2021 Clean Energy Implementation Plan

Advisory Group Meeting No. 1 Agenda

Thursday, May 20, 2021, 1:00 – 3:30 pm PST

Virtual Meeting on Zoom

Topic	Time	Staff
Welcome and Introductions	1:00	Lyons
Avista Overview	1:15	Kinney
Clean Energy Transformation Act Overview	1:45	Bonfield
Break	2:05	
2020 – 2025 Clean Energy Actuals & Forecasts	2:15	Gall
Named Communities Presentation	2:45	Gall
Public Participation Overview & Discussion	3:15	Brandon/Lyons
Adjourn	3:30	

Topic: Avista Clean Energy Implementation Plan
Time: May 20, 2021 01:00 PM Pacific Time (US and Canada)

Join Zoom Meeting
https://us02web.zoom.us/j/4388235730?pwd=T2pVVGpWOEhIZGkwWGNQTEpQY2tKQT09

Meeting ID: 438 823 5730
Passcode: Avista
One tap mobile
+12532158782,,4388235730#,,,,*354529# US (Tacoma)
+13462487799,,4388235730#,,,,*354529# US (Houston)

Meeting ID: 438 823 5730
Passcode: 354529
Find your local number: https://us02web.zoom.us/u/kkRSqQIfK

2021 Clean Energy Implementation Plan Introduction

John Lyons, Ph.D.
First Advisory Committee Meeting
May 20, 2021

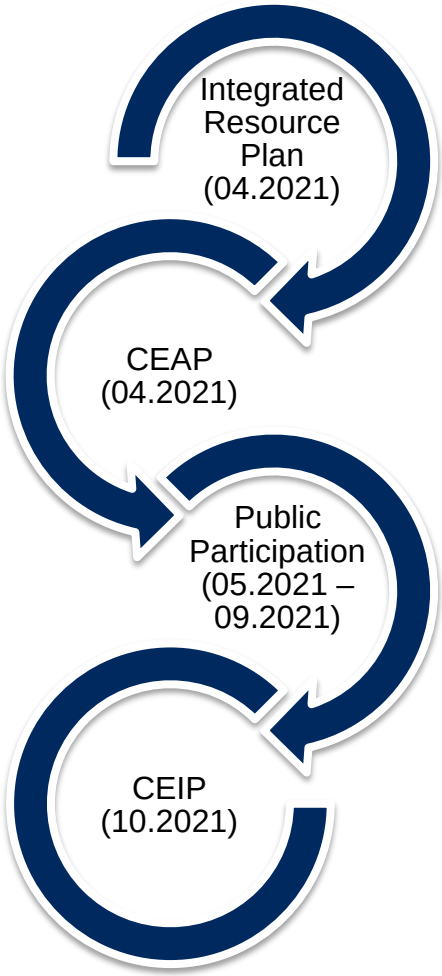
Meeting Guidelines

- Avista CEIP team is still working remotely for a few more months, but is available by email (ceta@avistacorp.com) and phone for questions and comments
- Some processes are taking longer remotely
- Virtual IRP meetings will continue until we are back in the office and able to hold large group meetings
- CEIP information available at my webpage myavista.com/ceta

Virtual Meeting Reminders

- Please mute mics unless speaking or asking a question
- Use the Zoom chat box to write questions or comments or let us know you would like to say something
- Respect the pause
- Please try not to speak over the presenter or a speaker who is voicing a question or thought
- Remember to state your name before speaking for the note taker
- This is a public advisory meeting – presentations and comments will be recorded and documented

Sequence of Events



Clean Energy Action Plan (CEAP)

Sets 10-Year targets for resources based on the lowest reasonable cost plan including:

- Societal costs;
- Clean energy requirements; and
- Reliability Requirements.

Clean Energy Implementation Plan (CEIP)

CEIP establishes the actions the utility will take to comply with CETA goals over the next four years. Including:

- Interim Targets
- Specific Targets
  - Demand Response
  - Energy Efficiency
  - Renewable Energy
- Customer Benefit Indicators and metrics

CEIP Public Participation

- The public process piece of the CEIP includes input the Company's implementation of its Clean Energy Action Plan
- Wide range of participants involved in all or parts of the process
  - Ask questions, provide feedback, represent Named Communities
- Open forum while balancing need to get through all of the topics
- Requests for studies or new scenarios will be considered in future planning processes
- Avista team is available by email at ceta@avista.com or phone 509-495-4324 for questions or comments between the CEIP meetings

2021 CEIP Public Participation Schedule

- **Meeting 2: Thursday, June 17, 2021** – Review CEAP targets, customer benefit indicators, renewable energy credit, breakout groups for Equity Advisory Group.

- **Meeting 3: Thursday, July 15, 2021** – Review customer benefit indicators and associated resource mix, customer benefit indicators methodology and measurement, resource details.

- **Meeting 4: Tuesday, August 17, 2021** –Correlated customer benefit indicators, resource mix and metrics, Cost-cap calculations, Non-energy impacts, Next steps for CEIP and engagement

- **Public Outreach: Wednesday, September 02, 2021**

- CEIP participation plan meeting agendas, presentations, meeting minutes and files available at: https://myavista.com/about-us/washingtons-clean-energy-future

Today's Agenda

1:00	Welcome and Introductions, Lyons
1:15	Avista Overview, Kinney
1:45	Clean Energy Transformation Act Overview, Bonfield
2:05	Break
2:15	2020 – 2025 Clean Energy Actuals and Forecast, Gall
2:45	Named Communities Presentation, Gall
3:15	Public Participation Overview & Discussion, Brandon/Lyons
3:30	Adjourn

