

# Equitable Business Planning Compliance Filing

Attachment A – Guides

# Community Engagement Guide

## Principles of Engagement

Avista aims to foster a collaborative environment where every voice is valued, enhancing project quality, and building trust with the community. By empowering individuals to express their needs and concerns, Avista ensures initiatives reflect diverse perspectives. Continuous engagement and adaptation help Avista remain responsive, leading to sustainable and impactful outcomes.

## When and How to Engagement with the Community

The Community Engagement Guide helps employees interact with customers, staff, and interested parties in formal settings like advisory groups or major projects forums. Since most employees do not regularly engage in this way, the guide serves as a useful reference and is not a requirement.

## Timing of Engagement<sup>1</sup>

The table below is a quick reference guide for activities which facilitate meaningful involvement in each stage of engagement:

BEFORE ENGAGEMENT	
<b>Review Principles of Engagement</b>	Learn about the community and reflect on any pre-conceived assumptions.
<b>Identify Community</b>	Identify partners, members, or other interested parties impacted by the project or program and reach out to those identified as soon as possible.
<b>Notify Community Outreach Team</b>	Coordinate efforts with other ongoing outreach and engagement efforts.
<b>Identify Participation Level and Techniques</b>	Identify level of engagement and evaluate techniques.
<b>Create Evaluation Plan</b>	Ensure the input that is being requested is clear and understandable.
DURING ENGAGEMENT	

<sup>1</sup> [Citizen Participation & Equitable Engagement Toolkit](#)

<b>Identify Barriers</b>	Make plans to mitigate barriers (see “Reducing Barriers to Participation Guide”).
<b>Only Make Promises You Can Keep</b>	Be honest and forthcoming about what you can and will do with the feedback you receive. Document why or why not feedback is used.
<b>Evaluate Effectiveness of Existing Partnerships</b>	Ensure Community Benefit Organizations (CBO) and Community Action Agencies (CAA) are advised and included.
<b>Create Evaluation Plan</b>	Ensure the input that is being requested is clear and understandable.
<b>AFTER ENGAGEMENT</b>	
<b>Gather Feedback</b>	Gather feedback from participants and partners about how the project went. Use these perspectives to inform evaluation.
<b>Share Results</b>	Share results and next steps with all interested parties internally and externally.
<b>Reflect</b>	Consider what can be improved in future engagements or outreach efforts.
<b>Stay Connected</b>	Stay connected to maintain long-term relationships.

## Level of Engagement (IAP2) <sup>2</sup>

Each project requires specific levels of public engagement. The IAP2 spectrum below is used nationwide and serves as a guide to support and inform the level of engagement for each capital project.

<b>INFORM</b>	<b>CONSULT</b>	<b>INVOLVE</b>	<b>COLLABORATE</b>	<b>EMPOWER</b>
<b>Public Participation Goal:</b>	<b>Public Participation Goal:</b>	<b>Public Participation Goal:</b>	<b>Public Participation Goal:</b>	<b>Public Participation Goal:</b>
To provide the public with balanced and objective information to assist them in	To obtain public feedback on analysis, alternatives and/ or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations	To partner with the public in each aspect of the decision including the development of alternatives and the	To place final decision-making in the hands of the public.

<sup>2</sup> <https://iap2.org/>

understanding the problems, alternatives, opportunities, and/or solutions.		are consistently understood and considered.	identification of the preferred solution.	
<b>Promise to the Public:</b>	<b>Promise to the Public:</b>	<b>Promise to the Public:</b>	<b>Promise to the Public:</b>	<b>Promise to the Public:</b>
We will keep you informed.	We will keep you informed, listen to, and acknowledge concerns and aspirations. Provide feedback on how public input influenced the decision.	We will collaborate with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
<b>Example Tools</b>	<b>Example Tools</b>	<b>Example Tools</b>	<b>Example Tools</b>	<b>Example Tools</b>
<ul style="list-style-type: none"> <li>■ Fact Sheets</li> <li>■ Web sites</li> <li>■ Open Houses</li> <li>■ Brochures</li> <li>■ Newspaper articles</li> </ul>	<ul style="list-style-type: none"> <li>■ Public comment</li> <li>■ Focus groups</li> <li>■ Surveys</li> <li>■ Workshops and working session</li> </ul>	<ul style="list-style-type: none"> <li>■ Workshops</li> <li>■ Deliberate polling</li> <li>■ Citizen advisory committees</li> <li>■ Visioning</li> <li>■ Charrettes</li> <li>■ Implementation committee</li> </ul>	<ul style="list-style-type: none"> <li>■ Citizen advisory committees</li> <li>■ Consensus-building</li> <li>■ Participatory decision-making</li> </ul>	<ul style="list-style-type: none"> <li>■ Citizen juries</li> <li>■ Ballots</li> <li>■ Delegated Decisions</li> </ul>
<b>Equity Techniques*</b>	<b>Equity Techniques</b>	<b>Equity Techniques</b>	<b>Equity Techniques</b>	<b>Equity Techniques</b>
<ul style="list-style-type: none"> <li>■ Translation of key documents</li> <li>■ Interpretation at events</li> <li>■ 509-compliant websites</li> </ul>	<p>All information plus</p> <ul style="list-style-type: none"> <li>■ Provision for childcare</li> <li>■ Culturally appropriate food</li> </ul>	<p>All consult plus</p> <ul style="list-style-type: none"> <li>■ Diverse makeup of groups</li> <li>■ Events were held at various locations.</li> </ul>	<p>All involve plus</p> <ul style="list-style-type: none"> <li>■ Community leaders co-lead meetings</li> <li>■ Diverse makeup of groups and facilitators</li> </ul>	<ul style="list-style-type: none"> <li>■ All collaborate plus.</li> <li>■ Diverse juries</li> <li>■ Ballots</li> <li>■ Diverse representation of</li> </ul>

	<ul style="list-style-type: none"> <li>■ Meetings held at various times/days</li> </ul>	<ul style="list-style-type: none"> <li>■ Events held close to communities</li> </ul>		<ul style="list-style-type: none"> <li>people, ideas, voices</li> </ul>
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**Definitions<sup>3</sup>**

The definitions provide examples of outreach that may be performed depending on the project and level of outreach required.

An **Advisory Committee** is a group of representatives of interested parties assembled to provide advice and input into the planning and decision-making process. It serves the following purposes:

- Creates a balanced group of parties to provide advice on the project and on public involvement.
- Allows for more detailed analysis for project issues with a more informed group of the public (including people with expertise in relevant issues and policies).
- Can be a forum for developing consensus or compromise on controversial issues.

**Charrette** is an intensive brainstorming session (usually over several days) where volunteer participants sketch and illustrate their ideas for planning and design solutions and present them to the community. It is often designed to bring together academics, planning/design professionals, and students for a creative, intensive, and collaborative process.

