

**Exh. BAE-2
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. 69 and Attachment A

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 – 069	TELEPHONE:	(509) 495-4324
		EMAIL:	Annette.brandon@avistacorp.com

SUBJECT: Equity

REQUEST:

In the direct testimony of Jason R. Thackston, Exh. JRT-1T at page 14, lines 1 through 3, Mr. Thackston notes Avista's development of an Equity, Inclusion, and Diversity Strategy in 2022. Please provide a copy of the strategy.

RESPONSE:

Please see Staff-DR-069 Attachment A.



Equity Inclusion and Diversity Strategic Plan





Contents

Equity Inclusion and Diversity Strategic Plan

This is an internal document intended for an employee audience. More detailed action plans will be created and tracked by those responsible for driving the more tactical and specific actions.

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Letter to Our People

At Avista, we have a long-standing history of being trustworthy, innovative and collaborative. For more than 130 years, these values have served us well and stood the test of time.



Dennis Vermillion Avista President & CEO

Yet expectations are changing among our employees, communities, customers and investors. As social and cultural norms have changed over time, so have we. We value that our employees represent a broad range of perspectives and we believe it is important for us to be united in our commitment to the principles of fairness, respect, and opportunity for all people as we respond to these changing expectations.

At Avista we look at this work as an expression of our principles and, in order to reflect our employees' interests, our plan has been informed by feedback received through many listening sessions with our people. You may notice that the areas of focus – equity, inclusion and diversity are listed in a different order than you may have seen elsewhere and that is intentional. The approach to this work is to build on a foundation based on fair treatment for all (equity) and a welcoming work environment (inclusion). It's not about quotas. It's not about creating unfair advantage. And it's not about preference.

Trustworthy:

Our word is reliable, we do what is right.

Collaborative:

We are respectful and at our best when working together to achieve results.

Innovative:

We continuously improve and find better ways to get things done.



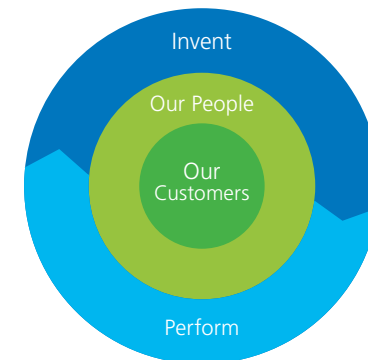
It's about fairness, respect, and opportunity for all. It's about understanding how our words and actions impact others. And it's about leveraging our differences to best serve our customers to provide Better Energy for Life.

Starting with the foundation of equity and inclusion will support engagement for all and enable diversity to flourish. We found in our discussions that thinking and communicating in this way had a unifying effect – finding common ground. Our intention is to attract, develop, and retain employees today and into the future reflecting our communities and enabling company success.

At Avista, we believe that diversity makes us stronger as a company and a community. We believe that when we have diversity in backgrounds and experiences, we gain the benefit of different ways of looking at our business, which can lead to innovative breakthroughs for our customers.

We need to examine ourselves, our attitudes, our practices and our systems to advocate for fairness and belonging wherever it is missing. 2022 is the right year to sharpen our focus on this. You've heard about our Workplace 2022 initiative, which is focused on resetting how we work together, with a goal of bringing us back together to fulfill our company's vision and mission. The effort also includes working to rebuild and strengthen relationships, foster cooperation between groups, and support operating as a united workforce. Supporting equity, inclusion and diversity is a foundational component of being united as a team in meeting our objectives.

Our goals can only be achieved by bringing forward a truly diverse and inclusive workforce where each employee feels valued and empowered to fully engage in their work every day. Ultimately, we want to create a sense of belonging, where everyone is valued.





Points of Pride

We have much to be proud of already. For nearly two decades, our Aspiring Leaders Program has equipped dozens of employees from a variety of backgrounds with the skills to prepare them to successfully step into leadership positions. Our intentional efforts to recruit female engineers in an industry that's traditionally been predominately male have yielded positive results. For example, since 2013, our Student Engineering Development Program has focused on recruiting a more diverse student population. Over the years, we've made steady progress in recruiting women, racially diverse and under-represented groups.

