

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

EXH. JRT-3

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REPRESENTING AVISTA CORPORATION



Empowering Customers Through Equitable Business Planning

Perform Council

Annette Brandon

September 18, 2023

Desired Outcome: Share charter and overall approach for Equitable Business Planning and gain approval for Perform Council to act as the steering committee for this work, so that attendees can give feedback and begin to use common language and definitions.

AGENDA

Why are we doing this?

What is Equitable Business Planning?

How will we approach this?

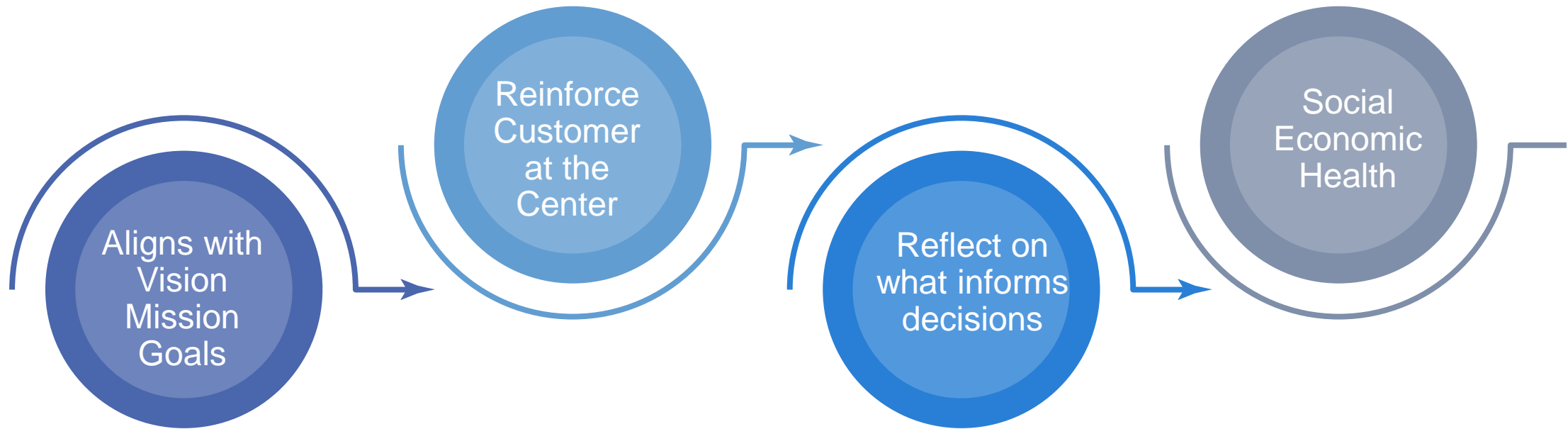
Washington 2022 General Rate Case Capital Planning Requirements

“Avista agrees to make a compliance filing in these Dockets at the end of the MYRP (12/31/2024), demonstrating how it considers equity in its capital planning process.”

1. How Avista will plan equitable outcomes when evaluating business cases
2. Development of new equity-related measures, and metrics to be used in cost-benefit analysis
3. A plan for adaptively measuring and tracking impacts, informed by customer feedback



Why is this Important?



What is Equitable Business Planning?



Equity

Fair and just inclusion

- Treating all people fairly, recognizing that each person has a unique circumstances, and allocating resources and opportunities in a manner which an equal outcome