A **Focus Group** is a group interview and discussion where a small group (usually 8–12 people) respond to a specific concept or subject. It is a quick and focused means of generating ideas and getting reactions. Focus groups help you understand distinct groups’ perceptions and expectations and can help identify questions and issues that can shape broader public participation and planning proposals.

An **Interview** is a one-on-one structured discussion with either a random sample or selected representatives of the spectrum of interested parties. Interviews are used to gather information about peoples’ issues and perspectives on an individual basis, providing confidentiality that can result in more candor about issues and concerns.

An **Open House** is a form of public meeting that provides a less structured venue for the public to learn about and provide input to a project or process. This occurs through displays, questions to staff/experts who are on hand, and often opportunities to fill out comment forms or questionnaires. As its name implies, people can come for any amount of time during the scheduled event, providing flexibility for those with limited time for such events.

A **Public Workshop** is a structured public event, aimed at both informing the public and engaging them in giving advice and input on specific issues and alternatives. Public workshops usually combine presentations with small group break-out sessions. They require more planning and use of staff with facilitation and writing skills.

<sup>3</sup> Citizen Participation & Equitable Engagement Toolkit

A **Roundtable** is a focused discussion with a group (usually 8–16) of people who are brought together to discuss a specific issue. Usually, participants are provided information in advance and the sessions are facilitated, but they are chaired by the process sponsor. Note-takers record information and summarize key points. This type of group can be used periodically during a lengthy process as a sounding board to provide input and guidance.

**Surveys** are an important information-gathering tool that can be effective in reaching a broad spectrum of the public, particularly those who do not typically participate in public participation events and processes. They can be used for single assessments of public preferences and opinion or as an ongoing tool to track changing community demographics and needs.

A **Technical Committee** refers to a group of technical experts who are asked to provide advice on the technical aspects of a planning, policy, or physical development project. Like an advisory committee, this group is formally established with a clear task description and adequate information and staffing to perform their work.

The **Trusted Advocates** approach engages residents by finding leaders in various ethnic communities who have the confidence of their community and are already doing advocacy for them and can serve as an effective bridge and broker to the community for public agencies. Frequently paid for through stipends, these positions can be critical in involving historically underrepresented communities.

A **Working Group/Session** refers to a more informal way of involving interested participants in helping professional staff develop and assess alternatives in a project.

## Public Participation Foundational Skills<sup>1</sup>

Not all employees are required to have all the skills, knowledge and behaviors needed for successful and meaningful public participation. The key is to assess the overall capacity of the team to ensure the team has sufficient expertise, knowledge, and experience specific to the investment or policy. ***Please consult with the Community Outreach and Engagement Team to determine the applicable level of expertise related to a specific investment.***

Foundational Skills	All Team Members	Leaders and Managers	Outside Expertise
Fundamental understanding of equity	Understand principles of diversity, equity, and inclusion (DEI) as well as unconscious bias and tools for changing behavior.	Provide leadership guidance to ensure an equity lens is applied through all programming.	Provide training on DEI principles and effective tools to combat unconscious bias.
Fundamental understanding of public participation, including opportunity for influence, commitment to input, inclusiveness, relationship-building, and transparency	Understand and recognize the importance of all principles.	Provide leadership and guidance to ensure that principles are at the core of the planning and implementation of the project.	Provide training in principles and the overall approach to public participation.
Fundamental understanding of public participation behaviors: <ul style="list-style-type: none"> <li>• Openness</li> <li>• Humility</li> <li>• Respect</li> <li>• Honesty</li> <li>• Reliability</li> <li>• Flexibility</li> <li>• Resilience</li> </ul>	Reflect on the importance of individual behaviors and how to ensure their interactions with interested parties are positive.	Recognize individual and team behaviors and build capacity over time.  Ensure team member roles are properly aligned with their current capacity.  Always model the behaviors.	Provide training in public participation behaviors.
Project management: <ul style="list-style-type: none"> <li>• Situation</li> </ul>	Apply appropriate management skills to	Design public meetings and events. Create project	Provide training in project

<sup>1</sup> *Public Participation Guide: Foundational Skills Capacity Matrix*, Environmental Protection Agency, 2014.

<https://www.epa.gov/sites/default/files/2014-05/documents/skillsmatrix.pdf>

<p>assessment</p> <ul style="list-style-type: none"> <li>• Goal setting</li> <li>• Planning</li> <li>• Process management</li> <li>• Meeting and event management</li> <li>• Evaluation</li> </ul>	individual roles.	workplans.  Provide overall project management and leadership.	management.  Design public meetings and events. Create project workplans.
<p>Interested party communications:</p> <ul style="list-style-type: none"> <li>• Effective writing</li> <li>• Simple language</li> <li>• Presentations</li> <li>• Interpersonal skills</li> <li>• Active listening</li> <li>• Negotiations</li> </ul>	Understand the importance of each skill and current skill level and act to improve skills over time.	<p>Recognize individual skills and overall team capacity to build the capacity over time.</p> <p>Ensure that team member roles are properly aligned with their current skills.</p> <p>Engage outside experts to complement gaps in current skills.</p>	<p>Provide training in communication.</p> <p>Provide expert communication skills and assistance in all areas.</p>
Neutral facilitation	Recognize the role and importance of facilitation.	Work cooperatively with the facilitator to design and implement credible processes.	Apply all the skills required of an expert neutral facilitator.
Conflict resolution and problem solving	Understand the key skills needed to resolve conflict, negotiate solutions and work in high-intensity situations.	<p>Recognize individual skills and overall team capacity and build the capacity over time.</p> <p>Ensure that team member roles are properly aligned with their current skills.</p> <p>Engage outside experts to complement gaps in current skills.</p>	Provide training in conflict resolution, alternative dispute resolution, negotiation, and working in difficult situations.



## Overview

To effectuate meaningful public engagement, barriers or obstacles to participation need to be identified and actions taken to overcome barriers. Several of the barriers listed below are applicable to Avista’s business operations. This guide is to be used in conjunction with the Community Engagement Guide. It is imperative that Avista acknowledge these barriers and seek to understand the correlation as a pre-requisite to planning for equitable outcomes. Examples of potential tactics to overcome barriers are listed below.