Our Listen and Learn employee events foster conversations that help us find common ground and bridge differences, including a three-part Listen and Learn equity training series facilitated by consultant Erin Jones to build awareness about racism.

These examples illustrate how we're continuing to broaden our lens beyond our initial focus on gender diversity as we challenge ourselves to further enhance Equity, Inclusion and Diversity at Avista.

Commitment across Avista

While we've made progress, important work lies ahead. Our commitment to equity, inclusion and diversity begins with each one of us. Our entire officer team is committed to supporting the strategic plan in their personal leadership and through their influence on the culture of Avista.

Our comprehensive Equity, Inclusion & Diversity Plan provides specific goals, aspirations, strategies and action plans that are deeply connected to our business. It will serve as a roadmap for our continued collective success.

We know that our people and our culture have always been Avista's greatest strength. So, I invite you to get involved, to be curious, and to take action. We must all dig deeper to drive courageous conversations and changes within Avista and our communities.

Together, we can – and do – make a difference.

A handwritten signature in blue ink, reading 'Dennis Vermillion'.

Dennis Vermillion Avista President & CEO



Introduction

It All Starts With You

For more than 130 years, our people and our culture at Avista have always been at the very heart of who we are as a company. It all starts with you. Each one of us possess unique qualities and attributes that contribute to our shared success.

That's why Avista has intentionally developed a comprehensive Equity, Inclusion and Diversity Plan which provides a roadmap to align our efforts on this important work.

Equity, Inclusion and Diversity mean many things to many people. Here's what it means to us:

Equity is the fair treatment, access, opportunity and advancement for all people. At the same time, we'll strive to identify and eliminate barriers that have prevented some from fully participating.

Inclusion builds a sense of belonging by actively inviting each one of us to contribute and participate. We believe every person's voice adds value, and we strive to create an environment that allows us to bring our best selves to Avista.

Diversity comes in many forms. We seek a broad range of people to work at Avista because we recognize and respect that each of us brings unique strengths to our job. We focus on developing, retaining, and attracting a diverse workforce to help us execute our strategies. To date, some demographics we track as reflected in our workforce include craft and non-craft, gender, ethnicity, and generation. In the future, we'll provide more opportunities for people to self-identify in ways that they can see themselves better reflected in our diverse workforce.



Avista's Equity, Inclusion & Diversity Plan applies these common values of equity, inclusion and diversity across Our People, Our Communities and Customers, and Our Business Partners, with defined common goals, aspirations, strategies and action plans that reflect input from across our organization through the following mechanisms and groups:

- Employee input through our Equity, Inclusion & Diversity Pulse Survey in November 2020
- Executive and Employee input through Avista's Our People Council
- Key Stakeholder input through the Equity, Inclusion & Diversity Plan Committee and Subcommittees

Like other strategic plans at Avista, our Equity, Inclusion & Diversity Plan will be reviewed and updated annually. We've set a high bar for our aspirations, which are informed by what we know today. These aspirations won't be used as quotas or absolutes, instead they're meant to provide guidance which will direct us forward. We recognize that progress will take time. It will also require our collective commitment, dedication, actions – and even possibly changing some long-standing practices – to move us forward in this critical work.

Ultimately, we all benefit. Having various voices and perspectives help generate better ideas to solve the complex problems of a changing – and increasingly diverse – world.



Our People Equity—Where We Are Now

Equity is fair treatment and equality of opportunity with a focus on the structures and systems that can lead to inequity.

At Avista, a point of pride is our ongoing work to support a sense of fairness and equitable treatment across all areas of the employee experience, from the time individuals take interest in working with us, until they retire. We enjoy a strong retention rate for those who join our company and spend their careers here.

As external competition for talent becomes more fierce, we are setting the bar even higher, with additional practices that ensure fair treatment and equality of opportunities remain differentiators for us.

