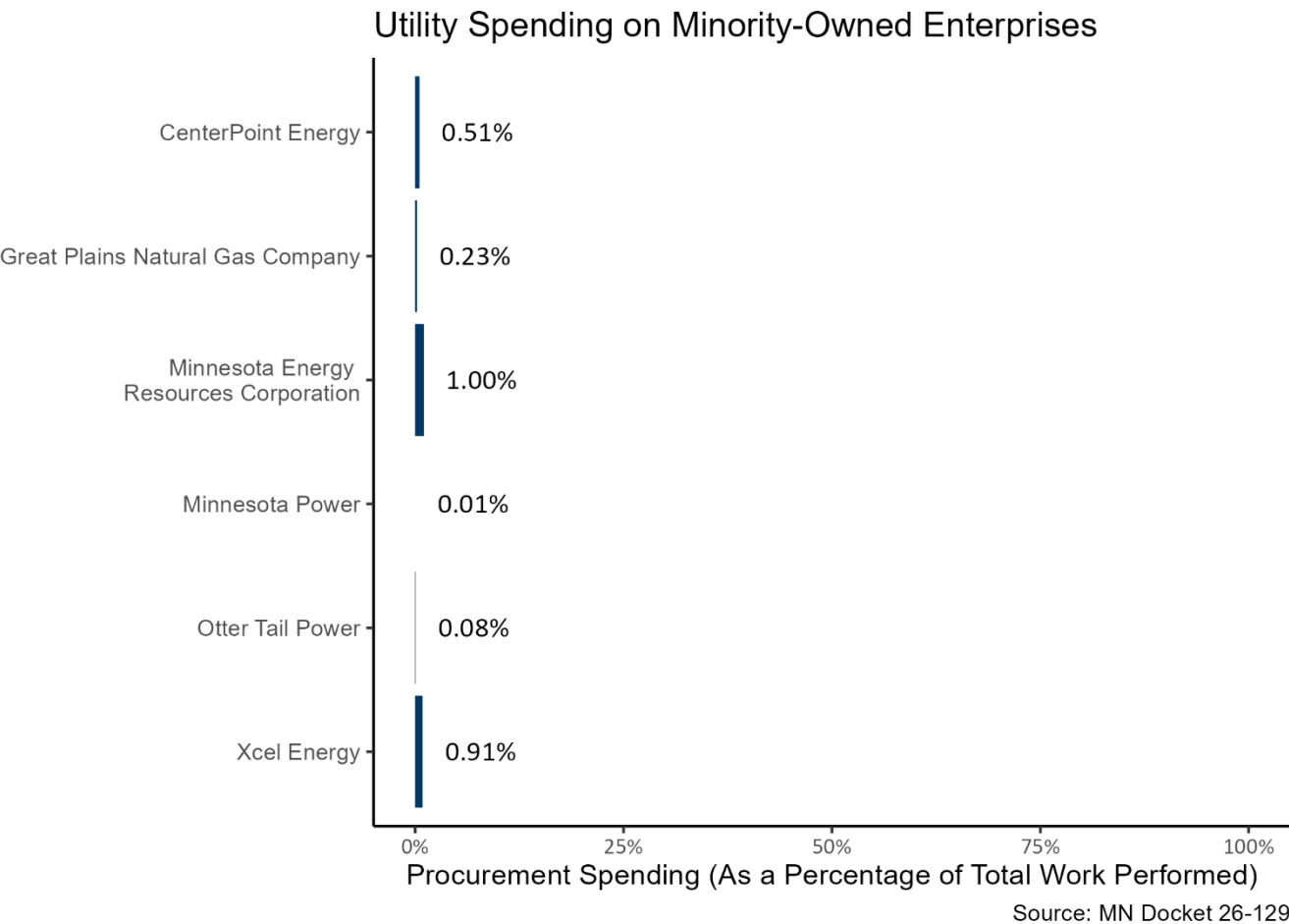


Figure 4: Spending on Minority-Owned Enterprises



Goals, Barriers and Successful Practices to Increase Diversity

Each year, in compliance with Minnesota Statutes § 216C.51, utilities are asked narrative-based questions. In turn, Minnesota’s Public Utilities return answers to the series of open-ended questions. Utilities provided more than 60 statements for three out of four of the questions. The Department categorized the statements to facilitate summaries of the answers. Of the first three open-ended questions, summaries by the Department on workforce and supplier diversity are given below. To help make the categories to the utilities’ answers as tangible as possible, specific examples are included whenever possible.