Avista Overview

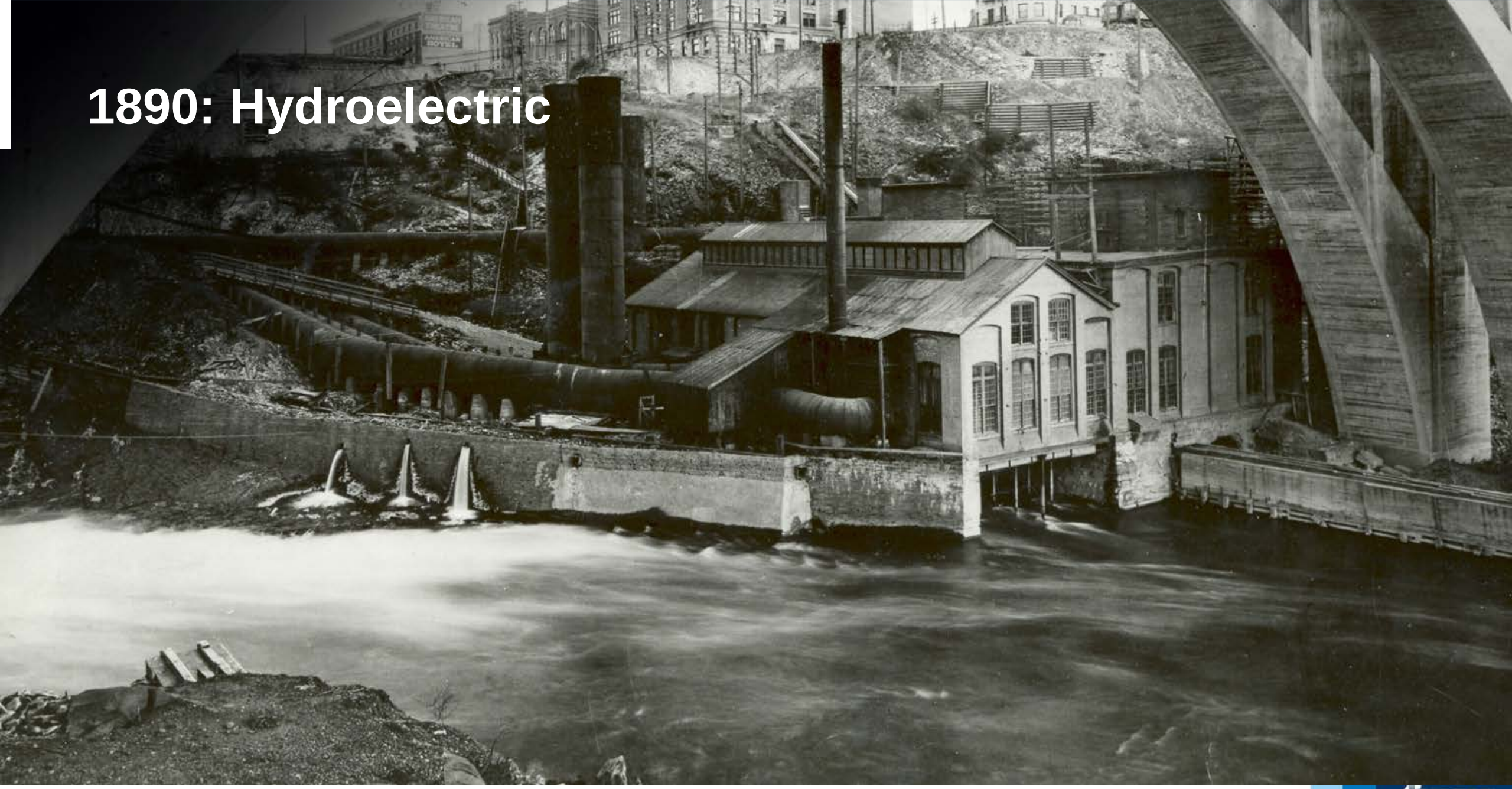
Scott Kinney, Director of Power Supply

CEIP Meeting 1, May 20, 2021

About Avista

On March 13, 1889, a small group of Spokane businessmen and industrialists, recognizing the potential of the Lower Spokane Falls to power the homes and businesses of the city's 20,000 people, formed The Washington Water Power Company.

1890: Hydroelectric



3 Monroe Street Dam powerhouse, Spokane, Washington.

1999: Avista Corp.

Avista Utilities Mission campus, Spokane, Washington.

1,700 Employees

Avista's Service Area

(Source: *2020 Quick Facts*)

Service Area

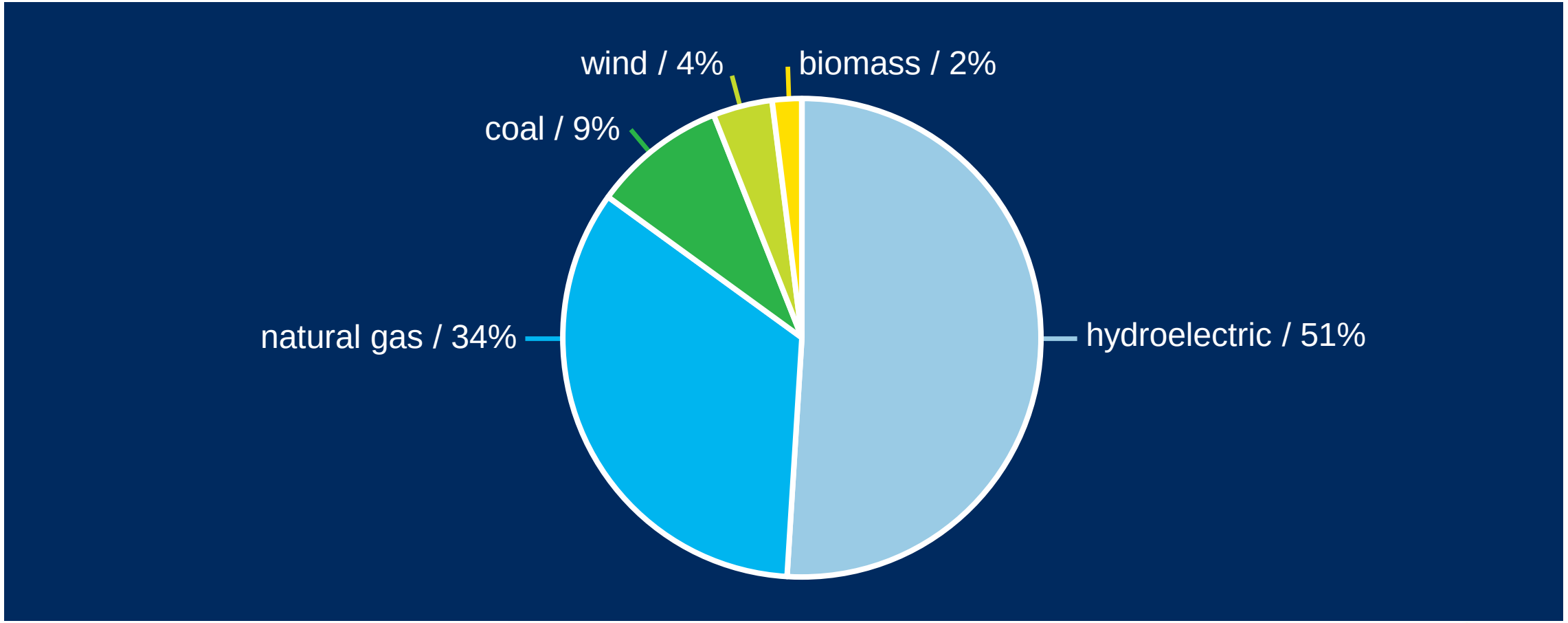
states	4
square miles	30,000
population	1,700,000
electric customers	389,911
natural gas customers	357,433

(Source: *2020 Quick Facts*)

By the Numbers

(Source: *2020 Quick Facts*)

Supply Mix



(Source: *2020 Quick Facts*)

8 Hydroelectric Facilities: 1,049.1 MW

10 Long Lake Dam, Lincoln/Stevens Counties, Washington. (Source: *2020 Quick Facts*)

7 Thermal Generation Plants: 1,882.4 MW

11 Coyote Springs Power Generation Facility, Boardman, Oregon. (Source: *2020 Quick Facts*)

2012: Wind

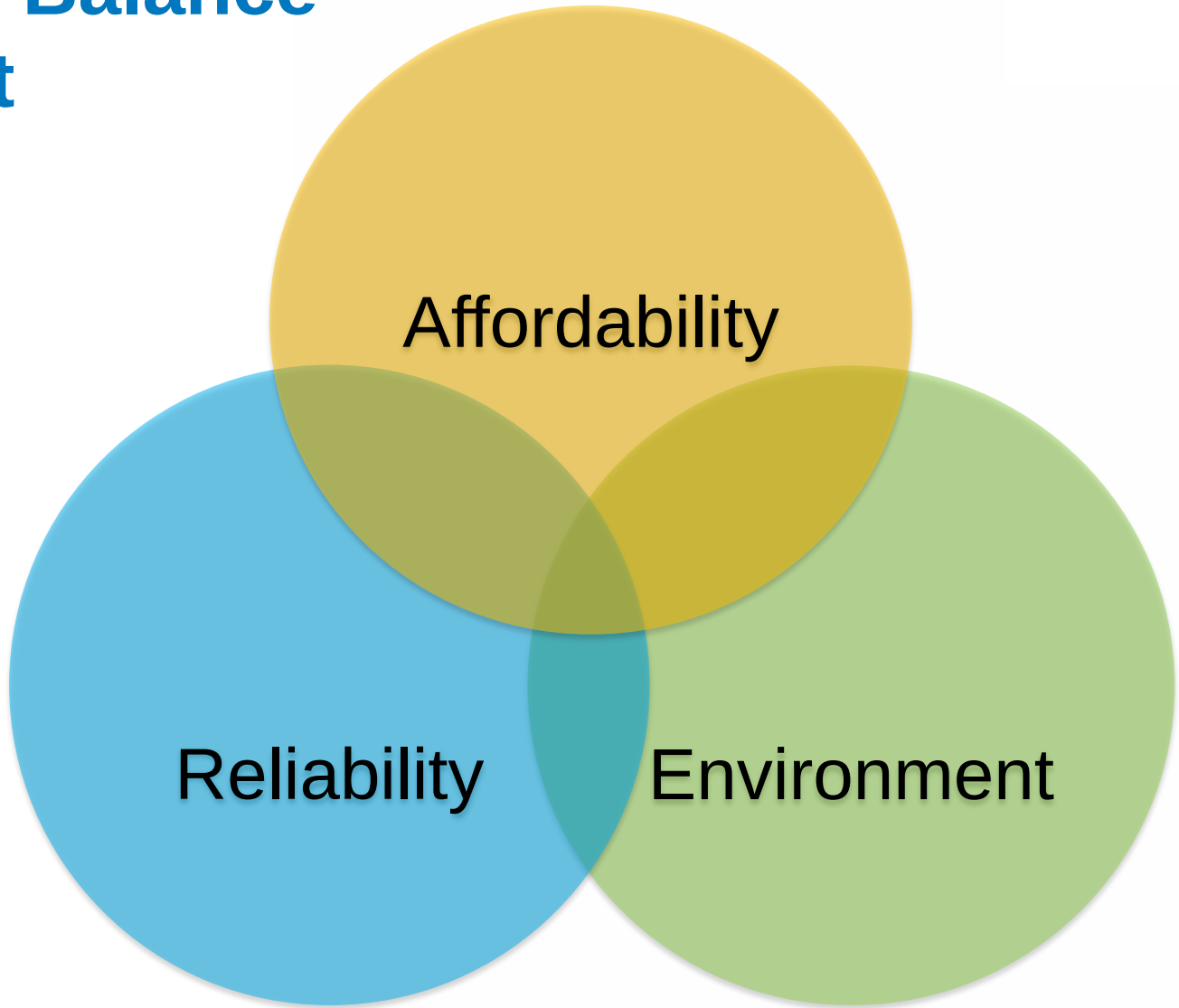
12 Palouse Wind Project, Oakesdale, Washington.