Our current practices reflect our commitment to equity that include robust processes around selection/promotion, compensation and benefits, and development. We are consistently evaluating and analyzing current process to look for additional opportunities to ensure equity for all Avista's employees.

Equity is not a “one and done,” our journey will be ongoing and evolving. We will continue to source information from you, our employees, as well as external sources as we continue to build upon our current equity practices.





Equity—Where We Want to Go

Goal 1: (Equity)

Our systems, programs and processes are designed to support all of our people so that every person has opportunities and access for growth.

Aspiration:

9 out of 10 employees will agree with the Engagement Survey response to “I feel that I am treated with fairness and respect, regardless of background or position” by 2030.

Our aspiration is to increase from 7 out of 10 employees to 9 out of 10 employees that agree with the Engagement Survey response to “I feel that I am treated with fairness and respect, regardless of background or position” by 2030. This aspiration, as others, are a starting point for our EID Strategic Plan. Other metrics, aspirations, and strategies will likely be developed as the plan evolves and matures over time.

Equity—How We Will Begin to Get There

The following strategies identify specific actions to help us begin making progress to achieve our aspiration and goal. By including

equity with diversity and inclusion we hope to empower our people to bring their best, authentic selves to Avista.

STRATEGY 1.1:

Provide transparency to all employees on pay equity.

- Create awareness about our compensation philosophy.
- Obtain and store background information (previous experience, education, etc.) about our employees and develop a scalable pay equity process.
- Expand our Strategic Plan to include a pay equity element.

STRATEGY 1.2:

Evaluate full life cycle of employee experience to ensure equity.

- Provide information to our workforce about our current posting guidelines for development opportunities and temporary roles.
- Continuously evaluate our compensation, reward, and benefit programs.



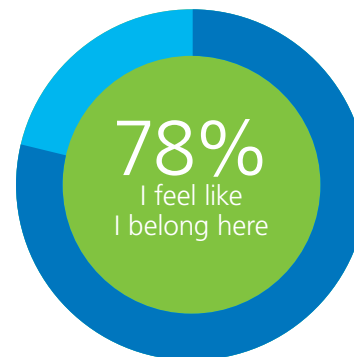


Inclusion—Where We Are Now

Inclusion is about the behaviors and norms of others and how the environment is set up to make room for everyone.

At Avista, a point of pride is that we consistently have strong positive scores around employee engagement and many of its drivers, compared to other companies. We strive to move even further with our positive workplace culture in support of equity, inclusion, diversity and belonging.

Avista's 2019 Employee Engagement Survey shows that approximately 78 percent of our people agree that "I feel like I belong here." This is slightly higher than the global benchmark, and it shows that potentially 1 out of every 4 employees feel that they do not belong at Avista. We want everyone to feel like they belong and that their opinions are valued and heard.



Inclusion—Where We Want to Go

To build on our points of pride around strong positive employee engagement scores, our goal and aspiration for inclusion will help us be intentional in deepening a sense of belonging within our culture of inclusion. They encourage engagement, vulnerability and an increase in awareness.

Our desired outcome is for Avista to be where everyone is valued. Our aspiration is to increase from 7 out of 10 employees to 9 out of 10 employees who agree with the Engagement Survey response to “I feel like I belong here” by 2030.

Goal 2: (Inclusion)

Avista is where everyone is valued.

Aspiration:

9 out of 10 employees will agree with the Engagement Survey response to “I feel like I belong here” by 2030.



Inclusion—How We Will Begin to Get There

These strategies provide a plan of action as we work toward achieving our inclusion aspiration and goal.

We are all accountable for fostering and supporting inclusion at Avista. We do this by modeling inclusive behaviors, contributing to

inclusive workplace relationships within our teams, as well as responding to inappropriate and non-inclusive behavior.

STRATEGY 2.1:

Have full engagement and transparency at the officer level. Provide opportunities for other committees to contribute.

- Utilize Our People Council to share progress with officers. Our People Council was created in 2020 with the purpose of improving the employee experience and culture at Avista.
- With officer sponsorship, launch the Inclusion in the Crafts Committee. This new committee will actively work toward creating a culture where all people in the crafts have a sense of belonging.