Plans to Increase Goals

Question One asked utilities:

“Explain your utility’s plan to increase the organization’s diversity goals during the next year.”

Responses from the public utilities covered both diversity within their own workforces and diversity among outside contractors. The Utilities’ statements included increased goals or efforts, new efforts, or a continuation of current efforts. Similar to last year, most of the responses related to a continuation of previous efforts (73.5%), while 24.5% described an increase in goals or efforts.

As in previous years, GMG stated it does not set diversity goals and therefore does not set an increase, citing its small workforce, low turnover, and limited candidate pools. However, when a position becomes open, GMG reiterated that it hires the best candidate, irrespective of gender, race or ethnicity.

Goals for Workforce Diversity

The following categories summarize the utilities’ answers regarding workforce diversity:

- **Foster a Culture that Values Diversity.** This was the most common category across utility responses. CenterPoint, Great Plains, Minnesota Power, Otter Tail, and Xcel Energy described efforts to build a workplace culture that draws on the benefits of a diverse workforce. Xcel Energy stated it aims to “create an environment where all employees feel safe, respected, and have a sense of belonging, while being empowered to do their best work.” Great Plains described its “Energy Diversability” program, a collaboration with local agencies to create employment solutions for individuals with disabilities.
- **External Recruitment and Community Outreach.** Minnesota Power and Great Plains described community job fairs, school partnerships, and agency collaborations aimed at broadening applicant pools before hiring. Minnesota Power stated that it will “continue the Company’s current outreach at community job fairs, technical schools and colleges to reach students and the general public.” Great Plains states it will continue outreach efforts to recruit diverse and qualified applicants.
- **Increased Use of Data to Inform Diversity Efforts.** Xcel continues to plan increased “data utilization and transparency to better inform our internal programs and advance our workforce strategies.”
- **Quantitative Commitments.** No utility reported new numeric workforce diversity targets this year. Otter Tail Power, the only utility to report quantitative goals in last year’s report, this year described its approach as “inclusive, non-preferential, and legally compliant [...] rather than a DEI framework,” noting its 2025 initiatives were reviewed for compliance with “applicable federal law and Executive Orders.”

Goals for Supplier Diversity

The following categories summarize the utilities’ answers regarding goals for supplier diversity:

- **Increasing the Pipeline of Skilled Suppliers.** These goals focus on increasing the eligible population of diverse suppliers, educating suppliers about obtaining certification as a diverse business, and educating potential suppliers about certification processes and needs relevant to do business with a utility.

CenterPoint, Great Plains, MERC, Minnesota Power, and Xcel stated goals related to these activities. For example, Great Plains stated that it “requests certifications from all new vendors and reactivations and assist[s] interested small and minority contractors.”

- **Supplier Education.** Minnesota Power educates suppliers on certification and how to do business with the utility. Minnesota Power stated it will “educate self-classified suppliers about certification options.” CenterPoint states that it helps develop locally competitive suppliers through education and mentoring.
- **Embedding Diversity Requirements into Contracting.** Minnesota Power described incorporating supplier diversity requirements directly into bid processes, which is a structurally different approach from outreach-based goals operating through procurement mechanics. The utility stated its intent to “continue to incorporate the supplier diversity/small business requirements into requests for bids and use the standardized bid review matrix for specified projects.”
- **Compliance.** Utilities noted that they work to comply with state statutes and Equal Employment Opportunity regulations. MERC and Minnesota Power stated that they incorporate small business and other requirements into their contracts. Additionally, MERC stated that it “continually analyze[s] any other areas that may impact our success with our plan to increase the organization’s diversity goals during the next year such as [...] proper posting of our Equal Employment Opportunity (“EEO”) policy.”
- **Identifying Quantitative Goals.** Only one out of seven utilities provided a specific quantitative goal in response to Question One. MERC reported achieving its spending goal on diverse suppliers that exceeded its stated goal in the previous year and set a higher target for 2026. CenterPoint stated that it used the prior year’s achievements to come up with goals for the current year.