## Reducing Barriers to Participation Guide

Level of Participation	Barrier	Tactics to Overcome Barriers
<b>Underserved Communities</b>	<ul style="list-style-type: none"> <li>• Lack of trust in process</li> <li>• Perceived lack of shared experiences between customers and those conducting participation and engagement</li> <li>• Fewer resources available to alternative outreach methods</li> </ul>	<ul style="list-style-type: none"> <li>• Engage partners like Community Based Organizations and Community Action Agencies</li> <li>• Use social media, website, radio, and television to advise public in wide area</li> <li>• Engage use of know community personalities to facilitate/assist with outreach</li> </ul>
<b>Low-Income Status</b>	<ul style="list-style-type: none"> <li>• Access to technology such as broadband internet</li> <li>• Nontraditional or second and third shift workers</li> <li>• Transportation cost or availability</li> </ul>	<ul style="list-style-type: none"> <li>• Use phone in participation or mail in feed-back methods</li> <li>• Hold in-person events on public transportation routes within communities</li> <li>• Ensure on-line participation and engagement materials work on mobile devices</li> <li>• Include transportation stipends for participation or provide free transportation</li> </ul>
<b>Families with Children</b>	<ul style="list-style-type: none"> <li>• Low access to affordable childcare</li> </ul>	<ul style="list-style-type: none"> <li>• Hold multiple events at various times in the day</li> <li>• Provide childcare at engagement events</li> <li>• Create ways to participation quickly</li> </ul>
<b>Limited English Proficiency</b>	<ul style="list-style-type: none"> <li>• Large communication barriers</li> </ul>	<ul style="list-style-type: none"> <li>• Provide both written and spoken language translation of engagement materials</li> <li>• Hold engagement events or webinars in the preferred language other than English</li> <li>• Add language translation buttons to on-line/website materials (e.g., Google Translate)</li> </ul>

<b>Visually Impaired</b>	<ul style="list-style-type: none"> <li>• Visual communication barrier</li> </ul>	<ul style="list-style-type: none"> <li>• Use adaptive technology (e.g., provide alternative text descriptions for graphics) for websites and other digital materials</li> <li>• Use text for titles or valuable information like addresses or phone numbers—do not post this information within an image file</li> <li>• Offer printed materials in large text print</li> <li>• Use a color blindness color palette for images or visual graphics where color has meaning (e.g., a pie chart)</li> </ul>
<b>Mobility Issues</b>	<ul style="list-style-type: none"> <li>• Difficulty physically attending in-person events</li> </ul>	<ul style="list-style-type: none"> <li>• Chose locations which are accessible for participations covered by the Americans with Disability Act</li> <li>• Provide online participation options such as online seminars, etc.</li> <li>• Survey, email or phone number ability to provide input</li> </ul>
<b>Hearing Impaired</b>	<ul style="list-style-type: none"> <li>• Auditory (sound) communication barrier</li> </ul>	<ul style="list-style-type: none"> <li>• Provide interpreter at public meetings and advertise how to request this service</li> </ul>

**Best practices to reduce participation barriers**

- Design engagement materials and activities for different learning styles.
- Avoid technical jargon and industry-specific or government terms.
- Communicate engagement expectations and how engagement will fit into the process.
- Attend monthly meetings of community organizations, boards, and events.
- Inform the public of how to communicate with decision-makers, program partners, and other points of contact.
- Create engagement that allows several ways to participate (e.g., online, a public meeting, and a mail-in paper survey).

## Listening Skills Guide

To support the engagement of customers in decision-making, well-designed community meetings are essential for the equitable engagement of all communities and groups. This tool provides a checklist and tips to ensure that all people (especially those Avista has identified to be vulnerable populations, highly impacted or disadvantaged) feel welcome and safe to attend, express themselves, and communicate their needs. The “notes” section below is intentionally left blank to populate with ideas, questions, or directions when setting up meetings.

For those employees who do not routinely interact with customers or communities on an individual basis, this guide may be used as a pre-function document as a reminder of best practices for effective listening skills. Not all employees, or all situations, will require the use of this form.

- I make effective eye contact, reflecting the needs and values of all parties.
- I exhibit appropriate facial gestures.
- I avoid actions or gestures that suggest boredom or rudeness.
- I ask clarifying questions.
- I paraphrase using my own words.
- I avoid interrupting the speaker.
- I do not say more than I really need to.
- I remain impartial, do not judge what is being said, and I resist the urge to make assumptions based on my own experience, background, values, and expectations.
- I am aware of unconscious bias; I act intentionally to counteract any quick judgements I may make, and I remain vigilant to not make any intentional or unintentional verbal slights.
- I acknowledge and validate feelings and thoughts, and I try to empathize while not taking sides.
- I listen even though I may not like the person who is talking or what is being said.

Having assessed my own listening skills, this is what I would like to work on:

Notes:

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# Equitable Business Planning

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# FRAMEWORK

*Ensuring fairness for all, from start to finish.*

*Version 1.0*

# Equity and Avista

Avista acknowledges the evolving social needs and desires of communities, leading to a shift in federal and state policies from "fair, just, and reasonable" to "fair, just, reasonable, and equitable." Previously, policies focused on equality, treating everyone alike. The new emphasis on "equity" is rooted in the concept of fairness, ensuring all customers have access to necessary resources and opportunities based on their individual needs. To support this conceptual shift, Avista's business processes must also include a more tailored approach to meet individual needs that result in equal opportunities in energy services.

## EQUITY VERSUS EQUALITY

Equity is the quality of being fair and impartial	Equality is the state or quality of being equal
Involves treating each individual according to his or her needs	Involves treating every individual in the same manner, irrespective of their differences
Considers individual needs of people	Does not consider needs and requirements of people

Equity is a natural enhancement to Avista's Mission Statement, which seeks to enable vibrant community through energy in a manner that is safe, responsible, and affordable. By putting those it serves at the center, Avista strives to compassionately serve customers with innovative and sustainable solutions, while driving competitive returns.

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*Equitable Business Planning supports Avista's Mission by using tools and templates to overcome barriers to ensure strategies result in Safe, Reliable and Affordable Energy for all customers.*

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### Why now?

New legislation in Washington State, such as the Clean Energy Transformation Act (CETA) and the Climate Commitment Act (CCA), have infused equity into their requirements. Further, for Avista specifically, the Company's 2022 Washington General Rate Case (GRC) Settlement Stipulation directed it to develop a process to incorporate equity into its capital planning processes. Amid the clean energy transition, the Washington Utilities and Transportation Commission (UTC or Commission) is focused on a



*"Recognizing that no action is equity-neutral, regulated companies should inquire whether each proposed modification to their rates, practices, or operations corrects or perpetuates inequities."*

Washington Utilities and Transportation Commission, Final Order 09, Docket No. UG-210755 (Cascade Natural Gas GRC)

“just transition,” with policies centered on public participation, distribution of resources, and long-term policy change.

## How does Avista define Equity?

Establishing a common terminology is foundational to the success of embedding equity throughout Avista. By ensuring that everyone has a shared understanding of key terms, Avista can foster a more cohesive and aligned approach to equity. This common language helps to eliminate ambiguities and ensures that all team members are on the same page when implementing equity-focused initiatives. Moreover, the development of common terminology facilitates clear communication, both internally and externally. When employees, interested parties, and customers are all speaking the same language, it becomes easier to build trust and



foster collaboration. This clarity also helps in setting measurable goals and tracking progress, as everyone understands what is being measured and why it is important. With that in mind, Avista has defined equity as follows:

- **Equity:** Fair and just inclusion. Treating all customers fairly while recognizing that each person has a unique circumstance, and allocating resources and opportunities in a manner which achieves an equal outcome.
- **Energy Equity Components:** Also referred to as “energy justice tenets,” together these components provide the basis for planning for equitable outcomes in a manner that is fair, impartial, and inclusive. Putting the customer at the center to ensure fair access, the opportunity to participate and have access to the benefits of the energy system, while also remediating harms associated with energy generation, production, or consumption.