STRATEGY 2.2:

Create a brave space to have difficult conversation on Equity, Inclusion & Diversity.

- Provide opportunities to learn and increase awareness on implicit bias, and Equity, Inclusion & Diversity.
- Create more employee resource groups (ERGs) that will give opportunities to develop, connect and engage with others on Equity, Inclusion & Diversity topics.

STRATEGY 2.3:

Continue to listen & learn from our employees.

- Continue to create Equity, Inclusion & Diversity pulse surveys as a way for our people to share their feedback.
- Avista recognizes the importance of mentoring employees. We have supported mentorship opportunities for many years, in various forms, for all employees. Given Avista's demographics, the labor market and projected future workforce demographics, it is important to ensure additional mentorship opportunities for women and other under-represented employees.

Diversity—Where We Are Now



Diversity is seeking out a broad range of people to work at Avista, recognizing that each of us bring unique strengths.

At Avista, a source of pride is that we have long focused on attracting, retaining and supporting a diverse workforce. And we strive to raise the bar higher to better mirror the changing demographics of both the available workforce for the types of jobs we have as well as the communities we serve.

We will implement further practices and comprehensive strategies to make significant progress to support our aspirations around diversity and the richness that those unique strengths bring.

We'd like to first give you a view into some aspects of the diversity make-up of our employee population. The breakdown shows gender and racially diverse representations – two areas with more available data. Additional types of diversity data will be expanded and shared in the future.



Diversity—Where We Are Now

Diversity is more than gender and race. We are starting with where we have the most data, and will expand into other areas such as veterans, LGBTQ+, and individuals with disabilities in the future.

Racially Diverse	Avista (2020)	Workforce Availability	Community
Craft	5%	13%	11%
Non-Craft	9%	11%	
Managers and Director	7%	7%	
Executive	8%	7%	

Female Gender	Avista (2020)	Workforce Availability	Community
Craft	2%	10%	50%
Non-Craft	40%	50%	
Managers and Director	29%	28%	
Executive	17%	27%	

'Gender' and 'Racially Diverse' percentages are based on the categories reported in our Federally required Affirmative Action Plan. This information is provided through employee self-identification in these categories: American Indian or Alaskan Native; Asian; Black or African American; Hispanic or Latino; Native Hawaiian or Pacific Islander; and Two or More Races. Workforce and community data estimates are from corresponding workforce availability and census data.

'Craft' is defined as an employee who develops specific skills and a comprehensive knowledge of work processes which are acquired through on-the-job training, experience and apprenticeships, or other formal training programs.

'Workforce Availability' is defined as individuals in the greater Spokane area of working age (18), based on data from the 2010 US Census data.

'Community' in this instance is defined as the greater Spokane area.

Note: we hope to incorporate data beyond the greater Spokane area in future versions.



Diversity—Where We Want to Go



As we build on our current points of pride, these aspirational goals will help us focus our efforts and support more forward progress. They set direction and raise the bar higher for our diversity efforts. They are not meant to imply quotas or absolutes.

Diversity comes in many forms, and begins with building on these initial gender and racially diverse categories.

We plan to expand our understanding and awareness of other areas such as veterans, LGBTQ+ and individuals with disabilities.

We will continue to encourage employees to self-identify in these aspects of diversity so that we can more fully understand our current workforce and assess future progress.

Goal 3: (Diversity)

Our People at Avista will be representative of the communities we serve.

Aspiration:

By 2035, we aim to:

- Increase diversity in craft employees (10% female and 13% racially diverse)
- Increase non-craft and leader diversity (50% female and 11% racially diverse)

Diversity—How We Will Begin to Get there

These strategies are the next set of actions we plan to take to support accelerated movement toward our aspirational goals.

We need your help, too, in understanding the diversity already present at Avista and enhancing it in the future.

STRATEGY 3.1:

Expand our recruiting outreach.