Challenges to Increasing Diversity

Question Two related to identifying barriers to diversity and seeking solutions:

“Provide an explanation of the challenges your utility faces to increase workforce and Supplier Diversity. Please include suggestions regarding actions the Minnesota Department of Commerce could take to help identify potential employees and vendors.”

Discussion of these issues follows below.

Workforce Diversity Challenges

Only four utility responses directly addressed challenges to Workforce Diversity. Several additional responses addressed actions taken by the utilities to address various challenges and implicitly included discussion about barriers. The utilities’ statements are summarized below.

- **Regional and Demographic Composition.** GMG, MERC, Minnesota Power and Otter Tail Power described the demographic makeup of their service territories as a constraint. Minnesota Power noted that “88.6 percent of the population identifies as white alone” in St. Louis County where 70% of its jobs are located.

- **Scarcity of Skilled Labor.** CenterPoint, Xcel and MERC described difficulty finding qualified candidates and the added costs of long searches. Xcel stated that it faces “challenges associated with talent pool representation due to limited availability within the existing talent pipeline.”
- **Cumulative Differences Between the Twin Cities and Less Populated Areas.** Greater Minnesota Gas, Great Plains, MERC, Otter Tail Power and Minnesota Power, which service areas outside of the Twin Cities, all note a combination of challenges that are somewhat different from the mixture of challenges stated by Xcel and CenterPoint. In various combinations, the utilities report a lack of racial diversity, lack of skilled labor (especially in the local area) and little turnover in staff. Greater Minnesota Gas noted that its challenges relate to its rural location, such as a dearth in candidates. Otter Tail power noted that some candidates find the region served by Otter Tail attractive, but other candidates prefer the amenities in larger population centers. Xcel Energy and CenterPoint note efforts to hire diverse labor, without the constraints reported for more rural areas. CenterPoint notes that it strives to hire a diverse mix that represents its service area, while Xcel notes challenges in finding diverse talent in certain fields, like STEM and Trades.

Supplier Diversity Challenges

The utilities noted a variety of challenges related to identifying and securing qualified suppliers.

- **Scarcity in skilled Suppliers.** Great Plains, GMG and Xcel described difficulty in finding suppliers who are both qualified and diverse or local. Great Plains cited “finding qualified suppliers/contractors with the skill set and capacity to perform work and provide goods in rural communities that make up Great Plains’ service territory.”
- **Lack of Diversity.** GMG and Otter Tail Power noted that a lack of diversity in suppliers from rural areas adds to the difficulty of finding qualified suppliers.
- **Regulatory Compliance.** MERC and Minnesota Power noted challenges in meeting regulatory requirements. MERC noted that stringent safety requirements within the utility sector make it difficult to find contractors. Minnesota Power stated that changes in regulations over time required constant reassessment of challenges and opportunities for the utility.

Suggestions for the Department

Utilities suggested several measures for the Department to pursue to continue to develop a diverse workforce and diverse pool of qualified suppliers.

- **Coordinate Outreach.** MERC suggested the Department “assist in the coordination of outreach efforts across the Minnesota market” and help build general awareness of the energy industry in underrepresented communities.
- **Facilitate Supplier Identification.** CenterPoint and Xcel both suggested the Department help connect utilities with vetted diverse suppliers. CenterPoint specifically suggested “an expo event for utilities with identified vendors,” while Xcel recommended continued partnerships with Minority Depository Institutions (MDI) and Community Development Financial Institutions (CDFI).

- **Support Renewable-Energy-Specific Supplier Development.** Xcel suggested focusing diversity efforts on nurturing suppliers in the clean and renewable energy sector; recommending the Department increase its collaboration with organizations that support the growth of small and local suppliers in the renewable energy industry.”

Successful Practices by Utilities

Question Three states:

“Provide a list of successful actions your utility has taken to increase workforce and Supplier Diversity. This list may be used to encourage other utilities to take similar actions when appropriate.”

