

**Exh. BAE-3  
Dockets UE-240006/UG-240007  
Witness: Betty A. Erdahl**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION,**

**Respondent.**

**DOCKETS UE-240006 & UG-240007  
(Consolidated)**

**EXHIBIT TO**

**TESTIMONY OF**

**BETTY A. ERDAHL**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Avista's Response to UTC Staff Data Request No. 75*

**July 3, 2024**

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	03/08/2024
CASE NO.:	UE-240006 & UG-240007	WITNESS:	Jason Thackston
REQUESTER:	UTC Staff	RESPONDER:	Annette Brandon
TYPE:	Data Request	DEPT:	Power Supply
REQUEST NO.:	Staff – 075	TELEPHONE:	(509) 495-4324
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**SUBJECT: Equity**

**REQUEST:**

In the direct testimony of Jason R. Thackston, Exh. JRT-1T at page 24, Figure 7, Mr. Thackston indicates that Avista has already begun its process of incorporating equity into its processes. Please provide an update for the “Organizational Change Management” and “Create Draft Framework” milestones that Avista expected to finish before December 2023.

**RESPONSE:**

Organizational Change Management is the process by which the Company will integrate equity into its overall culture. As with many processes, it is not linear and often subject to change. The roadmap lined out on page 24 in Mr. Thackston’s testimony was a *preliminary* estimate of the components and timing for creation of the report to be filed at the end of 2024. Figure 7 was intended to illustrate the steps needed in order to compile the information needed for the Compliance filing due no later than December 31, 2024. As we have learned how to move from equity as a concepts and theory to an actionable methodology, there were some modifications to the schedule and topics.

Several steps are necessary in order to understand how equity can be specifically incorporated into capital planning. However, throughout the past year, several other questions have arisen from the Washington Utilities and Transportation Commission Staff concerning how Avista is incorporating equity into its operations. As such, the use of the “framework” and “tools” the Company is developing will provide the basis for the common definitions and initial foundation and tools for ensuring employees are communicating internally and externally in a consistent method, as well as process and performance metrics are being developed in a manner that does not confuse employees or customers. The framework is partially completed in lieu of the development of a Comprehensive Equity Impact Analysis and Sprint Equity Analysis for resource selection.

The Comprehensive Equity Impact Analysis will be the framework that applies the four components of energy, guiding the project managers, functional business team leads and business case leaders through the equity lens to ensure resources consider each component. Effectively, it is the equity tool we will use for Equitable Business Planning. We anticipate this tool to be finalized by the end of April in order to have a “test case” or scenario for all Executives and Directors to evaluate this draft framework.

Avista does not take the development of metrics lightly. First is it essential (and required) that all four components (tenets) of energy are addressed. Meaningful involvement and recognition justice are ongoing in several areas throughout the Company. Second, it is important that we understand the spatial and temporal aspects of the analysis – are there historical inequities, have we considered and can we impact near or long term. Impacts on people cannot be taken lightly – financial impacts such as energy burden or

wealth creation, and physical impacts such as environmental and safety, technical such as access, supply and society or community impacts all must be considered. Finally, the lifecycle of the investment must be considered. We do not want to rush through this process and as such are dedicating much time and effort to being intentional with our Equity Advisory group to form the basis for distribution justice and how benefits and burdens or boundaries are considered in allocating resources. Success in these areas will impact restorative justice as we ensure our processes do not have unintentional consequences and disproportional outcomes. We have met with the Equity Advisory Group multiple times and have an all-day in person meeting tentatively scheduled for April 2024.

Information from the EAG will also be consolidated, communicated and collaborated across other Company departments in order to ensure a holistic view. In doing so, we can focus on equitable outcomes for our processes and resource allocations.

The list below provides examples of efforts taken towards implementing equity in current operations (such as TAC or CEIP), or in development of the report for the Compliance filing. Note this list is not intended to be comprehensive.

- Steering Committee Project Team Kick Off
- Initial Project Team Kick Off
- Initial Meeting with Energy Project Management Team
- Transmission Operations – Equity Considerations Meeting
- Enterprise Technology – Equity Considerations Meeting
- Ongoing Meetings with Organizational Change Management Manager and Director of Business Transformation
- Equity Considerations for Electric Integrated Resource Plan – Technical Advisory Committee Meeting
- Equity Advisory Group meetings November, January to begin process of identifying and selecting metrics to be used in Capital Planning (and Clean Energy Implementation Plan)
- Overlay of Justice40 map with the Named Community Map
- Development of Equity Considerations for interaction with Spokane Neighborhood Action Programs
- Development of Comprehensive Equity Impact Assessment
- Framework – common definitions, concepts, historical context (ongoing)