2015: Solar

13 Lind Solar Farm, Lind, Washington.

2019: Smart Meter Deployment

Maintaining Balance is Important



Avista's Clean Electricity Goal

Avista's goal is to serve our customers with **100 percent clean electricity by 2045** and to have a **carbon-neutral** supply of electricity by the end of **2027**

- We will maintain focus on **reliability** and **affordability**
- **Natural gas** is an important part of a clean energy future
- **Technologies and associated costs** need to emerge and mature in order for us to achieve our stated goals
- It's **not** just about generation

Clean Natural Gas Goals

- We are committed to reducing greenhouse gas emissions in our natural gas business too. Our goal is to serve our customers with **100% carbon neutral gas by 2045** and to have a **30% reduction in greenhouse gas emissions by 2030**

- Achieving reductions requires an "**all-of-the-above**" approach:
  - **Natural gas supply and distribution opportunities** like renewable natural gas
  - **Upstream strategies** like targeted sourcing with suppliers
  - **Engagement with customers** to increase energy efficiency, demand response, and voluntary programs

- Just like our clean electricity goals, reducing greenhouse gas emissions in our natural gas system will require **advances in technology** and **reductions in the cost** of those technologies

- **Affordability** will guide our decisions

One Vision

Better energy for life.

Clean Energy Transformation Act (CETA)

Shawn Bonfield, Sr. Manager of Regulatory Policy & Strategy

May 20, 2021

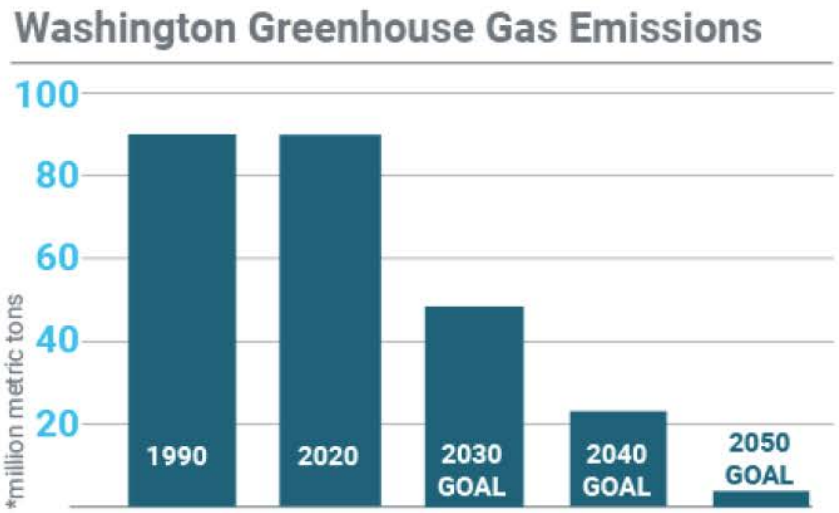
CETA Overview

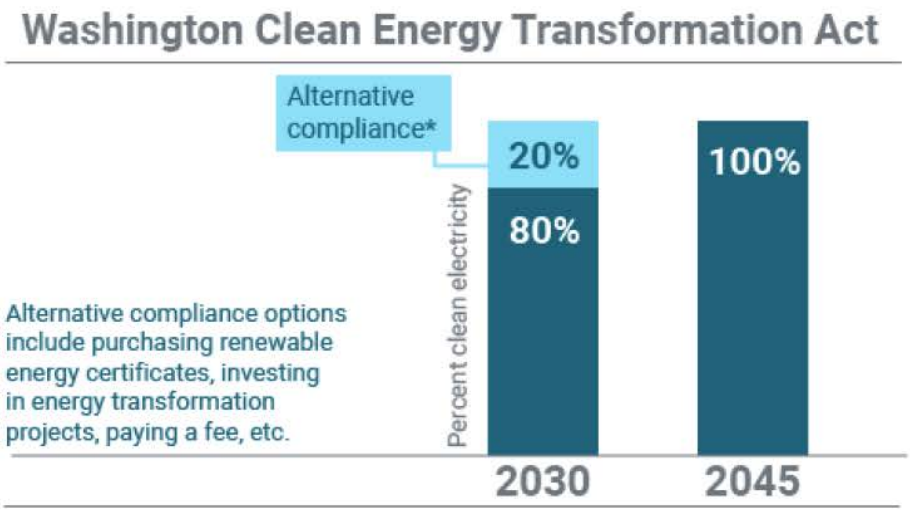
CETA: A Brief Overview

Senate Bill 5116 – passed by legislature in 2019

Applies to all electric utilities in WA and sets specific milestones to reach required 100% clean electric supply

- By 2025 – eliminate coal-fired resources from serving WA customers (RCW 19.405.030)
- By 2030 – electric supply must be greenhouse gas neutral (RCW 19.405.040)
- By 2045 – electric supply must be 100% renewable or be generated from zero-carbon resources (RCW 19.405.050)