- **Equitable Business Planning:** Avista’s method for recognizing that different customers have unique needs based on their own unique circumstances and allocating resources in a manner which seeks to overcome obstacles.

## Energy Inequities

### What we are solving for

**Energy Poverty**


Lack of access to affordable and sustainable energy



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**Energy Burden**


Percentage of gross income spent on energy cost



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**Energy Insecurity**


Hardships faced by households when they cannot meet basic needs



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**Energy Vulnerability**

Suffering due to lack of energy service



- **Meaningful Participation:** Ensures all voices are heard and valued, particularly those who previously may not have had access or opportunity to provide input in decisions which impact them. This approach centers around a sense of ownership and accountability among participants, which leads to more sustainable or effective outcomes.

### What is the problem Avista is trying to solve?

The problem Avista is trying to solve through the Equitable Business Planning Framework is the imbalance <sup>1</sup> related to access, benefits, and representation among diverse communities which often leads to inequitable outcomes. This includes ensuring that all communities have a voice in decision making, addressing disparities in energy access and affordability, promoting sustainable practices, and fostering collaboration to create a more inclusive, environmentally responsible, and socially just energy landscape. The primary energy inequities we are solving for are summarized in the illustration to the left. Energy inequities are primarily in the following areas:

<sup>1</sup> Often referred to as “disproportional impact”

- **Energy Burden:** The Framework focuses on reducing the overall energy burden on customers by planning for cost-effective energy solutions that alleviate financial strain, ensuring that all customers have equitable access to affordable energy.
- **Energy Insecurity:** The focus on proactive resilience measures, including grid reliability and maintenance for extreme weather, aim to decrease energy insecurity among vulnerable customers, ensuring consistent access to energy even during outages.
- **Energy Vulnerability:** The integration of distributed energy resources (DERs) will provide additional support to communities most affected by energy outages, addressing energy vulnerabilities and enhancing overall energy stability. striving to reduce energy insecurity for all customers.
- **Energy Poverty:** By optimizing organizational strategies for affordability and growth, the framework seeks to combat energy poverty, ensuring that all customers can access necessary energy services without undue financial hardship.

**What is Energy Equity and Equity Components?** As previously stated, together energy equity components provide the foundation for “planning for equitable outcomes.” These components serve as foundational principles, guiding Avista’s understanding and approach to its energy system. The focus will be on the benefits the energy system provides in relation to several foundational aspects of Avista’s business including, but not limited to, sustainability, reliability, affordability, resiliency, etc. Together, these tenets ensure that energy is not only accessible and efficient, but also environmentally friendly and just for all communities. By embedding these principles into its operations, Avista aims to foster a more inclusive and equitable energy landscape. Figure No. 1 below illustrates the interconnected nature of energy justice components and how Avista is modifying its processes to address energy inequities:



Figure No. 1 Equitable Business Planning



- **Recognition:** This component, known as "recognition justice," focuses on building awareness by acknowledging the historical, cultural, and social factors that have led to inequities. Avista will engage with customers to understand the disparities in areas like safety, reliability, and affordability, recognizing the context of these inequities.
- **Procedure:** Referred to as "procedural equity," this aspect emphasizes inclusive, impartial, and collaborative decision-making. Avista will employ intentional engagement strategies to involve customers in decisions impacting them, ensuring diverse input mechanisms.
- **Distribution:** Defined as "distribution justice," this component prioritizes fair outcomes and benefit distribution among communities or generations. Avista aims for outcome-focused decision-making that equitably distributes the benefits of energy and associated opportunities.
- **Accountability and Monitoring:** Stipulated as "restorative justice," this entails implementing insights-driven actions to bridge disparities and ensure universal access to vital energy services. Avista will prevent the exacerbation of disparities through new policies, consider unintended consequences, uphold accountability through monitoring indicators and metrics to track progress effectively.

Avista’s dedication to operationalizing equity reflects a comprehensive and ongoing effort to integrate these values into every facet of its business. By doing so, the Company aspires to create a more resilient, fair, and future-ready energy system that benefits all, regardless of socioeconomic status or geographic location.

## Applying the Framework

### What are the steps involved in the Framework?

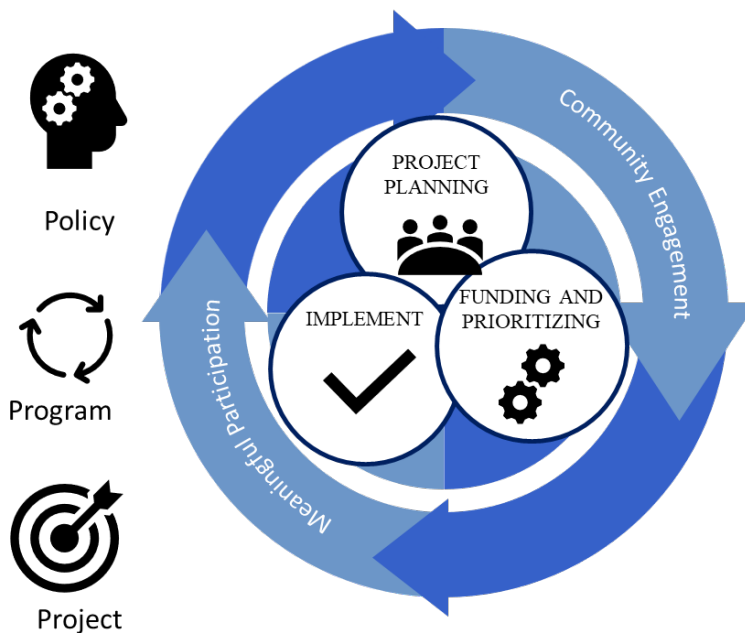
The four components of equity will be integrated into processes across project delivery stages, including project planning, funding and prioritization, and implementation.

**Phase I: Project Planning:** This phase is correlated with the “recognition” component and is required to build awareness, recognition and acknowledgement of inequities and

disparities within communities across Avista’s service territory. Departments are required to consider the impact of their actions on individuals with unique needs and wants.

**Phase II Funding and Prioritization:** This phase is correlated with the “engagement” and the “distribution” component, which is intended to promote collaborative decision making and outcome-focused, results-based distribution.

- Departments are required to consider the appropriate level of interaction and tactics which overcome barriers. Formalized interaction will be required to inform the audience as to the level of interaction based on the IAP2<sup>2</sup> level of involvement.
- In addition, business units will be asked to evaluate common metrics and indicators and include them as part of prioritization efforts. Notably, metrics and indicators used by each business unit will correlate with the Company’s overall strategy efforts, ensuring fair and opportunistic treatment for all customers. Projects and programs will be selected from a broad spectrum of indicators and metrics that correlate to the specific investment actions or decisions.



