

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

EXH. JRT-2

JASON R. THACKSTON

REPRESENTING AVISTA CORPORATION



# Project Charter

## PROJECT OVERVIEW

PROJECT NAME	<b><u>Empowering Customers Through Equitable Business Planning</u></b>		
STEERING COMMITTEE	Perform Council	CORE PROJECT TEAM	Anna Scarlett, BT Director Annette Brandon, PM Peggy Blowers, BT Manager
COMPLETION DATE	Executive Approval: Oct 2024 Filing: December 31, 2024	KEY STAKEHOLDERS	Regulatory Affairs Business Transformation Financial Planning & Analysis Customer Solutions

## PROJECT SCOPE

PROBLEM or OPPORTUNITY STATEMENT	<p>Regulatory requirements for cost recovery have changed from “fair, just and reasonable” to “fair, just, reasonable and, equitable.” Consideration of all energy equity components in business is essential for favorable regulatory treatment for capital investments. To meet these changing expectations and ensure favorable outcomes for Avista and our customers, the following should be established:</p> <ul style="list-style-type: none"> <li>• Formal, consistently applied definitions for energy equity, energy equity components, and its application to Business Planning.</li> <li>• Clear understanding of “equitable business planning” for Avista’s business.</li> <li>• Defined process for business units to incorporate equitable planning in project decisions, design, implementation, or completion.</li> <li>• Alignment with overall Company Strategy – specifically a shared understanding of how of our “customer of at the center” vision will include equitable planning components (i.e. “lens”).</li> </ul>
DELIVERABLES	<p>A Framework and Implementation Plan for incorporating energy equity components into the Company’s overall business planning process that will include:</p> <ul style="list-style-type: none"> <li>• “Equitable Business Planning” Framework comprised of: Common Language, Guiding Principles, Core Energy Equity Policies, Equitable Planning , Preliminary Energy Equity Focus Areas and Smart Goals, Employee Expectations with a concentrated approach for integrating the framework into the company’s culture.</li> <li>• Identification of gaps to determine future state.</li> <li>• Implementation Plan</li> </ul>
IN SCOPE (Capital)	<ul style="list-style-type: none"> <li>▪ Framework for Internal Capital Planning Process that will serve as an example for other areas of the business</li> <li>▪ Feedback loop for listening to and reflecting customer needs</li> <li>▪ Update to Business Case Template Narrative</li> </ul>
OUT OF SCOPE	<ul style="list-style-type: none"> <li>▪ Operation and Maintenance (O &amp; M) Cost Process for Incorporating Energy Equity</li> <li>▪ State-wide distributional Equity Metrics – Commission Defined (TBD)</li> </ul>



WORKING DEFINITION

<p><b>Equity</b></p>	<p>Fair and just inclusion. Treating all people fairly, recognizing that each person has a unique circumstance, and allocating resources and opportunities in a manner which achieves a equal outcome</p>
<p><b>Equitable Energy Components</b></p>	<ul style="list-style-type: none"> <li>▪ <u>Recognition</u> - which requires an understanding of circumstances that have resulted in historical or ongoing inequalities and prescribes efforts that seek to reconcile these inequalities.</li> <li>▪ <u>Procedural</u> – focus on inclusive decision-making process and seeks to ensure that proceedings are fair, equitable, and inclusive for participants, recognizing that marginalized and vulnerable populations have been excluded from decision-making processes historically.</li> <li>▪ <u>Distributional</u> - objective aims to ensure that marginalized and vulnerable populations do not receive an inordinate share of the burdens or are denied access to benefits.</li> <li>▪ <u>Restorative justice</u>, - which is using regulatory government organizations or other interventions to disrupt and address distributional, recognitional, or procedural injustices, and to correct them through laws, rules, policies, orders, and practices.</li> </ul>
<p><b>Energy Equity in Business Planning</b></p>	<p>Avista’s methodology for ensuring our work results in fair outcomes for customers, recognizing that customers have different needs based on many different factors.</p>

MILESTONES

Key Milestones	Est. Start Date	Est. Due Date
Executive Review / Definitions and Objectives	00/00/0000	09/18/2023
Form Project Team, Organizational Team Management, Create Draft Framework	09/18/2023	12/31/2023
Functional Business Team Training, Director Training, Pilot Kick off	01/01/2024	03/30/2024
Create Equitable Business Process Template, Evaluate new CBIs, Cost/Benefit Analysis Evaluation and Matrix	03/31/2024	06/30/2024
Present to CPG Pilot Results, Consolidate Feedback, Compile Results, Identify Next Steps	07/01/2024	09/15/2024
Create Report for UTC Compliance Filing	09/16/2024	12/31/2024



DEPENDENCIES & RISKS

CONSTRAINTS	<ul style="list-style-type: none"> <li>Workshop process with UTC on Distributional Equity (Timing)</li> <li>Data limitations for metrics, limited staff resources (outreach, engagement, analysis, etc.)</li> <li>Conflicting expectations among the states</li> </ul>
ASSUMPTIONS/DEPENDENCIES	<ul style="list-style-type: none"> <li>Development of 2025 Clean Energy Implementation Plan and CBIs</li> <li>Business Transformation Support for Organization Change and Asset Management</li> <li>Approval/Review of equity evaluation components by Equity and other Advisory Groups</li> </ul>
ANTICIPATED RISKS	<ul style="list-style-type: none"> <li>Limited Staff Resources - multiple priorities</li> <li>Conflicting Washington regulatory requirements (and expectations)</li> <li>Conflicting expectations among the states</li> </ul>

PROJECT TEAM & INTERNAL STAKEHOLDERS

Title	Department	Role Description
Manager Business Transformation	Business Transformation	Core Project Team – Key input, process, implementation
Process Improvement	Business Transformation	Core Project Team – Process Lead
Operations Analyst	Business Transformation	Core Project Team – Capital Planning Lead
Business Analyst	Business Transformation	Core Project Team – Data Analytics Lead
Social Impact Manager	Community Outreach	Primary Equity Customer Interface
Customer Experience Manager	Customer Experience	Customer Service Persona – experience lead
Sr. Manager Regulatory Policy	Regulatory Policy	Regulatory Policy
Integrated Resource Planning Mgr	Energy Supply	Equity considerations at beginning of IRP process
Sr. Forecaster & Economist	Financial Planning & Analysis	Root Cause analysis and economic indicators
Energy Efficiency Manager	Energy Efficiency	Equity considerations via programs and procedures
Energy Efficiency Program Manager	Energy Efficiency	Customer interface expert
Equity, Diversity, Inclusion	Human Resources	Customer Representative - Input

EXTERNAL STAKEHOLDER GROUPS	<ul style="list-style-type: none"> <li>Utility Joint Planning Group</li> <li>Utilities and Transportation Commission</li> <li>Public Counsel Unit of Attorney General’s Office</li> <li>Equity Advisory Group</li> </ul>
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