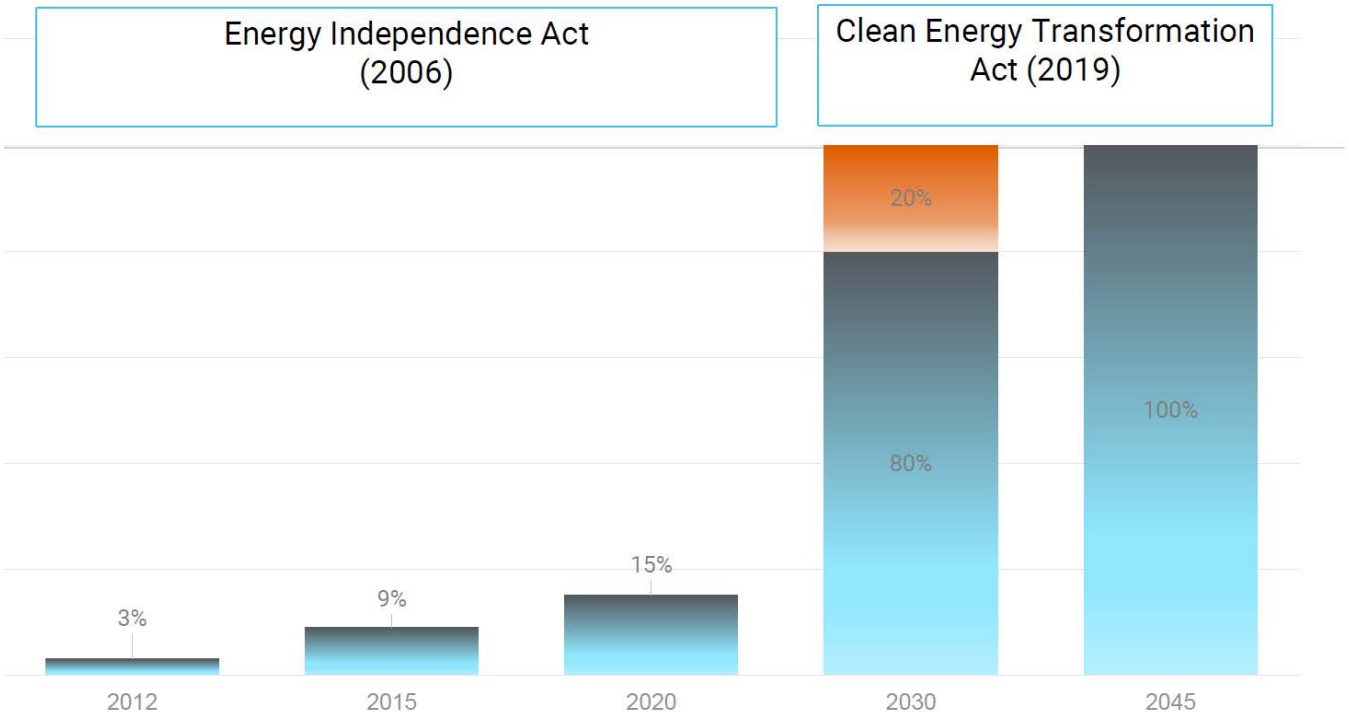


Source: WA Department of Commerce

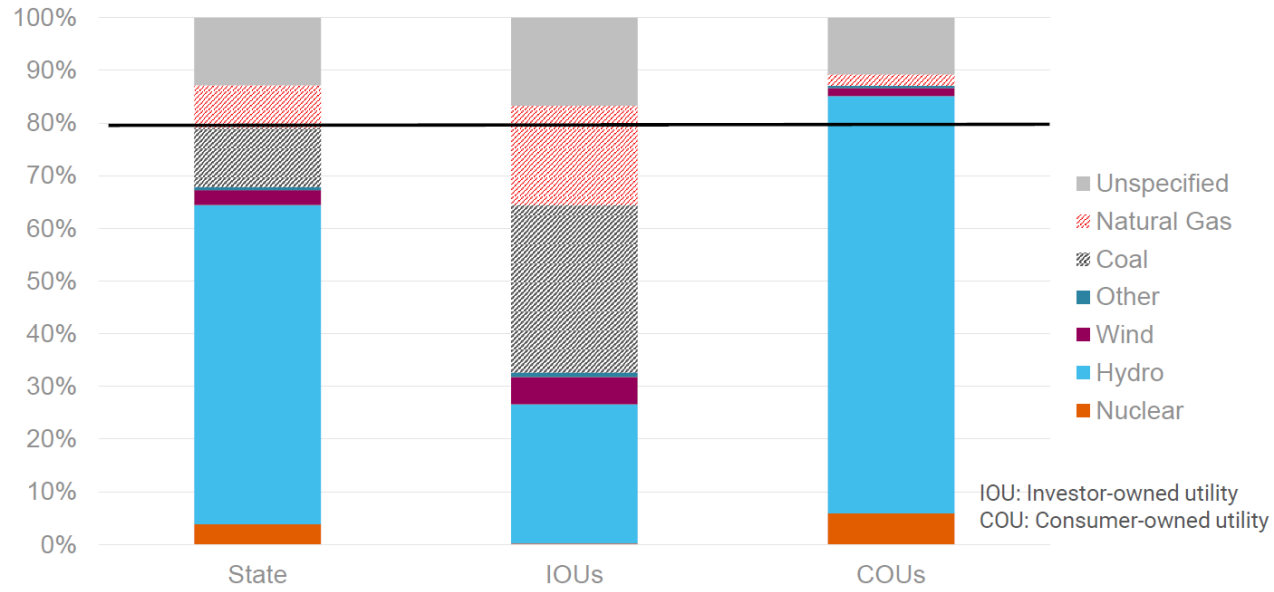
CETA: Additional Details

Utilities must show that the all customers benefit from the transition to clean energy.

Equity	• Equitable distribution of energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities
Public Health and Environmental	• Long term and short term public health and environmental benefits and reductions of costs and risks; • Such as less air pollution which results in lower asthma rates
Energy Security and Resiliency	• Energy Security – strategic objective to maintain energy services and protecting against disruption • Energy Resiliency – ability to adapt to challenging conditions from disruptions
Meet Planning Standards	• Maintaining and protecting the safety, reliable operation and balancing of the electric system • Lowest reasonable cost including social costs



WA utilities' existing resource mix



Source: WA Department of Commerce

Key dates

Dec 2020	Agencies complete initial rules
Oct 2021	Utilities submit 1st clean energy implementation plans (2022-2025)
Jun 2022	Agency rules on market transactions and double-counting
Dec 2025	Deadline to remove coal from portfolios
Jan 2026	2nd CEIP submitted (2026-2029)
2030	GHG Neutral standard takes effect
2045	100% Clean Electricity standard takes effect

Source: WA Department of Commerce

CETA and Equity

Context for Equity in CETA

The heart of equity work in CETA is ensuring that all customers are benefitting from the transition to clean energy, with special emphasis placed on “highly impacted communities” and “vulnerable populations”.

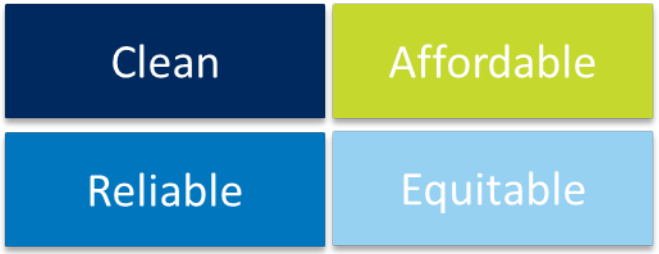
Vulnerable Populations

Communities that experience a disproportionate cumulative risk from environmental burdens due to: Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors such as low birth weight and higher rates of hospitalization.

Highly Impacted Communities

A Community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

*Utilities must use the cumulative impacts assessment (CIA) developed by the Department of Health (DOH) to “designate the communities highly impacted by fossil fuel pollution and climate change in Washington.”



Equitable Distribution of Energy & Nonenergy Benefits

- CETA directs utilities to ensure "*that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits.*"

- The idea of energy and nonenergy benefits and environmental burdens is expansive, and in CETA it relates to utility decisions that impact both highly impacted communities and vulnerable populations.

- "Equitable distribution" means a fair and just, but not necessarily equal, allocation intended to mitigate disparities in benefits and burdens, and based on current conditions, including existing legacy and cumulative impacts, which are informed by the assessment described in RCW 19.280.030(1)(k) from the most recent integrated resource plan.

Equity Advisory Group

WAC 480-100-655 (2) – A utility must maintain and engage an external equity advisory group of stakeholders to advise the utility on equity issues.

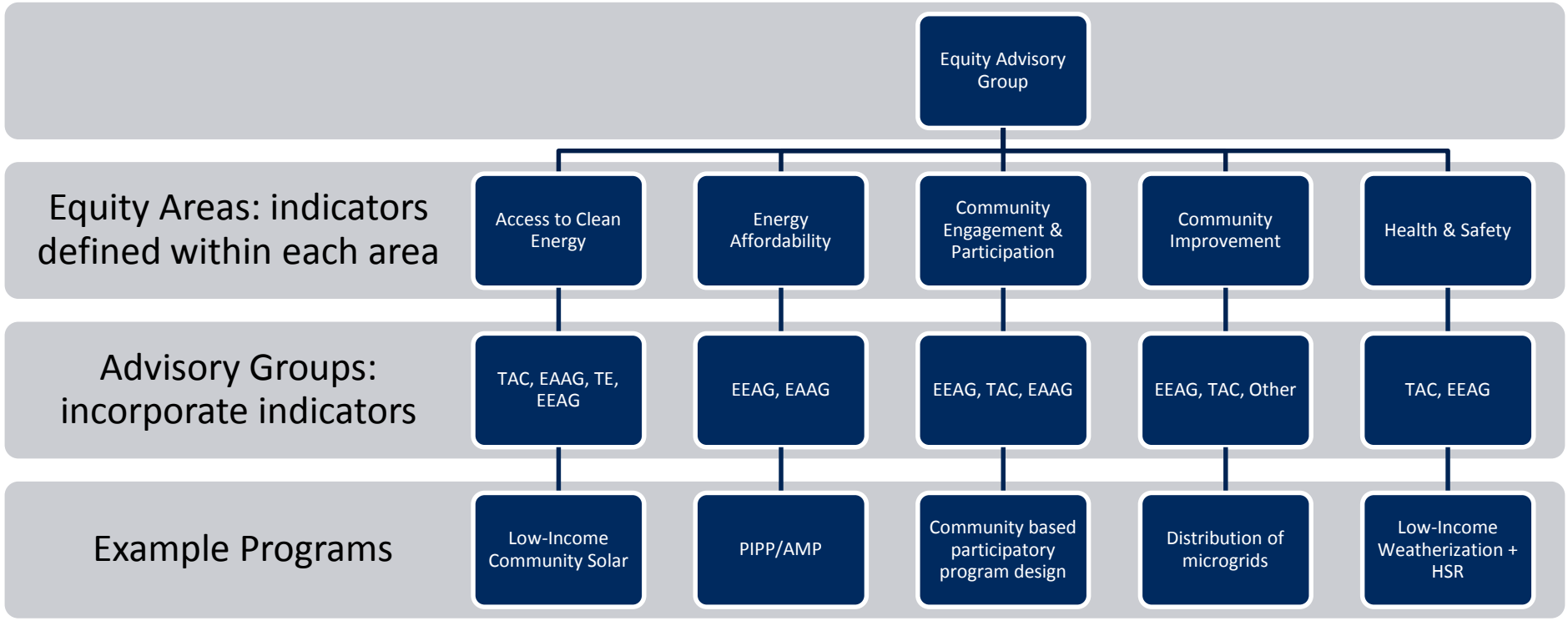
Advise on Equity Issues:

- ✓ Vulnerable Population Designation
- ✓ Equity Indicator Development
- ✓ Data Support and development
- ✓ Recommended Approaches for compliance

Comprised of:

- ✓ Environmental justice
- ✓ Health advocates
- ✓ Tribes
- ✓ Representatives from named communities

Equity Advisory Group Role



Customer Benefit Indicators

Customer Benefit Indicators are required to ensure the equitable distribution of energy- and non-energy benefits and reductions of burdens to highly impacted communities and vulnerable populations.