<sup>2</sup> <https://www.iap2.org/mpage/Home>

**Phase III Implementation:** This phase is correlated with the “accountability and monitoring” component. This phase includes more specificity from previously identified actions and indicators. It is focused on ensuring accountability and monitoring through tracking impacts of actions. Implementation may vary according to the department of business unit. However, the application of the individual phases of Equitable Business Planning have been spelled out in relation to Capital Planning on a step-by-step manner. Business units must consider each of the four tenets in their overall processes. Templates, tools, and guides have been created to inform how individual business units can consider and implement each component.

It is crucial to adapt this Framework according to the function of the specific business unit. For example, capital planning projects differ significantly. Each business aspect has its unique regulatory requirements that need to be balanced with equity considerations. Therefore, the approach must be flexible and adaptable, allowing for customization to meet the distinct needs of various projects.

**How will Avista measure success?** Measuring success in implementing the Equitable Business Planning Framework is crucial for assessing its impact on organizational culture and performance. By using a mix of performance metrics and indicators as highlighted earlier, Avista can understand how equitable practices are meeting anticipated goals. Data and analytics play a key role in ensuring accuracy and consistency across the board. These efforts will be cross-functional given the intricate and interconnected functions within Avista's operations. A common set of metrics and indicators are currently being compiled representing cross-departmental requirements and reporting needs.

These metrics encompass areas such as supplier diversity, employee diversity, and others related to Avista’s newly implemented corporate strategy roll out. Aligning tracking consistently throughout the Company offers a comprehensive view of how equity contributes to business achievements. This thorough measurement strategy will help pinpoint areas for enhancement and demonstrate a dedication



to equity. Initially Avista will measure success through annual tacking of the performance metrics and indicators noted in Phase III.

## How and when to apply the Framework

It is expected that the Framework will be embedded throughout the planning, funding, selection, and execution of capital project work. It is now a requirement that each business unit, beyond Capital Planning, develop a formalized process for considering each equity component in its operational procedures. This will be needed for GRC support, resource planning, or other regulatory requirements.

Each functional business unit across Avista may have different processes for a variety of reasons. For instance, while capital investments will have a consistent practice between steps in the lifecycle assessment, projects, or programs specific to energy efficiency or O&M may have different procedures with different steps.

### WHY DOES THIS MATTER?

Avista's services are fundamental in driving a thriving economy, technology advancement and societal progress.

Energy is essential for daily living, positively impacting personal, economic, social aspects of living.

Widespread available and reliable energy delivery drives innovation, productivity, and connectivity.



## Where can I get help?

The Company is committed to infusing equity into operations. However, it is not a reasonable expectation for all employees to be fully versed in equity and the above-mentioned energy equity components. Accordingly, there are personnel who may be consulted to ensure each step has been considered. Specifically, regarding outreach and engagement, it is important to ensure all sources of community and customer impacts are considered. This will go beyond the criteria existing on the Named



Community Map.

There are various departments across the Company who are responsible to identifying the historical and current conditions which lead to energy inequities described above. In addition, the Company has relied on information developed and provided by Washington State Department of Health, Oregon Department of Health and the Justice40 initiative.



Finally, information is available through consultation with the Community and Outreach team, Energy Assistance, and Energy Efficiency teams who are actively performing engagement and outreach throughout Avista's service territory. These teams are compiling the input received throughout these interactions in a manner which will lead to consistency in understanding and identification of disparities in access, affordability, etc. When considering how your unique circumstance may impact these communities, reach out to these teams.



# Avista Tools



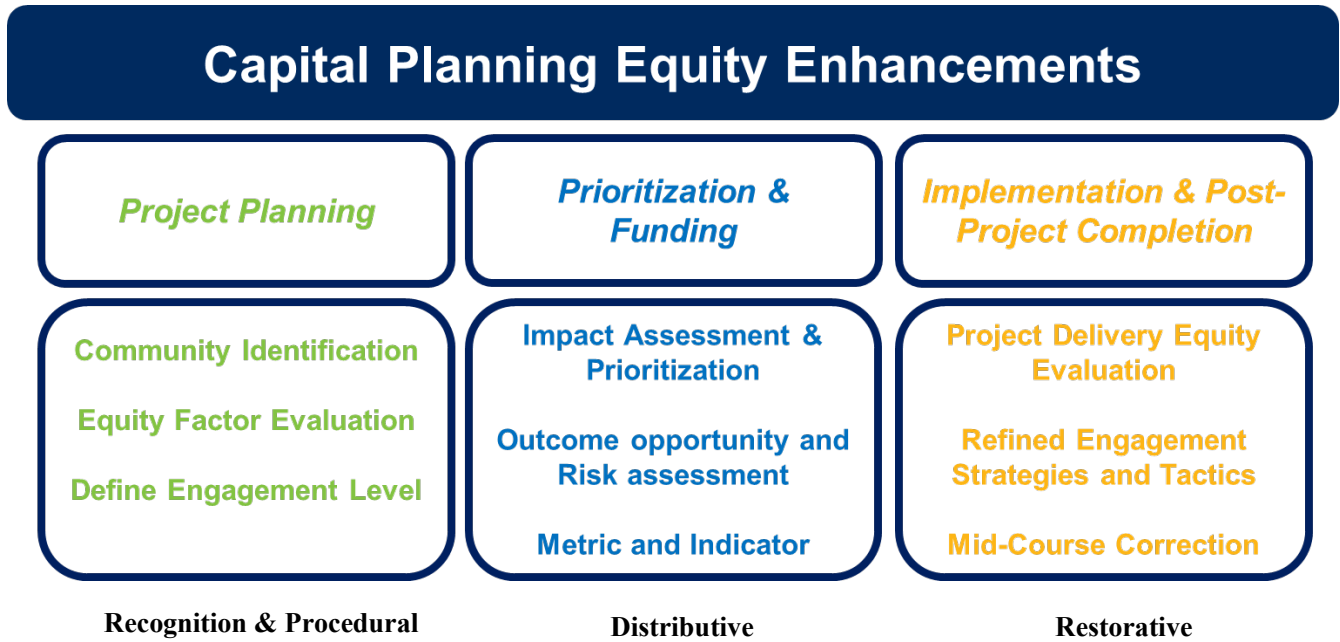
The right tools/templates and resources ensure Avista’s success for the Equitable Business Planning Framework. Tools help ensure processes and actions are fair, both inside and outside of the company and across service territories. In the following appendix, tools and resources have been provided to guide moving through the Equitable Business Planning Framework.