Successful Actions Regarding Workforce Diversity

The utilities’ responses are categorized below.

- **Recruitment of Talent.** MERC posts openings with a wide network of community and veteran-service agencies, including the Native American Center of SE Minnesota and Intercultural Mutual Assistance Association. CenterPoint notes it attends college recruiting events.
- **Community Outreach and Partnerships.** MERC partners with technical colleges including Dakota County Technical College and Hibbing Community College; Minnesota Power reaches out to Tribal organizations and participates in STEM-focused events for regional students.
- **Workforce Development and Training Programs.** Minnesota Power requires all supervisors to complete objective and fair hiring practices training (203 supervising employees completed this in 2025); MERC incorporates unconscious-bias training into leadership and interview training.
- **Employee Resource Groups.** MERC supports groups including the African American Business Resource Group, the Women’s Development Network, and WEC PROUT; Xcel now sponsors 14 Business Resource Groups, increasing from 13 last year.

Successful Actions to Increase the Diversity of Suppliers

Utilities actions to increase the diversity of their suppliers:

- **Data Metrics and Data Tracking.** Minnesota Power regularly updates its supplier database and its suppliers’ certifications. An internal subcommittee then uses the data to create goals for pilot program. Xcel uses data for regulatory compliance and emphasizes “visibility” of the of information.
- **Learning from Industry Best Practices.** CenterPoint described attending conferences, best-practice summits, and hosting its Supplier Inclusion Leadership Symposium. Minnesota Power notes that it learned from other utilities’ best practices after observing the utility’s practices over several years.
- **Training and Development Opportunities with Suppliers.** Xcel and Minnesota Power described supplier education efforts. Minnesota Power added a new action to “educate self-classified suppliers about certification options and processes.”

- **Prioritizing and Building Long-Term Supplier Relationships.** Xcel and MERC described embedding diversity considerations into ongoing supplier relationships and Tier 1/Tier 2 subcontracting structures.

Certifications

The Fourth Question asked about certifications:

“Provide a list of certifications that your utility recognizes. If possible, please provide a brief description or a link that provides context on what the certification is.”

The utilities recognize a variety of different supplier certifications. These certifications identify businesses with minority statuses and are issued by a government or industry entity. For example:

- CenterPoint recognizes the Small Business Enterprise certification from the United States Small Business Administration;
- Great Plains recognizes certifications for Female-Owned businesses;
- MERC recognizes Veteran-Owned Businesses certified by the U.S. Department of Veteran Affairs;
- Minnesota Power is certified by the National LGBTQ+ and Allied Chamber of Commerce (NGLCC);
- Otter Tail Power Recognizes certification from the HUBZone and Small Disadvantaged Business (NMSDC); and
- Xcel recognizes certification from National Minority Supplier Development and Council disability.¹

A comprehensive list of certifications can be found in the appendix.

¹ These are not the only certifications that utilities recognized for the different demographic statuses. Also, recognition of some statuses may be required for participation in some federal and Minnesota State programs.

Appendix

Data Collection Process

To standardize the collection process, the Department developed two reporting templates to collect data on workforce representation, procurement spending, and utility plans to further diversify their workforces. The Department also developed a set of filing instructions to clarify how data should be submitted and to define the data points that were collected.

Regarding procurement spending, utilities were asked to submit actual spending as a percentage of total work performed for Female-Owned, Minority-Owned, Veteran-Owned and Small Business Enterprises, as well as the utility's goal for spending for these enterprises.