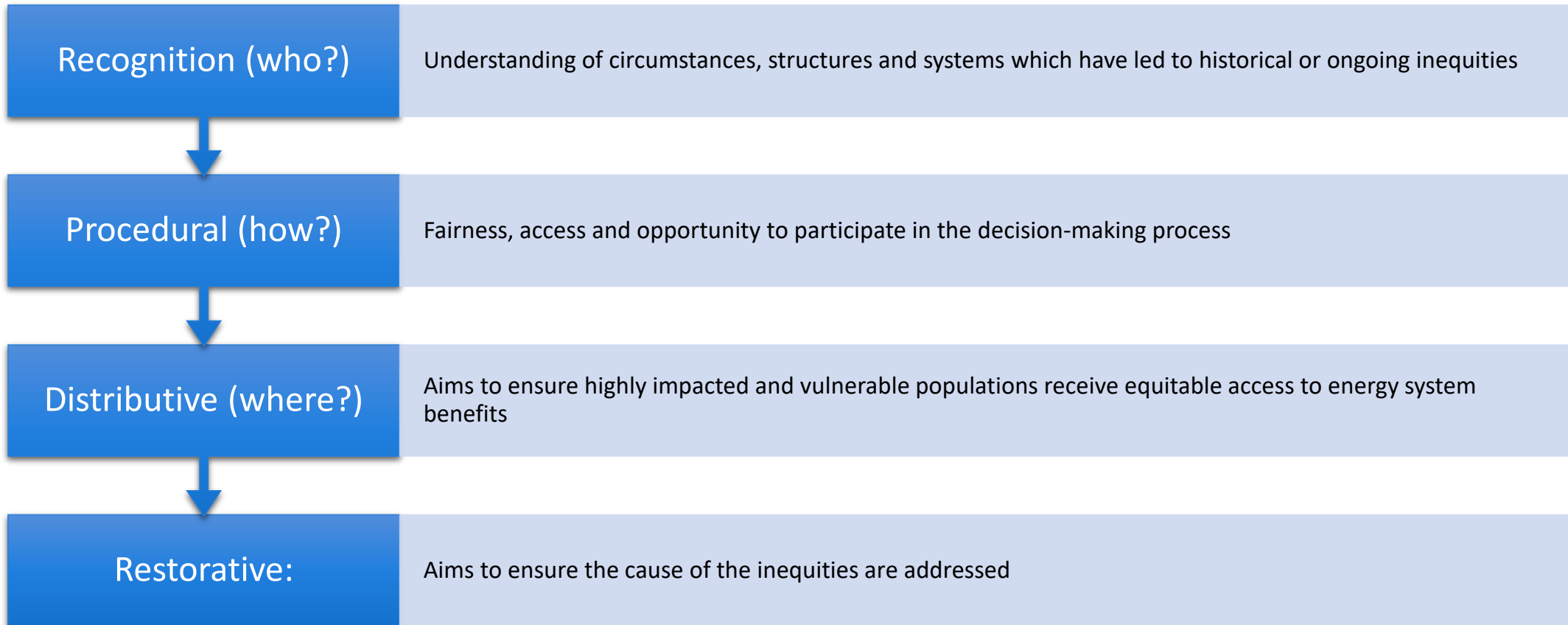
Energy Equity

Fair access to to energy benefits

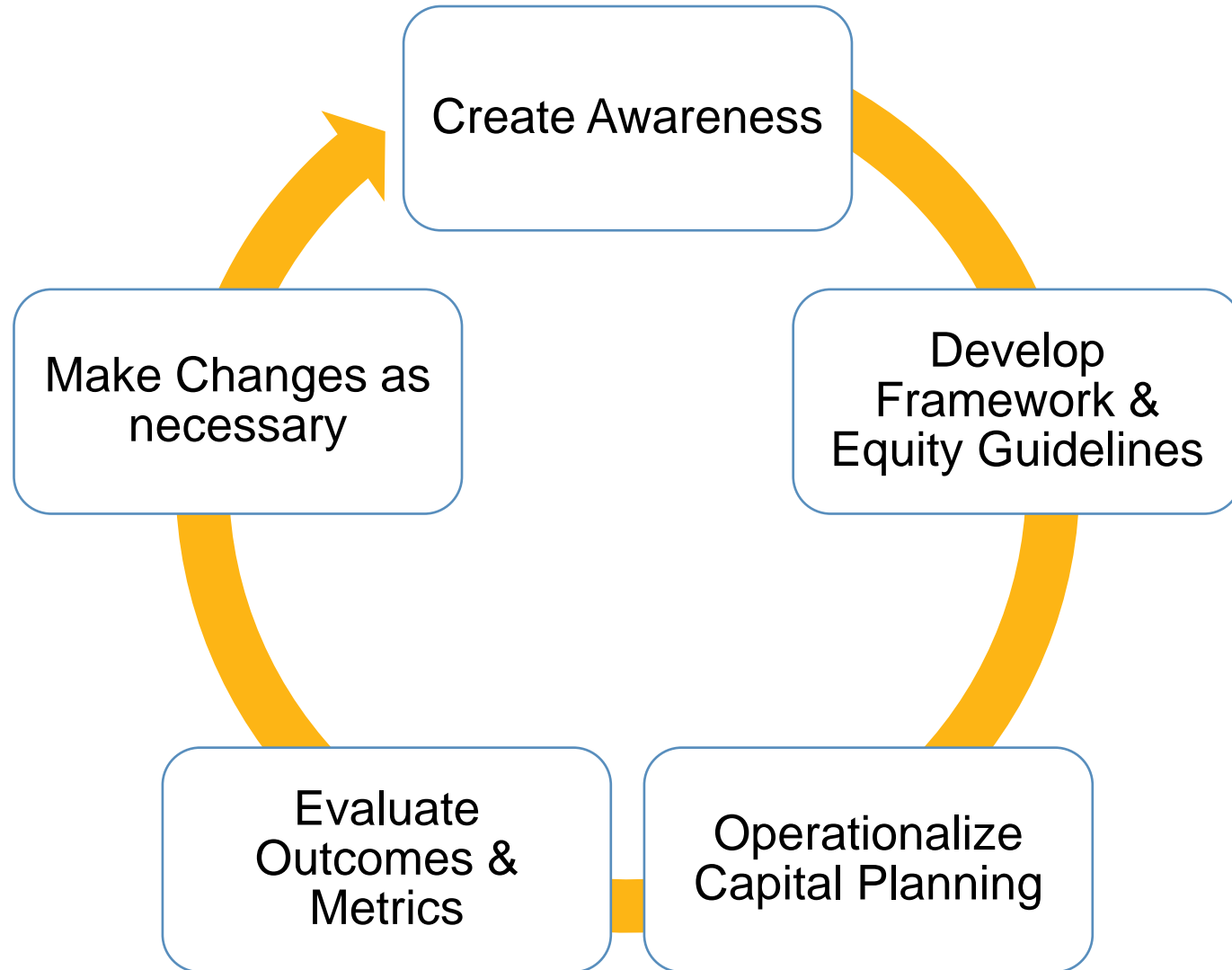
- Ensuring all customers have fair treatment, opportunity, and access to the benefits of the energy system regardless of individual circumstances.

What is Equitable Business Planning?

Avista's methodology for ensuring our work results in fair outcomes for customers, recognizing that customers have different needs based on many different factors.