We need to engage the public, in coordination with advisory groups, in the identification of equity areas and development of customer benefit indicators.

Vulnerable populations and highly impacted communities for the creation of or updates to customer benefit indicators and weighting factors for the utility's compliance with WAC 480-100-610 (4)(c)(i); and

Who?	Highly impacted communities and vulnerable populations		
Benefit:	Energy benefits	Nonenergy benefits	Reduction of burdens

All customers, including vulnerable populations and highly impacted communities, for the creation of, or updates to, customer benefit indicators and weighting factors for the utility's compliance with WAC 480-100-610 (4)(c)(ii) and (iii).

Who?	All Customers					
Benefit:	Public health	Environ-mental	Cost reduction	Risk reduction	Energy security	Resiliency

Customer Benefit Indicators Examples

Equity Area	Indicator	Example/Program
Access to Clean Energy	Energy and cost savings for customers in aggregate Locations and expenditures of existing and planned community energy projects Participation and attrition rate of programs, locations and monetary benefits received	Energy efficiency and renewable energy programs Net metering participation EV charger rebate programs Low income community solar
Cost Discrimination	Burden (cost) to program participation Accessibility to non-single-family homeowners Amount of investment financed	Expensive or burdensome EE program participation costs Type of financing (tax credit, on-bill programs) Inclusive financing
Community Engagement and Participation	Awareness of programs Linguistic isolation of participants Public participation in planning Geographic or demographic distribution of customer service complaints	Multi-lingual outreach materials Community based participatory program design Non-discriminatory customer service
Community Improvement	Economic development activity Jobs Resilient infrastructure Improved housing stock	Assistance and job training for retiring fossil fuel workers (just transition) Distribution of microgrids Reasonable access to essential utility functions during disasters
Health and Safety	Outdoor air quality Indoor air quality Household factors Reduced fires and accidents caused by energy infrastructure or appliances	Percent of days that PM2.5 did not meet EPA standard Low income weatherization (target deferrals) Household health and safety due to issues like tobacco smoke; pet dander; water damage; mold; VOCs and radon; improved airflow

Energy Efficiency and Energy Assistance

Energy Efficiency & Demand Response

In planning to meet projected demand an electric utility must pursue:

- Cost effective
- Reliable
- Feasible conservation and energy resources
- Demand Response

Energy Assistance for Low-Income Households

- An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021… To the extent practicable, priority must be given to low-income households with a higher energy burden.

- Each electric utility must submit biennially:
  - A cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet: **(A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050.**

2020 Clean Energy Estimates

James Gall, IRP Manager
IRP Manager
CEIP Public Meeting, May 20, 2021

Key Issues

- Clean energy accounting is still being defined.
  - Otherwise known as the “use” issue.
  - WUTC/Commerce may determine use by the end of 2021.
- Avista currently sells both RECs and specified energy - how will this be accounted for prior to 2030?
- How much clean energy should Washington customers “buy” from Idaho customers?
  - *Current assumption: Exclude existing hydro and Idaho PURPA; wind and biomass are available.*
    - *Idaho hydro REC transfers is limited due to “spirit” of the law requiring new clean generation – if Avista relies on Idaho generation, no new clean energy would be needed.*
    - *If national clean energy requirements are established, this methodology lessens impacts to Washington customers.*
  - *Idaho customers may still sell their RECs to other Washington utilities or sell to Avista’s Washington customers during poor hydro conditions.*

Terminology

- **RECs:** Renewable energy credits
- **Retail Sales (retail electric load):** Actual customer sales
  - **Issue:** retail sales cannot be measured instantaneously - even if all customers have AMI- the delay is in excess of 3 hours.
- **Load:** Utility generation obligation, includes retail sales, line losses, theft, & station service. System can be measured instantaneously.
  - **Issue:** Avista does not have a way to accurately measure Washington hourly/instantaneous load without significant investment.
- **Unbundled RECs:** A REC sold, delivered or purchased separately from the energy. These RECs are limited to 20% in 2030.
  - **Issue:** Will clean energy generated in excess of Washington retail sales be unbundled even if not sold?
    - This generation is “capped” for purposes of this presentation.
- **PURPA/Customer Programs:** QF facilities and direct customer generation programs such as “Solar Select” are excluded from retail sales.
  - **Issue:** Avista assumes any resource qualifying as a PURPA resource regardless of fuel source and those only located in Washington in operation before 2019.
- **Resource Allocation:** All generation is divided between Idaho and Washington based on historically agreed upon methodology of ~65% Washington and ~35% Idaho.
  - **Issue:** Should we acquire or assign state specific assets?
- **Clean Energy Purchase:** Wholesale energy purchase known to be clean, but not specified or no REC purchased.

2020 Scenarios

- Scenario 1: Procured clean energy percentage
- Scenario 2: Delivered clean energy by hour percentage
- Scenario 3: Procured clean energy percentage (net of REC/specified sales)

- Other information:
  - Available “RECs” from Idaho
  - Clean market purchases
  - 2022-2025 availability

Scenario 1: Procured Clean Energy

	Scenario 1
Item	**Procured Clean Energy**
Load	5,855,586
Retail Sales	5,461,691
PURPA/Customer Prog	(241,592)
Net Sales	**5,220,099**
Net Clean Energy	
Hydro	3,224,185
Wind	267,392
Biomass	173,875
(Capped Gen)	-
Total Direct	**3,665,452**
Clean Percentage prior to Transfers	**70.2%**
Available Idaho Transfers	
Wind	139,907
Biomass	90,976
Hydro (Chelan)	n/a
Capped Gen	-
Total Transfers	230,884
Unbundled RECs	-
Percentage Unbundled RECs	**n/a**
Total Clean	**3,896,335**
Clean Percentage after Transfers	**74.6%**
IRP WA Clean Energy Goal	
Clean Percentage after Clean Purchases	**80.6%**
Total Clean Energy w/ Idaho Hydro	**107.0%**

- **70.2%** clean energy allocated to Washington.
- With Idaho transfers of wind & biomass increases to **74.6%**.

Scenario 2: Delivered Clean Energy By Hour

	Scenario 1	Scenario 2
Item	Procured Clean Energy	Delivered Clean Energy by Hour
Load	5,855,586	5,855,586
Retail Sales	5,461,691	5,461,691
PURPA/Customer Prog	(241,592)	(241,592)
Net Sales	**5,220,099**	**5,220,099**
Net Clean Energy		
Hydro	3,224,185	3,224,185
Wind	267,392	267,392
Biomass	173,875	173,875
(Capped Gen)	-	(208,436)
Total Direct	**3,665,452**	**3,457,016**
Clean Percentage prior to Transfers	**70.2%**	**66.2%**
Available Idaho Transfers		
Wind	139,907	139,907
Biomass	90,976	90,976
Hydro (Chelan)	n/a	n/a
Capped Gen	-	(24,877)
Total Transfers	230,884	206,007
Unbundled RECs	-	233,313
Percentage Unbundled RECs	**n/a**	**4%**
Total Clean	**3,896,335**	**3,896,335**
Clean Percentage after Transfers	**74.6%**	**74.6%**
IRP WA Clean Energy Goal		
Clean Percentage after Clean Purchases	**80.6%**	**78.5%**
Total Clean Energy w/ Idaho Hydro	**107.0%**	**107.0%**

- Washington allocated clean energy reduced to **66.2%**.
  - 208,436 MWh are produced in excess of estimated Washington retail load.
  - This energy is either consumed by Idaho customers or sold during the hydro runoff season.
  - Idaho available transfers capped at 24,877 MWh
  - Total unbundled RECs are **4%**.
- Total clean energy percentage remains **74.6%** with unbundled RECs.