For the purposes of this report, the Department provided the following definitions:

- Female-Owned Enterprise-"Female-Owned Enterprise" means a business for which one or more women: (1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and (2) manage the business and control the daily business operations.
- Minority-Owned Enterprise-"Minority-Owned Enterprise" means a business for which one or more minorities: (1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and (2) manage the business and control the daily business operations. For the purposes of this definition, "minority" means a United States citizen or Lawful Permanent Resident who identifies as Asian, Pacific Islander, Black, Hispanic, or Native American.
- Veteran-Owned Enterprise-"Veteran-Owned business" means a business for which one or more veterans: (1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and (2) manage the business and control the daily business operations. Veteran is defined in Minnesota Statutes § [197.447](#).
- Small Business Enterprises-As defined in Minnesota Statutes § [645.445](#), "Small business" means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:
 1. is not an affiliate or subsidiary of a business dominant in its field of operation; and
 2. has 20 or fewer full-time employees; or
 3. in the preceding fiscal year has not had more than the equivalent of \$1,000,000 in annual gross revenues; or
 4. if the business is a technical or professional service, shall not have had more than the equivalent of \$2,500,000 in annual gross revenues in the preceding fiscal year.

With regard to workforce representation, Minnesota Statutes § 216C.51 requires utilities to include "current workforce representation numbers and percentages." As representation is not defined in this statute, the Department asked for these figures but did not specify the meaning of representation.

Utilities supplied figures on race, ethnicity, and gender, but, given the lack of standardized reporting in this section, readers should exercise caution when comparing figures between utilities.

The second data collection template adapted the report elements in Minnesota Statutes § 216C.51 into open-ended questions. Department staff compiled responses to these questions and included key takeaways from the responses in this report.

Key takeaways were developed by categorizing statements based upon their similarity to reduce the more than 60 statements per question into a manageable number. The Department grouped the list of characteristics into a smaller, more manageable number of categories based upon the similarity of characteristics. For each of the categories, the utility names were tracked on whether they were grouped into a category. Staff then summarized the final categories and gave examples to help to communicate the results.

Data Quality

The Department reviewed data submissions and adjusted the raw data (e.g., removing non-numerical characters from numerical fields) as needed to compile and analyze the data.

Minnesota Statutes § 216C.51 subd. 5 provides:

“Each annual report must include as much state-specific data as possible. If the submitting utility does not submit state-specific data, the utility must include any relevant national data the utility possesses, explain why the utility could not submit state-specific data, and detail how the utility intends to include state-specific data in future reports, if possible.”

The utilities were asked whether all the data they submitted was from their Minnesota operations. All utilities except GMG used a mixture of Minnesota data from outside of Minnesota. Utilities’ choice of dataset varied by question, as indicated below.

Table 1 summarizes when utilities provided Minnesota-specific data and when they had to rely on regional or national data for this report.

Table 1: Data Sources Used for Workforce Representation and Procurement Figures

Utility	Workforce Representation	Procurement
CenterPoint Energy	Minnesota data	Minnesota data
Great Plains Natural Gas Company	Minnesota data	National data
Greater Minnesota Gas	Minnesota data	Minnesota data
Minnesota Energy Resources	Minnesota data	Minnesota data
Minnesota Power	Minnesota data	Minnesota data and national data (Minnesota-specific data is included in this report)
Otter Tail Power	National data	National data
Xcel Energy	Minnesota data	Regional data (Minnesota, North Dakota, South Dakota)

Utilities that did not supply Minnesota-specific data often reported that the structure of their organizations made such reporting unworkable at this time. Xcel Energy, for example, indicated that the most granular data it has is for Northern States Power Minnesota, which also includes data from South Dakota and North Dakota. Otter Tail Power wrote “the Company is not organized as three separate stand-alone utilities serving three separate states. Instead, we operate a single system with some facilities located in each of our states and various employees reporting for duty in each of the three states.” Otter Tail Power also indicated that using data on employees who report working in Minnesota or who are on a Minnesota payroll may result in the data that it submits being incomplete. Great Plains Natural Gas wrote, “the Company took additional steps to enhance its supplier diversity tracking by partnering with a third party to gather vendor specific data. The Company is not tracking this data at the state level as it is not cost effective to do so at this time.”

Below is a comprehensive table of certifications recognized by Minnesota utilities.