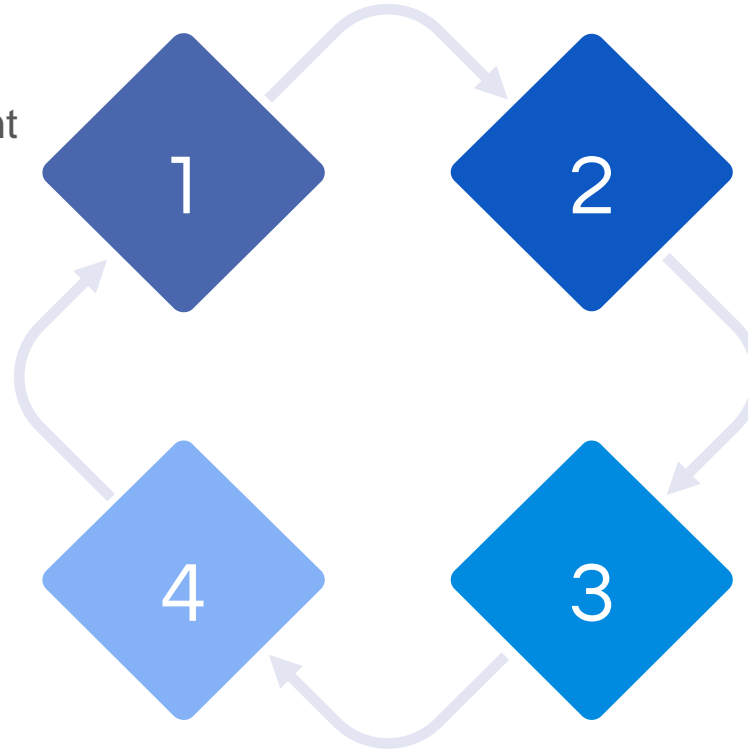
How will we Operationalize?



Preliminary Roadmap

September – December 2023

- Form Project Team
- Organizational Change Management
- Create Draft Framework



January 2024 – March 2024

- Functional Business Team Training
- Director Training
- Begin Pilot for Capital Business Planning 2024

July 2024 – December 2024

- Evaluate Pilot Results
- Consolidate Feedback
- Identify Next Steps
- File Plan with Commission

12/31/2024

April 2024 – June 2024

- Revise Business Planning Template
- Evaluate Goals and Metrics
- Cost / Benefit Evaluation
- CPG Presentation

Perform Council / Steering Committee

The “Ask”

- Perform Council to continue to act as Steer Committee
- Approval of common language and definitions for Avista
- Approval of Roadmap

Reference Slides

Information on Reference Slides:

(for illustrative purposes, will be finalized based on Steering Committee, Project Teams, etc.)