Scenario 3: Procured Clean Energy (net of REC/specified sales)

Item	Scenario 1 Procured Clean Energy	Scenario 2 Delivered Clean Energy by Hour	Scenario 3 Procured Clean Energy net of REC/Spec Sales
Load	5,855,586	5,855,586	5,855,586
Retail Sales	5,461,691	5,461,691	5,461,691
PURPA/Customer Prog	(241,592)	(241,592)	(241,592)
Net Sales	**5,220,099**	**5,220,099**	**5,220,099**
Net Clean Energy			
Hydro	3,224,185	3,224,185	1,789,076
Wind	267,392	267,392	229,430
Biomass	173,875	173,875	157,278
(Capped Gen)	-	(208,436)	-
Total Direct	**3,665,452**	**3,457,016**	**2,175,784**
Clean Percentage prior to Transfers	**70.2%**	**66.2%**	**41.7%**
Available Idaho Transfers			
Wind	139,907	139,907	120,045
Biomass	90,976	90,976	82,292
Hydro (Chelan)	n/a	n/a	n/a
Capped Gen	-	(24,877)	-
Total Transfers	230,884	206,007	202,337
Unbundled RECs	-	233,313	-
Percentage Unbundled RECs	**n/a**	**4%**	**n/a**
Total Clean	**3,896,335**	**3,896,335**	**2,378,121**
Clean Percentage after Transfers	**74.6%**	**74.6%**	**45.6%**
IRP WA Clean Energy Goal			
Clean Percentage after Clean Purchases	**80.6%**	**78.5%**	**51.5%**
Total Clean Energy w/ Idaho Hydro	**107.0%**	**107.0%**	**63.5%**

- Considering REC sales directly allocated to WA; clean energy percentage falls to **41.7%**.
- With Idaho transfers of wind and biomass RECs, clean energy increases to **45.6%**.
- Washington customers benefit by **$4.1** million in lower rates due to these sales.
  - 2022 RECs could be $5 to $8 million.

2022-2025 Forecast (Uses Scenario 1 Methodology)

	Scenario 1	IRP (Procured Clean Energy)			
Item	Procured Clean Energy	2022	2023	2024	2025
Load	5,855,586				
Retail Sales	5,461,691	5,666,821	5,695,406	5,718,980	5,740,232
PURPA/Customer Prog	(241,592)	(240,364)	(240,421)	(240,900)	(240,039)
Net Sales	**5,220,099**	**5,426,458**	**5,454,985**	**5,478,079**	**5,500,193**
Net Clean Energy					
Hydro	3,224,185	3,404,623	3,353,949	3,398,283	3,364,858
Wind	267,392	525,656	524,598	526,446	523,484
Biomass	173,875	210,525	200,308	200,746	183,639
(Capped Gen)	-	-	-	-	-
Total Direct	**3,665,452**	**4,140,805**	**4,078,855**	**4,125,475**	**4,071,981**
Clean Percentage prior to Transfers	**70.2%**	**76.3%**	**74.8%**	**75.3%**	**74.0%**
Available Idaho Transfers					
Wind	139,907	275,039	274,485	275,452	273,902
Biomass	90,976	110,153	104,807	105,036	96,085
Hydro (Chelan)	n/a	-	-	155,477	155,052
Capped Gen	-				
Total Transfers	230,884	385,192	379,292	535,965	525,039
Unbundled RECs	-	-	-	-	-
Percentage Unbundled RECs	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Total Clean	**3,896,335**	**4,525,996**	**4,458,146**	**4,661,440**	**4,597,021**
Clean Percentage after Transfers	**74.6%**	**83.4%**	**81.7%**	**85.1%**	**83.6%**
IRP WA Clean Energy Goal		**80.0%**	**80.0%**	**85.0%**	**85.0%**
Clean Percentage after Clean Purchases	**80.6%**	**n/a**	**n/a**	**n/a**	**n/a**
Total Clean Energy w/ Idaho Hydro	**107.0%**	**116.2%**	**113.9%**	**114.7%**	**112.8%**

- Clean energy increases due to a full year of Rattlesnake Flat Wind generation.
- Hydro forecast
  - 80-year median hydro conditions
  - Mid-C contract changes
- Additional clean energy needed in 2025 to meet IRP goal.

Highly Impacted Communities & Vulnerable Populations “Named Communities”

James Gall
IRP Manager
CEIP Public Meeting, May 20, 2021

CETA Definitions

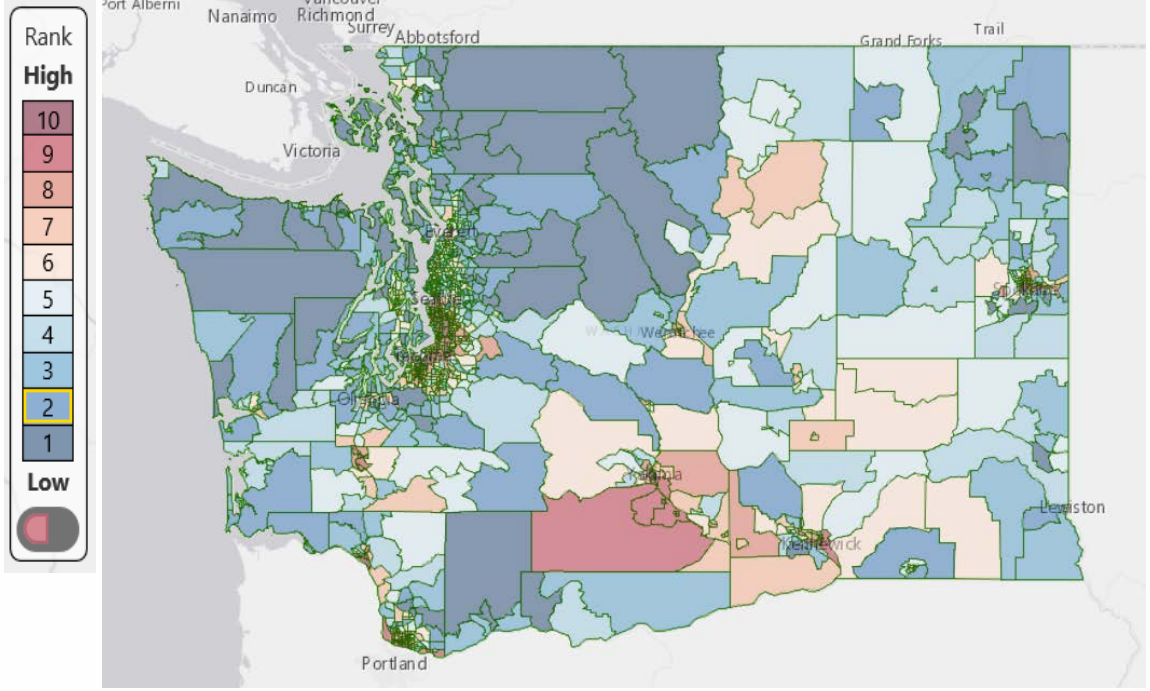
(23) "Highly impacted community" means a community designated by the department of health based on cumulative impact analyses in section 24 of this act or a community located in census tracts that are fully or partially on "Indian country" as defined in 18 U.S.C. Sec. 1151.

(40) "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to:

(a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and

(b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.