- Enhance our active list of diverse organizations as potential recruiting sources.
- Create more meaningful pathways from high school to our careers via our successful Energy Pathways program.
- Update recruitment and interview training for leaders to build diverse pools of qualified candidates while minimizing impacts from implicit bias during the interview and selection processes.

STRATEGY 3.2:

Measure our progress and make continuous improvement.

- Pledge to support external aspirational goals by joining efforts such as CEO Action for Diversity and Inclusion, the Edison Electric Institute D&I Commitment, and the Washington Employers for Racial Equity (WERE) initiative.
- Create a dashboard and track performance at the Our People Council, and provide you with periodic progress updates.
- Communicate the value and safety of employee self-identification so that we can capture, better understand and appreciate a variety of aspects of diversity at Avista.

STRATEGY 3.3:

Look for opportunities to promote qualified staff from within.

- Identify opportunities to improve leadership diversity.
- Identify areas where programs could help better prepare diverse employees and others for career progression and promotional opportunities.
- Enhance education for leaders on their role in supporting diversity and our Affirmative Action Plan commitments.

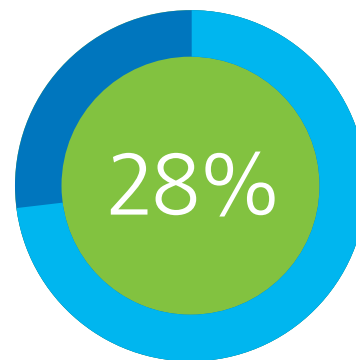
Our Communities & Customers

Where We Are Now

Avista enjoys relationships with our customers and many community partners across our service territory, and there are opportunities to deepen and broaden our engagements.

We have long understood that our prosperity is inextricably connected to the community's prosperity. Avista's corporate culture, therefore, encourages employees to fully engage with time, talent, and treasure in the communities where we all live, work, and play together. Our employees volunteer in many of the schools, churches, civic groups, and non-profit organizations that add to the vibrancy and uniqueness of every neighborhood, rural town, and urban center. This connectedness helps us to be good community partners. Together, we can better identify needs and work together to facilitate lasting solutions.

Our more than 1,600 employees volunteer thousands of hours every year. Among those many volunteer efforts, we currently target 451 strategic opportunities across our service territory and 285 of them are filled. Of those opportunities filled, 28 percent are filled by an employee who identifies as female or racially diverse. While we track that particular data point, we are only just beginning to formally track data about who leads our non-profit partners and who they are specifically serving. We must work with our customers and communities to modify our data collection and measurement to ensure we are aiming at the things that matter to us all.



28% of Avista employees serving in a strategic community leadership opportunity identify as female or racially diverse





Where We Want to Go

Goal 4:

We engage with the diverse communities we serve to deepen trust, better inform our Community Strategy, and aim at the things that matter to us all.

Aspiration:

Co-create an annual reporting document for the community (e.g. sub-set built from Corporate Responsibility report).

We look to thoughtfully and formally engage with various diverse communities to learn about areas of mutual interest and ensure that our community strategies are aligned. Transparency in reporting progress and outcomes further strengthens our relationships and fosters trust.

How We Will Begin to Get There

The strategies below reflect our commitment to achieve our goal and aspiration focused on our communities and customers.

We are excited about working together to strengthen our relationships and partnerships with these stakeholders.

STRATEGY 4.1:

Improve the quality of regular engagements with community organizations by better coordinating our various efforts within Avista.

- Avista Foundation adopted an Anti-Hate Policy.
- Collaborate with tribes on community usage of Low Income Rate Assistance Program (LIRAP).
- Convene, listen and co-create priority actions across various diverse communities we serve (i.e. Clean Energy Transformation Act (CETA) equity advisory group and others).

STRATEGY 4.2:

Provide transparency to engage stakeholders on goals and progress made.

- Refine data collected about our many community investments to inform goals that matter to those we serve.

STRATEGY 4.3:

Have training for building both community leadership skills and cultural competency skills.