<b>Guides</b>	
Guide 1: Community Engagement Guide	Guide to determine of appropriate level of engagement.
Guide 2: Foundational Skills Assessment Guide	Guide to consider the level of expertise required for effective engagement and/or outreach.
Guide 3: Reducing Barriers to Participation Guide	Guide to overcome barriers which may limit a customers’ ability to participate in decisions which impact them.
Guide 4: Listening Skills Guide	Guide for employees who do not typically interact with customers to self-check listening skills.
Guide 5: Equitable Business Planning Framework and Guide	Common vision, language, and components for incorporating equity in operations.
<b>Templates</b>	
Community Engagement Scoring Template	Based on consultation with Community Outreach and Engagement personnel, determines anticipated level of engagement.
Pre-Project Planning Template	Template of questions for each Functional Business Unit’s project intake form.
Business Case Template (Revised)	Revised Business Case Template required for each Business Case which is sent to the Capital Project Group and used as support for regulatory functions.
Equitable Business Planning Assessment for Project Delivery – Comprehensive	Comprehensive review of impacts and opportunities or barriers for projects with broad-reaching equity impacts.
<p><b>NOTE:</b> The content of each template correlates with each energy justice tenet as well as energy justice principles. However, the application in practice may be modified during implementation in a manner which best contributes towards efficiency or understanding.</p>	

# **Appendix A:**

## **Equitable Business Planning Guide**

## Overview



These Capital Planning Equity Enhancements will complement Avista’s existing project management process by incorporating considerations for the tenets of equity and embedding them throughout the capital planning process. Avista Project Delivery (APD) Framework documents, including project intake, charters, and project management plans have been modified to include equity considerations in each of the three project phases: project planning, evaluation and prioritization, and implementation. Templates have been created for ease of information flow between projects and collection, communication, and coordination between groups. The enhancements made to the capital planning process are described below.

The **Project Planning** process involves assessing the specific needs and impacts within named communities, with a strong focus on recognition and procedural justice in identifying disparities so projects can be customized for diverse populations. Initially, project teams will evaluate the physical mapped location each project or program is most likely to impact. The project team will then consult with a Customer Engagement team member to ensure consideration for community and customer input, needs, and wants.



Certain projects or programs are system-level (such as enterprise technology) and cannot be directly tied to a specific community while other projects or programs may be directly located in, or directly tied to (in the case of distribution) a specific community. In either case, to build awareness and recognition of circumstances within the communities Avista serves, project teams will be required to identify the primary equity factors (people and places)<sup>3</sup> within those communities.

The Community Engagement team member will help to populate the Community Engagement Scoring Template, which has been developed for portfolio managers and engineers as a preliminary step in evaluating the level of engagement (inform, consult, engage, collaborate, etc.) that is appropriate for the given project or program. The matrix will be populated to estimate the extent to which external customers or interested parties should be included per the IAP2 level of engagement spectrum. The IAP2 level of engagement spectrum is considered the gold standard for public participation. The Components of the IAP2 engagement spectrum range from informing through empowerment. This scoring matrix is intended to remove subjectivity in the anticipated amount of outreach required to ensure customer and community input is included in decision-making criteria. Once the level of engagement is established, project teams will consider the customer specific needs and wants, as well as energy factors which provide insight into the root cause of energy inequities and how their project might influence these conditions. Project teams will be required to document on the project intake form the anticipated opportunities related to their project. Once completed, this information is transferred to the Business Case Template.

During **Funding and Prioritization**, project teams are required to further identify the applicable corporate strategy their project or program supports and what outcome opportunities or risks are influenced by their specific project or program. Business cases will include the information from the previous phase, as well as documentation for three distinct areas: 1) how the actions benefit customers and supports corporate

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<sup>3</sup> “People” represents characteristics such as income, race/ethnicity, language, etc. “places” represent those geographical locations which are predisposed to burdens such as poor air quality, proximity, rural vs. urban.

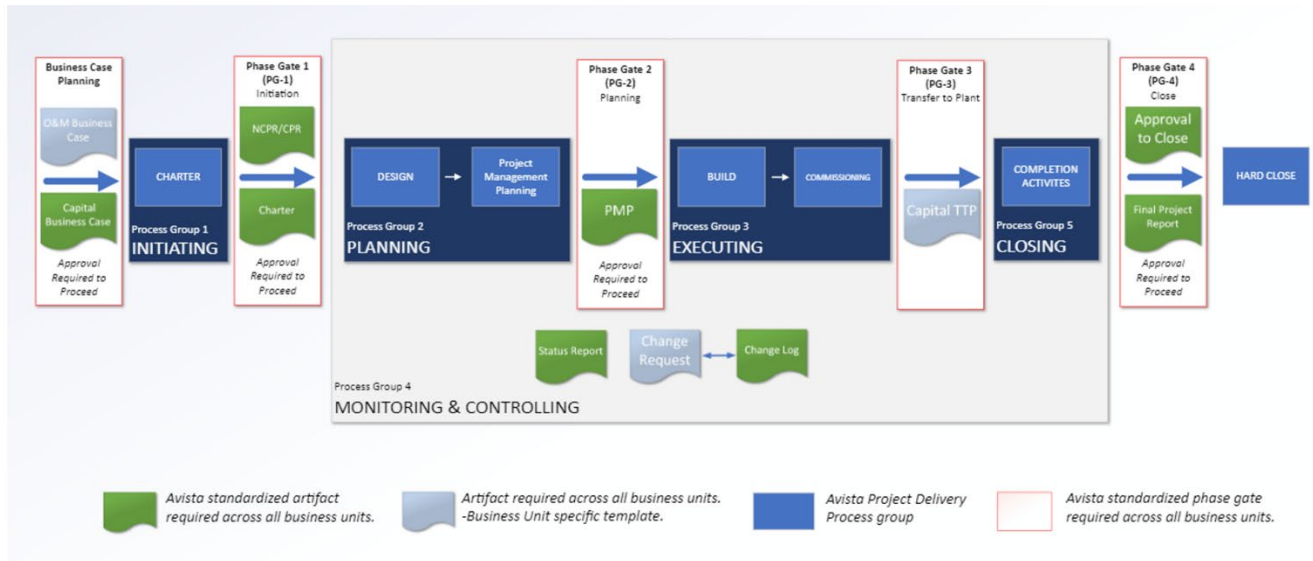
strategy areas; 2) opportunities for enhancing equity associated with economic, social and environmental issues for the general population base, as well as named communities; and 3) selecting and prioritizing appropriate metrics and indicators. In this phase, Business Case owners will select metrics and indicators which are applicable to the investment and incorporate them into their existing prioritization processes. Higher emphasis will be placed on those investments which have measurable impacts to customers within a named community. Prioritization efforts will put specific emphasis on those metrics which may improve disparities in named communities.<sup>4</sup> In the first year of implementation, Business Case owners will be given discretion as to how additional scoring or other prioritization processes prioritize via metrics and measures. Evaluation criteria is based not only output metrics related to energy service, but also on the broader context of energy benefits and burdens including social, environmental, and economic. This step is intended to help prioritize investments within a specific functional business unit such as transmission & distribution, generation, enterprise technology, etc. In addition, a financial benefit indicator will be developed which will represent one additional data point for consideration by the Capital Planning Group when evaluating functional business units. This financial benefit indicator builds off the cost-tests currently utilized in energy efficiency planning and is promoted in the National Standards Practice Manual. This indicator is not intended to be a cost-benefit analysis, but rather an additional data point for comparability of projects.

