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VIA ELECTRONIC FILING

PUC.FilingCenter@puc.oregon.gov

Re: RE136 - Transmission Updates: 3rd Quarter 2021

Attention Filing Center:

Enclosed please find the 3rd Quarter 2021 Transmission Update regarding the Gateway West and Boardman to Hemingway transmission projects. This update provides a description of the developments that transpired in the third quarter of 2021.

This filing should be brought to the attention of Nadine Hanhan, Senior Utility Analyst and Matt Muldoon, Program Manager. If you have any questions, please contact Regulatory Consultant Courtney Waites at (208) 388-5612.

Very truly yours,



Matt Larkin

MTL/sg
Enclosure

Idaho Power Company's
Transmission Update for 3rd Quarter 2021
November 4, 2021

In late 2013, Staff of the Public Utility Commission of Oregon (“Commission”), requested¹ that Idaho Power Company (“Idaho Power” or “Company”) provide quarterly updates regarding the Energy Gateway West transmission project (“Gateway West”) developed jointly between PacifiCorp and Idaho Power (“Companies”). Commission Staff requested that, for each sub-segment² of this project, the Company provide a description of the developments³ that transpired in the previous quarter. Similarly, in 2017, Commission Staff requested⁴ that Idaho Power provide updates on the permitting or completion of the Boardman to Hemingway Transmission Line Project (“B2H”). The Company committed to providing updates as part of this quarterly notification.

Gateway West

On November 14, 2013, the Bureau of Land Management (“BLM”) released its record of decision (“ROD”) authorizing Segments 1 through 7 and 10 of the Gateway West project. The BLM postponed a decision on the remaining segments — Segment 8 (Midpoint to Hemingway) and Segment 9 (Cedar Hill substation to Hemingway) — to resolve routing in the affected areas.

On May 5, 2017, President Trump signed into law the Consolidated Appropriations Act of 2017, which incorporated by reference the Morley Nelson Snake River Birds of Prey National Conservation Area Boundary Modification Act (“Modification Act”). The Modification Act directed the Secretary of Interior to issue a right-of-way for the portions of the Companies’ preferred routes for Segments 8 and 9 that are located within the Snake River Birds of Prey National Conservation Area (“NCA”). On April 18, 2018, the BLM released a record of decision authorizing Segments 8 and 9.

3rd Quarter 2021 Project Developments

There were no notable Gateway West project developments in the 3rd quarter of 2021.

¹ Commission Staff Data Request No. 1, Transmission Updates Docket, dated December 17, 2013.

² Segment E comprised by the following sub-segments: Hemingway to Cedar Hill, Hemingway to Midpoint, Midpoint to Cedar Hill, Midpoint to Borah, Borah to Populus, Cedar Hill to Populus; and Segment D comprised by the following sub-segments: Populus to Bridger, Bridger to Aeolus, and Aeolus to Windstar.

³ As defined in Staff’s Data Request No. 1, by developments, Commission Staff means any federal, state, and local permitting, regulatory, and other events.

⁴ Commission Staff Data Request No. 65, Docket UE 316.

Boardman to Hemingway

The Companies and the Bonneville Power Administration (“BPA”) are parties to the Permit Funding Agreement to jointly support the processes associated with obtaining necessary permits to develop a new, approximately 300-mile-long, 500-kilovolt, single-circuit electric transmission line from the proposed Longhorn Substation near Boardman, Oregon to the Hemingway Substation near Melba, Idaho. Idaho Power is leading the permitting process for the B2H project.

With respect to federal permitting, the BLM issued its ROD for B2H in November 2017, approving a right-of-way grant for the project to cross approximately 86 miles of BLM-administered land. The U.S. Forest Service issued its ROD in November 2018 authorizing the project to cross approximately seven miles of National Forest lands. In September 2019, the Department of the Navy issued its ROD authorizing the project to cross approximately seven miles of Department of the Navy lands.