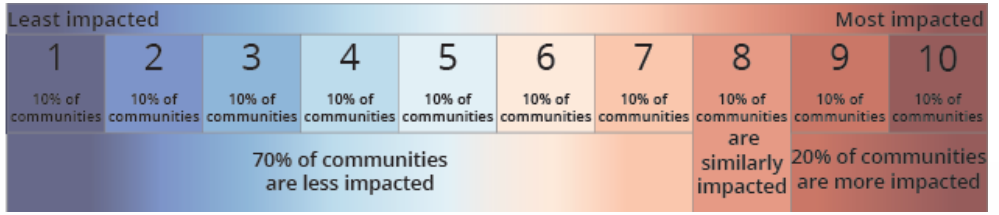
Methodology



https://fortress.wa.gov/doh/wtn/wtnibl/

- Highly Impacted Community
  - Identified by Washington State
    - FIPS code area with tribal properties
    - Score of 9 or 10 on WA Health Disparity Map
- Vulnerable Populations
  - Identified by Avista
    - FIPS code area
    - Score of 9 or 10 on WA Health Disparity Map for Socioeconomic or Sensitive Population Factors

Vulnerable Population Characteristics



Highly Impacted Communities Metric

Final composite score

Final composite score = Pollution Burden score × Population Characteristics score

Pollution burden

$$\text{Pollution burden score} = \frac{\left(\text{Average percentile of Environmental Exposures indicators} + \text{0.5} \times \text{Average percentile of Environmental Effects indicators}\right)}{2}$$

Environmental exposures

- Diesel emissions
- Ozone
- Particulate Matter 2.5 (PM2.5)
- Toxic releases from facilities
- Traffic density

Environmental effects

- Lead risk and exposure
- Proximity to hazardous waste generators and facilities
- Proximity to Superfund sites
- Proximity to facilities with highly toxic substances
- Wastewater discharge

Population characteristics

$$\text{Population characteristics score} = \frac{\left(\text{Average percentile of Sensitive Population indicators} + \text{Average percentile of Socioeconomic Factors indicators}\right)}{2}$$

Sensitive populations

- Cardiovascular disease
- Low birth weight infants

Socioeconomic factors

- Poor educational attainment
- Housing burden
- Linguistic isolation
- Poverty
- Race (People of color)
- Transportation expense
- Unemployment

Vulnerable Population Metric

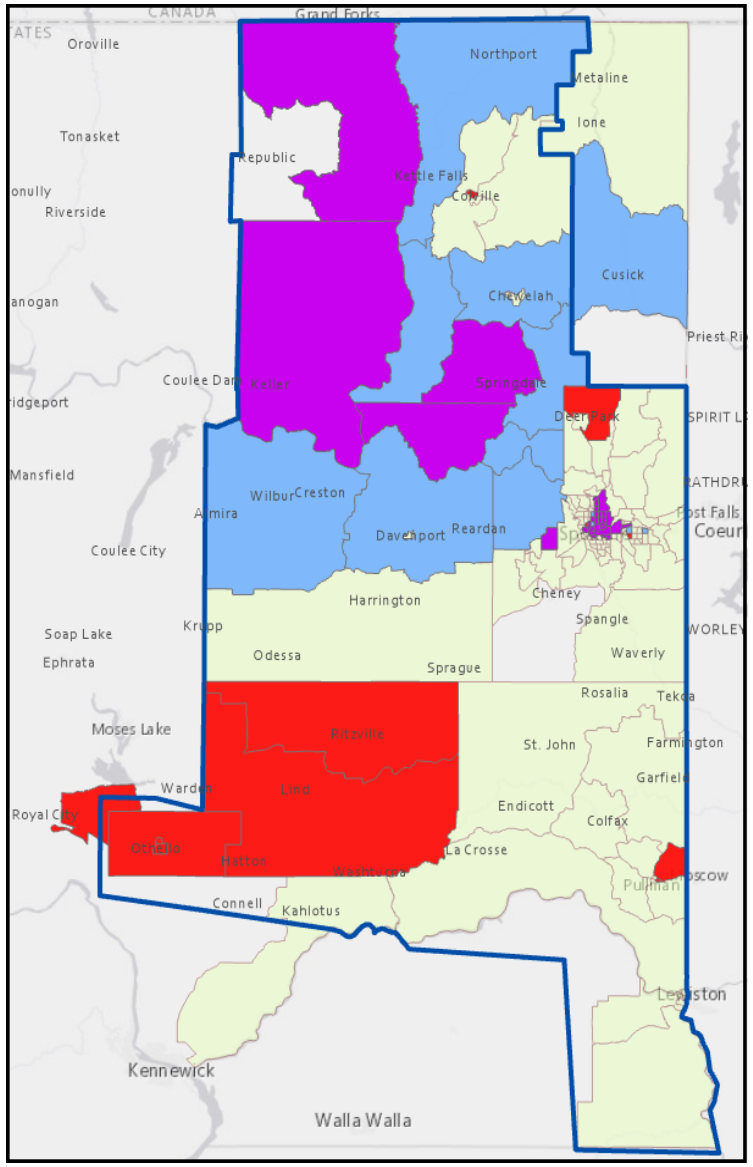
Circled indicators are called out in CETA definitions

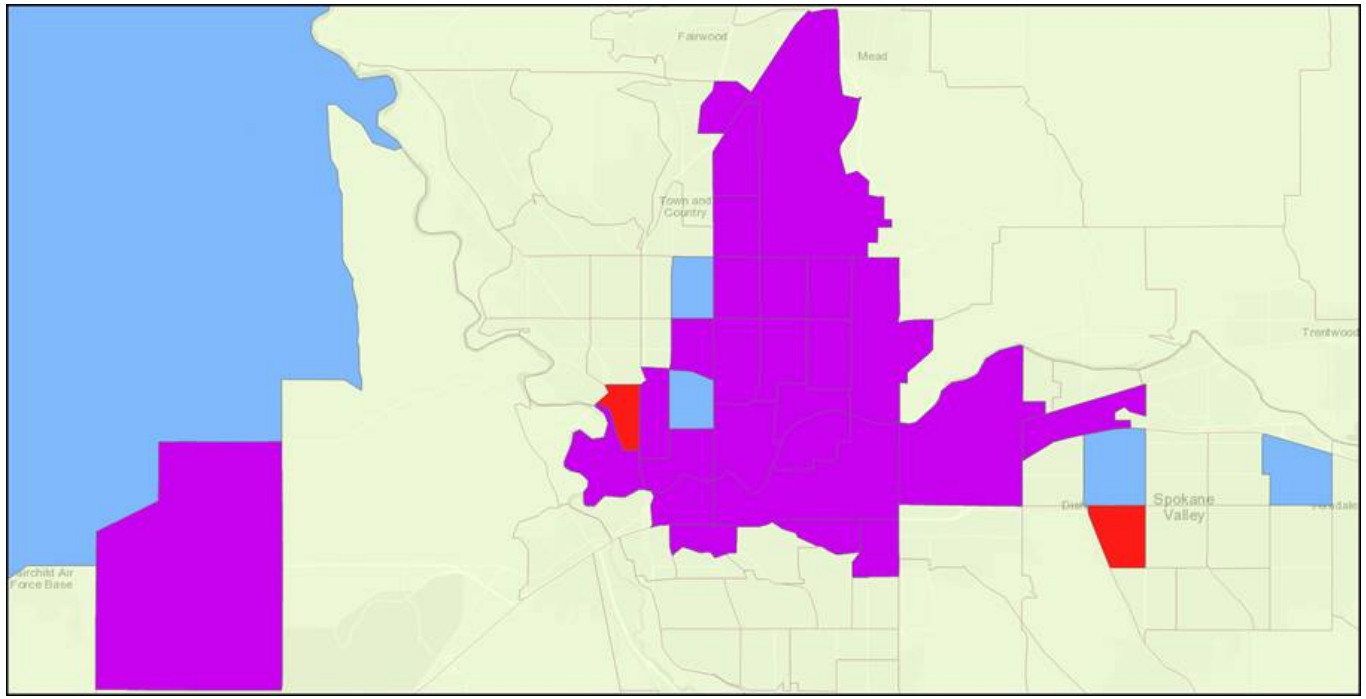
Qualifying Areas in Avista's Washington Electric Service Territory

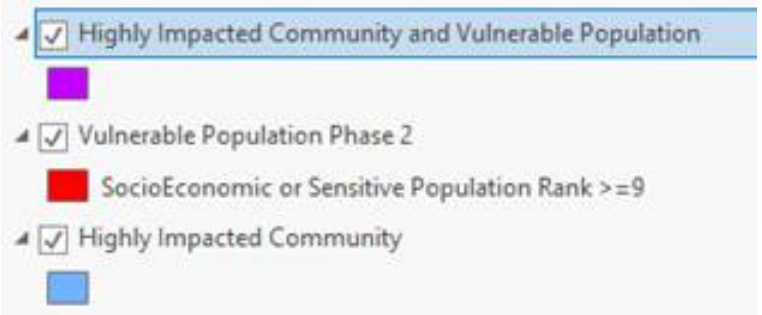
- Avista has 145 FIPS areas within its WA territory
- 43 areas are Highly Impacted Communities (HIC) (30%)
  - Note: some areas may be removed as determined by refined mapping by the DOH.
- 42 areas are Vulnerable Populations
  - 19 meet the socioeconomic factor qualification
  - 32 meet the sensitive population factor qualification
  - 30 are included based on HIC factors
- 55 total communities are included (38%)

Should Avista add the additional 12 vulnerable populated areas given the HIC methodology by the state of Washington includes these factors?