The **Implementation** phase of the Equitable Business Planning Framework marks the point where practical application and tangible results come to life. During this stage, project managers activate the APD Framework, which kicks off once the Business Case has received approval and is funded. Avista introduced a structured project delivery framework in 2022 and is currently working on its organization-wide implementation. This APD Framework is summarized below:

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<sup>4</sup> For instance, currently Transmission and Distribution has a 5-point prioritization scale that focuses on energy-related outputs such as reliability, security, quality, etc. The ranking is from very low to very high depending upon the impact a project may have. Metrics will be correlated with these areas, and should the project improve reliability it may be given a score of “5 very high”. However, should there be an anticipated increase in reliability for customers in a named community, that category will receive an additional point, pushing the score up to 6 or 7 in this area.

**Figure No. 1 Avista Project Delivery Framework**



The APD Framework is built on a continuous cycle of evaluation and modification, creating an environment that encourages active feedback integration. The Equitable Business Planning Assessment Template is to be used to summarize the previously identified energy justice components to provide space to expand upon those factors during implementation. Each previously identified energy equity tenet will be re-evaluated as part of this process:

- **Recognition:** Revisit the community impact areas identified in the pre-project planning phase. Include internal subject matter experts in Community Development, Community Engagement and Outreach, Environmental Affairs, or Corporate Communications who may be instrumental in the development of the Project Charter. Measuring and tracking progress will include evaluation of those metrics previously identified, as well as consideration for new ones specific to various components of the project delivery process.
- **Procedural:** The project team will determine the strategies and tactics which should be used to ensure inclusive, impartial representation in decision-making. The applicable metrics for measuring and tracking progress will be based on the level of the IAP2 level of engagement spectrum identified in Phase I.

- Distributive:<sup>5</sup> The broader distributive impacts of projects will be refined at a more micro-level through a Benefit Cost Analysis (BCA), a Distributional Equity Analysis (DEA), as well as supplier diversity, employee diversity, and other equity-focused areas. As budgets are finalized in this step, the Company will monitor the impacts of the budget areas post-completion in the Change Order Requests.
- Restorative: Metrics will be tracked as part of the overall Company focus on metrics and measures, reported on through normal regulatory processes. As the information from the Business Case is transferred to the Project Charter, specificity will be added for measuring and tracking impacts. In this phase, the Project Charter refines the schedule, scope, and budget.

As part of project delivery, a baseline least-cost, BCA, or DEA will be developed.<sup>6</sup> The Company is in the process of developing a pilot BCA in the context of grant analysis. As there is a close correlation between grant projects and capital projects, learnings from this preliminary work may be expanded to all capital projects. The Company will keep interested parties informed on the progress of this through existing forums. In the interim, business units will be required to identify the cost (or benefits, currently called “offsets”) in the project justification. This will ensure consideration for environmental, economic, and social factors, which illustrate the full cost of a project. These estimates will then be considered throughout the APD Framework to measure and track impacts throughout the project, as well as post-implementation. Adaptive management is key in this phase, allowing for flexible adjustments based on feedback. Regular evaluations

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<sup>5</sup> In 2025, a cost-benefit analysis (BCA) will be developed for grant work, considering equity costs. This work may be used for new projects in the 2025 budget. After the BCA, a DEA analysis will be developed concurrently with participation in a Commission-led workshop and technical assistance forum with Pacific Northwest National Laboratories (for transmission). **Dates may change based on training and implementation learnings.**

<sup>6</sup> Least-Cost Analysis: For necessary investments to maintain a financially sound utility, such as IT upgrades. Benefit Cost Analysis evaluates economic, environmental, and social impacts, with updates to be provided in the next General Rate Case filing. Distributive Equity Analysis: Establishes a baseline for assessing equity, recommending a collaborative process for framework development.

and interested party input are integral to addressing issues. Equity metrics, indicators and measurements will be included as part of required documentation in change management documents and reporting criteria.

## Phase 1 – Project Planning

**Objective:** The purpose of Phase I is to identify the business need for investment (the problem to be solved) and set up a preliminary project team to include internal community engagement experts. Community engagement experts inform the preliminary evaluation for identifying community needs and engagement. This phase of Equitable Investment Planning can be iterative and repeated multiple times prior to creation of an actual business case.

### REQUIRED DOCUMENTATION

Pre-Planning Documentation

- Intake form (project request, etc.)

### REQUIRED EVALUATION CRITERIA:

- **Identify the business problem which needs to be solved. In this step, the applicable EPIC Strategy area, as well as associated benefits are populated:**

#### Energy Supply & Delivery

- Availability – addresses energy inequities related to energy security, reliability resiliency.
- Accessibility – improves quality of service, supports customer growth, and ensures customers have opportunity to provide input in areas that impact them.

#### Shared Clean Energy Economy

- Increase adoption rates for cost-effectiveness, reducing greenhouse gas emissions, improve system utilization.
- Collaborative – diverse, representation in decision making; especially with tribes.

#### Inspired Employees

- Strengthens or maintains safety in operations for both employees and customers.
- Enhances innovation through consideration of impact on diverse groups of customers.

#### Financial Strength

- Advances customer affordability (cost or efficiencies)
- Drives innovation and operational excellence through cost management
- Contributes to or supports growth initiatives

- **Use Avista mapping tool to identify communities project or program will impact by being in, directly serving, or being connected to. (“who) Consider reasons why community is impacted factors which are correlated which**

- **Identify multidisciplinary, inclusive, diverse project team. Ensure representation from community Engagement Team and Define Engagement Approach**

- **Determine preliminary Engagement level.** Are there alternatives to project selection? For instance, if there are multiple projects which meet the same goal.

### INTERNAL TOOLS AND RESOURCES

- Community Mapping Tool
- Community Engagement Scoring matrix
- Effective Community Engagement Guide
- Overcoming Barriers Guide
- Effective Listening Guide

### OUTPUTS – Project Intake Form

- **Business problem summary** to be carried over to Business Case Template
- **Communities impact assessment** by census tract to be carried over to Business Case Template
- **Community Engagement Template** completed and scored. To be carried forward to Business Case Template

### HOW I KNOW IF I CAN MOVE TO PHASE II?

- Project is clearly defined.
- I have representation from the Community Engagement Team. (depending on step 4)
- I documented where investment is located or serves based on mapping criteria.
- This project or program is ready to move to business case for funding request.**

### KEY CONSIDERATIONS

- Is this a one-time equity assessment or will it be part of ongoing activities post-assessment?
- What internal and external parties should be included?
- Are there challenges to accessing investment benefit or impact?