In the separate state of Oregon permitting process, the Oregon Department of Energy (“ODOE”) issued a Proposed Order in July 2020 for B2H that recommends the Energy Facility Siting Council (“EFSC”) issue a site certificate for construction across five counties in eastern Oregon.

On May 23, 2018, the Commission issued Order No. 18-176 in Docket No. LC 68 that specifically acknowledged Idaho Power’s 2017 Integrated Resource Plan’s action items to conduct ongoing permitting, planning studies, and regulatory filings for the B2H transmission line, as well as to conduct preliminary construction activities, acquire long-lead materials, and construct the B2H project. In June 2019, Idaho Power filed its 2019 Integrated Resource Plan (“IRP”) with the Commission (Docket No. LC 74), which again identified B2H as part of the Company’s preferred portfolio.

3rd Quarter 2021 Project Developments

Federal Permitting. Related to federal permitting, approval of a Geotechnical Plan of Development (“POD”) and a Notice to Proceed from the BLM are required prior to taking core samples along the project route to inform the final design of the project. In the fall of 2018, Idaho Power submitted a draft Geotechnical POD to the BLM for review and approval. The draft POD was out for agency review in the second quarter of 2019 and Idaho Power has incorporated comments into the POD and resubmitted the document to the BLM. Idaho Power finalized the Geotechnical POD in the 4th quarter of 2019 and anticipates the BLM will issue a Notice to Proceed in November 2021. Geotechnical sub-surface activities began in October 2021 on private land.

In November 2019, the STOP B2H Coalition (“STOP B2H”) filed a lawsuit in federal district court challenging BLM and the Forest Service’s ROD approving the B2H rights-of-way across federal land. On August 4, 2021, the district court issued its decision granting Idaho Power and the federal defendants’ motions for summary judgment and dismissing the case in full. STOP B2H did not appeal the case to the Ninth Circuit Court of Appeals by the filing deadline.

Oregon Permitting. The trial phase of the B2H contested case started on September 17, 2021, when direct testimony was due. Idaho Power currently expects the EFSC to issue a final order and site certificate in the second half of 2022 following the contested case process.

2019 IRP. On October 2, 2020, the Company filed its Second Amended 2019 IRP, following a comprehensive review of the IRP modeling. The Second Amended IRP identified the B2H project as a cost-effective resource in the Company’s preferred portfolio. On June 4, 2021, the Commission issued Order No. 21-184 largely acknowledging the items from the Company’s

Action Plan identified in the Second Amended 2019 IRP, including the B2H project as a cost-effective resource in the Company's preferred portfolio. Subsequent to the Commission's order, on August 3, 2021, STOP B2H filed an Application for Rehearing or Reconsideration, claiming to have identified new evidence essential to the Commission's decision and asks the Commission to reconsider and reverse its acknowledgement of the B2H action items. Idaho Power filed its response on August 18, 2021.

Funding Agreement. Under the current funding agreement, Idaho Power has an approximate 21 percent interest, BPA has an approximate 24 percent interest, and PacifiCorp has an approximate 55 percent interest in the permitting phase. As the current joint funding agreement covers primarily permitting activities, which are nearing completion, Idaho Power and its co-participants are exploring several scenarios of ownership, asset, and service arrangements aimed at maximizing the value of the project to each of the co-participants' customers.

On July 20, 2021, BPA, PacifiCorp, and Idaho Power executed the Seventh Amendment to the Permit Funding Agreement, acknowledging that BPA does not intend to participate in the construction of the project or to be a co-owner, in whole or in part, of the project and intends to sell its interest in the project to either Idaho Power or a third party. The agreement, as amended, outlines procedures and requirements for funding for pre-construction activities including detailed design, geotechnical investigation, right of way option acquisition, and land surveying.

Preconstruction Activities. In July 2021, the Company awarded contracts for detailed design, right-of-way option acquisition, geotechnical investigation, and land surveying and work commenced in the third quarter of 2021.