Avista's Named Communities



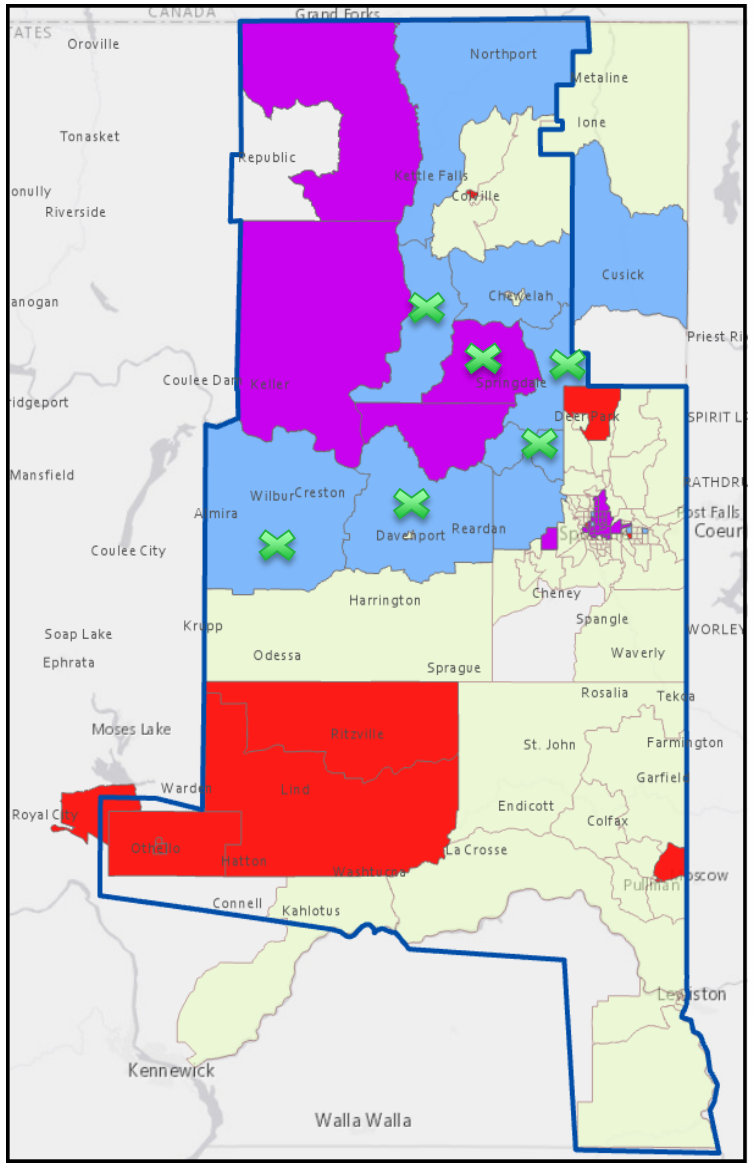


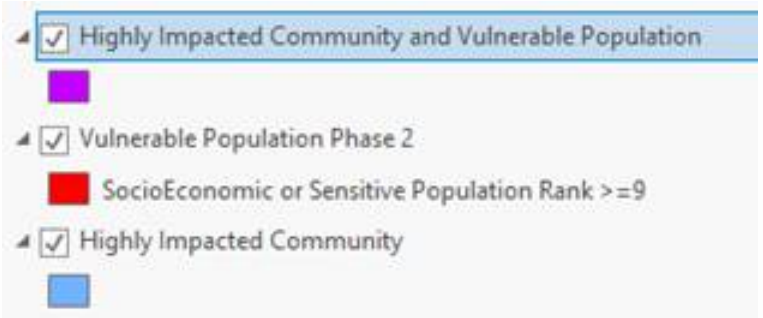


Should Avista Make Any Adjustments?

- Should areas be added?
  - For Vulnerable Populations; is 9 or higher the right cut off point?
- Should areas be removed?
  - Borderline areas- Pend Oreille/Grant County; Avista serves few customers in these areas- in some case they are non-residential
  - Pullman- the WSU campus and some student housing areas meet the qualification- does this meet the intent?
- How should mixed communities be handled?
  - Example area with lower scores; but has disadvantaged community members
    - These customers fall into only low-income programs?
  - Area's considered Highly Impacted due to tribal land connection, but not otherwise vulnerable.
    - Should we only target specific area with tribal members or lands?

Department of Health is Revising HIC Areas





- Why is DOH revising the HIC areas?
  - GIS system may have incorrectly overlapped with boundaries of the FIPS codes with reservation boundaries.
  - DOH will send out a revised list of HIC areas.
  - Green “x” areas are likely to be removed as HIC areas.

Clean Energy Implementation Plan Public Participation

May 20, 2021

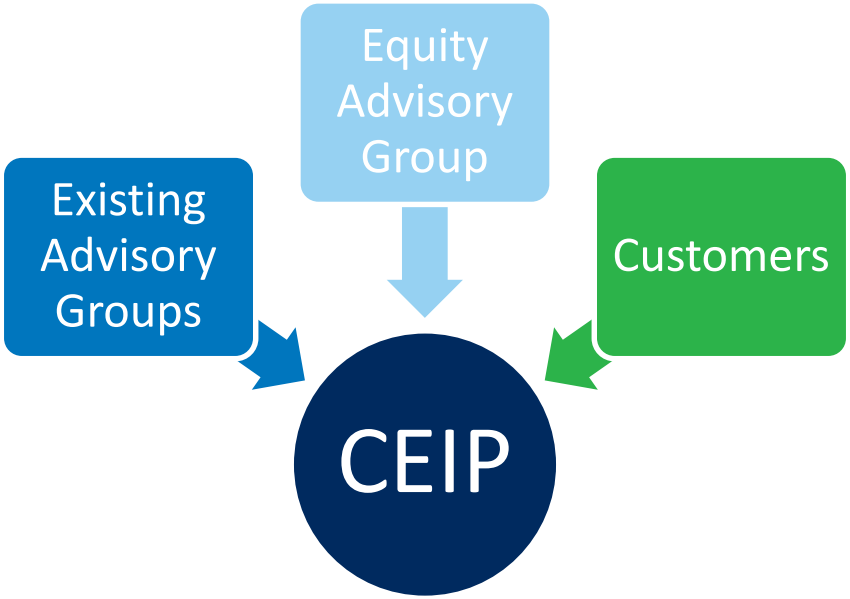
Public Participation

We need your help to us ensure customers are benefiting from the transition to clean energy through the:

- ✓ Equitable distribution of energy and non-energy benefits and reductions of burdens to vulnerable populations and highly impacted communities;
- ✓ Long-term and short-term public health and environmental benefits and reductions of costs and risks;
- ✓ Energy security and resiliency.

Who will be involved?

- Public Participation will include input from:
  - Environmental justice
  - Health advocates
  - Tribes
  - Representatives from named communities



How can you help?

In the CEIP meetings, we will ask for input from our advisory group members and customers, in the following ways:

- Review and provide insight on burdens and barriers our customers face in terms of affordability, accessibility, environmental impacts, etc.
- Review and provide insights on Company-developed customer benefit indicators resulting from defined burdens and barriers.
- Help prioritize policies and programs for ensuring customers are benefitting from transition to clean energy.

How can you provide feedback?

Contact us via telephone

- 509-495-4324

Email us

- ceta@avistacorp.com

Participate in CEIP Meeting Series

- Monthly Meetings May - September

Myavista.com/ceta

Public Participation Meeting Schedule:

June 17, 2021	•Review CEAP targets (Revised 04.30.2021) •Present methodology, review resulting Customer Benefit Indicator (CBI) •Review Renewable Energy Credit (REC) methodology •Breakout Rooms for EAG and Customers/Advisory Group
July 15, 2021 July 20, 2021 - EAG	• Review CBI and associated Resource Mix • Review CBI measurement metrics • Resource details (budgets, location, etc.)
August 17, 2021	•Review Correlated CBIs, Resource Mix, and metrics •Review Cost-Cap calculation •Miscellaneous (such as non-energy impacts, etc.) •Next Steps for CEIP and engagement
September 1, 2021 Mid-September EAG	•Non-Technical Public Outreach •EAG next steps

Three days prior:

- Zoom meeting invites will be sent out via email and posted to web
- Meeting Materials will be posted to website

One week following meeting:

- Post-Meeting Minutes will be posted to website