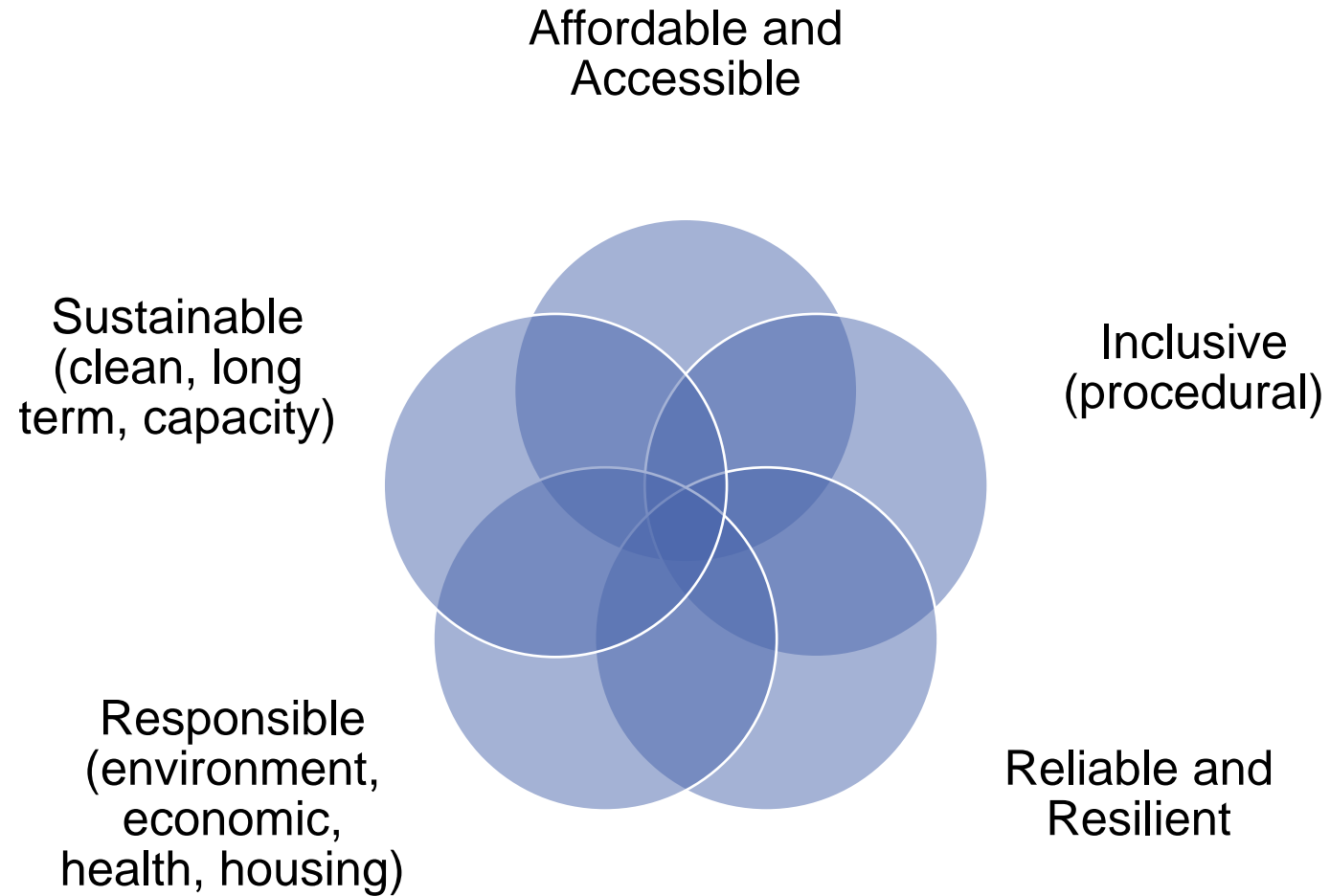
5 Focus Areas – will be areas we plan for “equitable outcomes” / categories important to Avista.

Equitable Business Planning Overview – Outside circle are the socioeconomic indicators contributing to inequities, followed by social and environmental indicators, and finally how those correlate with Focus Areas. (Note although several of these factors an Electric Utility is not responsible for; we have been tasked with understanding of them)