## Phase II – Funding and Prioritization

*Objective: The objective of Phase II is to identify the impact investment will have on named communities.*

### REQUIRED DOCUMENTATION

#### Business Case Template

#### REQUIREMENTS:

- **1.4 Consider the EPIC areas identified in Phase I. What is the equity considerations of this problem? (See question 1.4)**
  - How does the project promote fairness in physical access, affordability, or other opportunities for Avista-named communities?
  - What metrics have been identified that differentiate impacts between all customers and the identified sub-group of customers that experience energy-related inequities?

#### **Describe impacts to Avista-Named Communities**

Refer to baseline metrics and indicators Baseline metrics provide a starting point for evaluation of existing inequities. Consider how *specific project may or may not contribute to parity (how can we close the gap between all customers and Avista’s identified sub-group)*

- **How will Avista measure direct/indirect equity impacts for customers? What metrics or indicators will be used?**
  - Directly related to energy service (such as CAIDI, SAIFI, etc. not subjective) (“output metrics”)
  - Indirectly related to energy service (such as environmental, public health, economic) (“outcome metrics”)
  - Expense or expense offsets related to environmental, public health, economic.
- **How was equity considered as part of the alternative evaluation?**

### INTERNAL TOOLS AND RESOURCES

- Performance metrics and indicators baseline summary
- Cost Benefit Analysis (in development)

### OUTPUTS – business case template

- **Strategy Area identified** to be carried over to Charter.
- **Opportunities and Risks:** to be carried over to Charter.
- **Performance metrics and indicators:**

### HOW DO I KNOW WHEN THIS PHASE IS COMPLETE AND I CAN MOVE TO PHASE III?

- Business Case Template fully populated and signed off by Business Case Review Team
- Business Case has been signed off on by Business Case Owner and Sponsor
- Ready to be sent to Capital Planning Group for funding.

### KEY CONSIDERATIONS

- **Distribution differences:** Are there differences in level of access or services between groups.
- Are there limitations to including customer impact (such as federal, state, WECC, NERC, etc.)
- Is there consistent understanding of the impacts (strategy and impact areas) which will be impacted?
- Are there challenges for certain community members to participate due to timing, language, internet access, etc.

## Phase III – Implement and Monitoring

**Objective:** *The objective is to implement a project considering the applicable community impacts and track strategies and mitigations throughout the duration of the project delivery.*

### REQUIRED DOCUMENTATION

Charter (kicks off project)  
Project Management Plan (moves project from planning to execution)  
Change Request (scope change could change impact)  
Project Close (validating inputs)

### REQUIREMENTS:

**Step 1:** Transfer applicable impacted community data from business case to Project Charter.

- Ensure consideration for community identification and monitoring.
- Include subject matter experts specific to economic, environmental, and social.

**Step 2: Community Engagement** Work with Community Engagement parties to develop Community Engagement Plan in project planning phase.

- Finalize strategies and tactics.

**Step 3:** Track, validate, and measure impacts documented in the Community Engagement Plan. Update plan if a Project Change Request is submitted and changes impact communities.

**Project Change Request** template answers following questions:

- Are we on track to meet our project goals by the deadline? If not, what adjustments need to be made to our timeline?
- What challenges have we encountered so far, and how can we address them to stay on course?
- How effectively are we utilizing our resources, and are there any areas where we need additional support or reallocation?

### Project Close:

- Lessons learned, budget-to-actual comparisons for overall project and by year, baseline schedule-to-actual schedule comparisons.

For any actual costs differing from the budget amount by plus or minus five percent during a particular year, please list and explain the reason(s) for the budget amount difference.

What feedback have we received from interested parties, and how can we incorporate it to improve our project outcomes?

**Step 4:** Evaluate and document project completion incorporating community impacts in the Project Close documentation. Did we deliver on the Community Engagement Plan? How did we impact communities?

### INTERNAL TOOLS AND RESOURCES

- Equitable Business Planning Assessment

### HOW DO I KNOW WHEN THIS PHASE IS COMPLETE?

- The project has been chartered, planned, executed, and closed.

### KEY CONSIDERATIONS

**Consider the following questions and document the results:**

- **Awareness Equity:** How equal and practical is the ability to become aware of the service?
- **Procedural Equity and Fairness:** Do we see inequity in the application of eligibility requirements? Is there evidence of unequal protection and/or failure of due process?
- **Access and Distributional Equity:** Are there differences in levels of access to benefits and services across groups?
- **Output Equity:** Are there differences in the completion rate of an activity?
- **Outcome Equity:** Is the impact of programs or policies the same across all groups?
- **Quality and Process Equity:** Is the quality of services delivered consistent across all groups in the population?
- **Citizen Engagement Equity:** Are all groups served engaged equally and proportionately represented in data collection and other feedback loops?

Findings may not be related to problems related to inequities, but rather problems related to inefficient processes. This is not to say that inequity and other problems in program delivery are mutually exclusive; both may exist.



The following benefits and burdens are illustrative in nature to provide context and build an understanding of benefits and burdens associated with energy.

## Environmental and Health Benefits



### Natural Resource Conversation

Energy efficient investments reduce GHG

Clean energy reduces reduce reliance on natural reserves

Reduces negative impacts associated with extraction, transportation, combustion



### Improved Air Quality

Primarily related to shift to clean resources

Creates access to new markets and investment opportunities



### Reduced Health Risks

Reduces health risks from emissions

Enhanced access to healthcare. Enables operational of medical equipment, etc.

Reliable access improves quality of healthcare



### Noise Pollution

Clean and efficient generation is quieter contributing to more peaceful and healthier living environment

Savings can be reinvested into other sectors, stimulating economic growth

## Social Benefits of Energy



### Improved Healthcare

modern healthcare access

better patient care, diagnosis, treatment



### Education

Enables technology use

Creates conducive learning environment



### Communication

Enables communication such as phones, mobile devices, internet

Information sharing and access to resources



### Quality of Life

Powers appliances, washing machines, refrigerators, etc.

access to television

Enhances leisure time

## Economic Benefits of Energy



### Job Creation

Developing, constructing, operating and maintaining infrastructure  
Infrastructure increases opportunity to stimulates economic growth



### Investment and Innovation

New technologies (inc. clean energy) stimulate economic growth  
Creates access to new markets and investment opportunities



### Energy Security & Reliability

Economic Stability (availability and reliability supply)  
Diversification of resources reduces dependence on other states or countries (such as Canadian gas)



### Cost Savings

Energy efficiency measures reduce costs  
Savings can be reinvested into other sectors, stimulating economic growth

## Burdens

### Affordability

- Displacement of Assets currently fully depreciated (affordability)
- Stranded Assets
- Poor public health outcomes of non-efficient machinery
- Economic impacts on fossil fuel workers

### Access

- Not easily accessible for all customers due to financing or other accountability structures
- Renters do not have easy access.
- Mobile homes not able to use technology etc.

### Health

- Primarily related to siting decisions impacting air quality
- Water and land contamination impacting certain communities

### Economic

Loss of revenue associated with transition to clean energy

Higher costs associated with new technologies