- Continuously offer training opportunities (formal and informal) for employees to grow skills and maintain bench strength as community leaders.

Our Business Partners

Where We Are Now

Avista's commitment to diversity extends beyond ourselves. We've also established a Supplier Management Program for our Tier 1 suppliers, which is intended to measure, manage and communicate performance expectations as well as strengthen our business partnerships.

When selecting vendors, "Diversity Spend" is intentionally given greater consideration. The procurement team is encouraged to recommend diverse suppliers that are qualified for applicable work. Avista tracks its Diversity and Community spend results and related achievements using the following business designations: a) Women-Owned; b) Diverse Ownership; c) Small Business; d) Veteran-Owned; and e) Disadvantaged.

Avista actively solicits diverse suppliers through several channels. For example, Avista's Supply Chain team attends the "Meet the Bigs" event sponsored by the Greater Spokane Inc. This event provides small and local businesses an opportunity to connect with larger businesses to discuss capabilities and business needs. Another example is utilizing the regional tribes that reside within our service territory, which supports our longstanding relationship.

Avista's commitment to diversity also includes our community partnership with the ARC of Spokane, which dates back to November of 1989. The ARC's mission is to promote independence and enhance the quality of life for people with developmental disabilities. Avista's onsite investment recovery program is the perfect place for ARC employees to interact with others on the Avista campus to build confidence and interpersonal skills.



Where We Want to Go



Goal 5:

Our Suppliers will be representative of the communities we serve.

Aspiration:

Increase supplier diversity spend from 5% to 11% by 2035.

Avista understands that supplier partnerships are vital to the overall success of our business. In addition, Avista strives to utilize local businesses in the communities we serve. Supplier diversity enhances our supply chain by bringing in different experience and perspective, which can result in increased innovation and competition. Avista has been actively engaged in increasing supplier diversity for several years. More information on this work is available on the Avenue Equity, Inclusion & Diversity site.

Avista will be well connected to local and regional diverse organizations that lead to successful partnerships and small business growth. Supply Chain will utilize and share the new sourcing tool that will provide diverse business options where applicable. Supply Chain will also lead the supplier qualifications and business introductions in conjunction with sharing the value proposition with internal stakeholders.

How We Will Begin to Get There

To achieve our aspiration and goals, the following strategies will support our program success and formalize our Supplier Diversity statement to guide our results.

Strategically working with our existing diverse suppliers and exploring new opportunities will provide program growth.

Building relationships with external diversity organizations will be a catalyst for identifying new potential suppliers.

STRATEGY 5.1:

Increase supplier diversity spend and supply base by establishing annual goals.

- Establish annual diversity spend goals seeking to increase spend with existing suppliers and identifying and qualifying new suppliers.
- Create venue for suppliers to share capabilities with internal Avista stakeholders.
- Develop reporting tool to track progress and determine communication plan.

STRATEGY 5.2:

Enhance our relationships with external diversity organizations.

- Strengthen partnerships with Procurement Technical Assistance Center – Spokane organization that supports diverse businesses.
- Establish partnership with AHANA, a local non-profit organization that supports and promotes multi-ethnic and multi-cultural businesses.

STRATEGY 5.3:

Finalize and implement supplier diversity intent statement.

- Finalize a supplier diversity intent/policy statement considering alignment with overall Equity, Inclusion & Diversity communication schedule.
- Develop communication plan for implementation.

Conclusion

As you can see by the Equity, Inclusion & Diversity Plan's content, we've made tremendous progress to date and have many points of pride. We've also established some ambitious aspirations, along with several strategies and actions that will inform our next steps.

This Equity, Inclusion & Diversity Plan will serve as our roadmap to align our efforts as we continue on our Equity, Inclusion & Diversity journey. Along the way, we'll track our progress and review and update our Equity, Inclusion & Diversity Plan annually.

We know it will take time to achieve our goals. It will also require commitment, dedication and actions for us to move forward – as individuals and as a company – toward building a culture of belonging.

We want each one of us to feel valued and empowered to engage in our work and achieve our full potential.