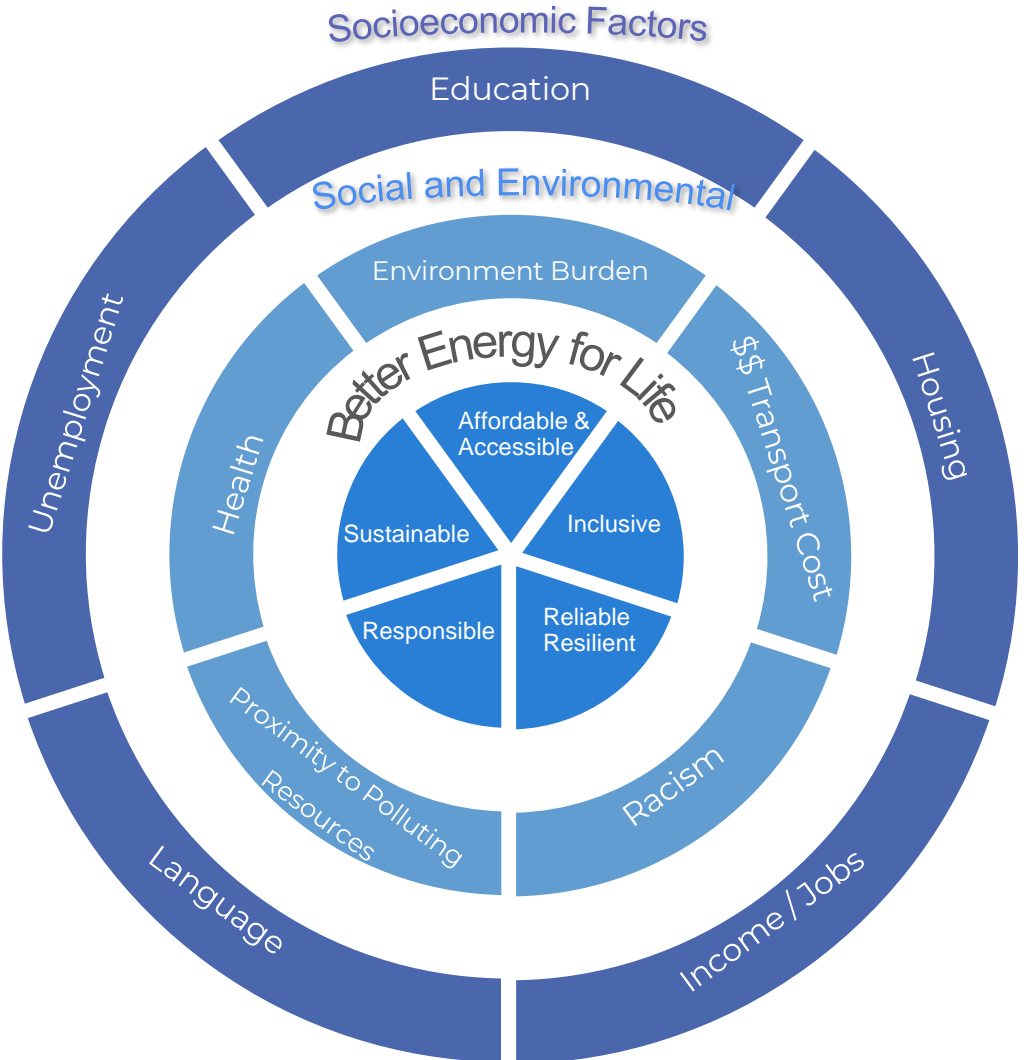
Outcome-Based Decision Making – this is the basis for the current Customer Benefit Indicators. For illustrative purposes, they have been linked to the Focus area and an appropriate metric as identified by our Equity Advisory Group (and ties to other industry “best practice”).

Equitable Business Planning

5 Focus Areas



Equitable Business Planning Overview



Company Culture

- Vision: Customer at the Center
- Focus on: Customer, People, Perform, Invent
- We meet Equity Objectives by being:
Trustworthy, Collaborative and Innovative



Five Energy Equity Objectives

- Affordable and Accessible
- Inclusive (procedural)
- Reliable and Resilient
- Responsible (environment, economic, health)
- Sustainable (clean, long-term, capacity)



Metrics

- Customer Benefit Indicators (CEIP)
- Performance Based Metrics
- Proactive consideration

Outcome-Based Decisions Performance Metrics

(based on current best practice)*

Equity Focus Areas (Performance Areas)	Metrics	
Affordability / Access	Number of households with high energy burden	Targeted Program Investment
Inclusive	Policies to enable participation (language)	Methods for Outreach, inclusion
Reliability and Resiliency	Outage Duration	Frequency of Outages
Responsible	Regional GHG Emissions (environment)	Increased Weatherization (housing)
Sustainable	Progress towards Clean Goals	Number of trees trimmed

- Recognition & Procedure: Affordability / Access
- Recognition & Procedure: Inclusive
- Recognition & Distributive: Reliability / Resiliency
- Restorative: Sustainable

Quantity

Quality

<p>How much did our Action impact customers?</p> <p>Dollars or Volume</p>	<p>How well did we impact customers?</p> <p>Percent, activities, non-energy impacts (non-quantitative)</p>
<p>What is the Impact of our action to Customers?</p> <p>Volume or percent of improvement in:</p> <p>Energy: Affordability, reliability, safety, access</p> <p>Non-Energy Impacts: jobs, health, environment</p>	