Table 1: Certifications Recognized by Utilities

Utility	Certification
CenterPoint Energy	ACDBE-Airport Concession Disadvantaged Business Enterprise
CenterPoint Energy	ANC-Alaskan Native Corporations
CenterPoint Energy	DISABLED-Disabled
CenterPoint Energy	DOBE-Disability-Owned Business Enterprise
CenterPoint Energy	DBE-Disadvantaged Business Enterprise
CenterPoint Energy	ED-WOSB-Economically Disadvantaged Women Owned Small Business
CenterPoint Energy	EIG-8(a) Small Business
CenterPoint Energy	HBCU-Historically Black Colleges and Universities
CenterPoint Energy	HUBZone-Historically Underutilized Business Zone
CenterPoint Energy	LGBTBE-Lesbian, Gay, Bisexual, Transgender Business Enterprise
CenterPoint Energy	MBE-Minority-Owned Business Enterprise
CenterPoint Energy	SBE-Small Business Enterprise
CenterPoint Energy	SDB-Small Disadvantaged Business
CenterPoint Energy	SDVOB-Service-Disabled Veteran-Owned Business
CenterPoint Energy	SDVOSB-Service-Disabled Veteran-Owned Small Business
CenterPoint Energy	VDOB-Veteran Disability-Owned Business Enterprises
CenterPoint Energy	VOB-Veteran-Owned Business
CenterPoint Energy	VOSB-Veteran-Owned Small Business
CenterPoint Energy	WBE-Woman Business Enterprise
CenterPoint Energy	WOSB-Woman-Owned Small Business
Minnesota Energy Resources	AutoCAD Certified Professional
Minnesota Energy Resources	Disability: IN
Minnesota Energy Resources	EPA Certification
Minnesota Energy Resources	HVACR Certification

Utility	Certification
Minnesota Energy Resources	National Gay/Lesbian Chamber of Commerce (NGLCC)
Minnesota Energy Resources	National Minority Supplier Development Council (NMSDC)
Minnesota Energy Resources	National Veteran Business Development Council (NVBDC)
Minnesota Energy Resources	State of Minnesota Small Business Procurement Program
Minnesota Energy Resources	Women's Business Enterprise National Council (WBENC)
Minnesota Power	Central Certification CERT Program, Minnesota Unified Certification Program (MNUCP)
Minnesota Power	Disability Inclusion
Minnesota Power	National LGBT Chamber of Commerce (NGLCC)
Minnesota Power	National Minority Supplier Development Council (NMSDC)
Minnesota Power	National Veteran Business Development Council (NVBDC)
Minnesota Power	National Veteran-Owned Business Association (NAVOBA)
Minnesota Power	U.S. Small Business Administration (Small Business)
Minnesota Power	Women Business Enterprise National Council (WBENC)
Minnesota Power	Workforce Certificate, Minnesota Department of Human Rights
Otter Tail Power	Disability: IN
Otter Tail Power	National Gay/Lesbian Chamber of Commerce (NGLCC)
Otter Tail Power	National Minority Supplier Development Council (NMSDC)
Otter Tail Power	National Veteran Business Development Council (NVBDC)
Otter Tail Power	National Veteran Owned Business Association (NaVOBA)

Utility	Certification
Otter Tail Power	U.S. Small Business Administration (HUBZone and Small Disadvantaged Business)
Otter Tail Power	Women's Business Enterprise National Council (WBENC)
Xcel Energy	Disability: IN
Xcel Energy	National LGBTQ Chamber of Commerce (NGLCC)
Xcel Energy	National Minority Supplier Development Council (NMSDC)
Xcel Energy	National Veteran Business Development Council (NVBDC)
Xcel Energy	National Veteran Owned Business Association (NaVOBA)
Xcel Energy	U.S. Small Business Administration (SBA) recognized certifications (excluding self-certification)
Xcel Energy	Women Business Enterprise National Council (WBENC)
Xcel Energy	Any regional affiliate of a national certifying body (Referenced in Xcel's report)
Xcel Energy	Other national, state, and local agencies approved by Xcel Energy

Great Plains Natural Gas indicated that it certifies sources for Female-Owned, Minority-Owned, veteran-owned, and small businesses; however, it did not list specific certifications for employees. Greater Minnesota Gas indicated that "GMG does not utilize formal diversity goals or planning because they are not well-suited to GMG's unique circumstances. For purposes of attempting to retroactively identify procurement data for this filing, GMG identified diverse business enterprises based on any industry certification related to diversity status."