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VIA ELECTRONIC FILING

PUC.FilingCenter@puc.oregon.gov

Re: RE136 - Transmission Updates: 1st Quarter 2023

Attention Filing Center:

Enclosed please find the 1st Quarter 2023 Transmission Update regarding the Gateway West and Boardman to Hemingway transmission projects. This update provides a description of the developments that transpired in the first quarter of 2023.

This filing should be brought to the attention of 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 1st Quarter 2023
May 15, 2023

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”). Finally, in 2023, the Commission directed Idaho Power to document the Company’s monitoring and pursuit of grant opportunities for B2H.⁵ 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.

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.

⁵ Docket LC 78, Idaho Power 2021 Integrated Resource Plan, Order No. 23-004.

1st Quarter 2023 Project Developments

In March 2023, PacifiCorp initiated the pre-construction phase of approximately 620 miles of 500-kV transmission line from the Populus substation near Downey, Idaho to the Hemingway substation near Melba, Idaho. Idaho Power and PacifiCorp continue to coordinate the timing of next steps to best meet customer and system needs.

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. Lawsuits challenging the federal rights-of-way have been resolved.

In the separate state of Oregon permitting process, in September 2022, the Oregon Department of Energy (“ODOE”)’s Energy Facility Siting Council (“EFSC”) issued a site certificate for construction across five counties in eastern Oregon. In March 2023, the Oregon Supreme Court affirmed the Council’s decision to issue the site certificate.

On May 23, 2018, the Commission issued Order No. 18-176 in Docket LC 68 that specifically acknowledged Idaho Power’s 2017 Integrated Resource Plan’s (“IRP”) 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. Idaho Power filed its 2019 IRP with the Commission (Docket LC 74), which again identified B2H as part of the Company’s preferred portfolio. On June 4, 2021, the Commission issued Order No. 21-184 largely acknowledging items from the Company’s Action Plan, including the B2H project as a cost-effective resource in Idaho Power’s preferred portfolio. The Company’s 2021 IRP, filed in Docket LC 78, requested acknowledgement of B2H based on the Company owning 45 percent of the project, rather than the 21 percent share discussed in the 2019 IRP. On December 6, 2022, the Commission unanimously acknowledged the Company’s 2021 IRP and near-term action items, including B2H permitting and construction activities. A final order, Order No. 23-004, was issued on January 13, 2023.

1st Quarter 2023 Project Developments

Federal Permitting. For project construction to commence, approval of a Construction Plan of Development (“POD”) and a Notice to Proceed (“NTP”) from the BLM are required. The Construction POD will be comprised of approximately 32 submittals, 29 of which have been submitted by Idaho Power to the BLM. Three or more primary construction NTPs are anticipated, the first of which will authorize construction to take place at sites where there are no cultural concerns and is expected to be issued prior to June 2023. A wetland permit will be required from the U.S. Army Corps of Engineers (“USACE”) for construction in areas under USACE jurisdiction. An application/Preconstruction Notification was submitted to USACE in January 2023 and is expected to be issued July 2023.

Oregon Permitting. EFSC approved the B2H project in a 6-0 vote on September 27, 2022. Three limited parties filed appeals, asking the Oregon Supreme Court to overturn EFSC's approval of the site certificate. On March 9, 2023, the Supreme Court issued its decision, ruling in Idaho Power's favor and affirming EFSC's decision to issue a site certificate, culminating the EFSC permitting process.

Funding Agreement. Under the previous permit funding agreement, Idaho Power had an approximate 21 percent interest, BPA had an approximate 24 percent interest, and PacifiCorp had an approximate 55 percent interest in the permitting phase. In January 2022, the participants executed a non-binding term sheet regarding the ownership structure that would be addressed through amended or new funding agreements for the future phases of the project. The term sheet contemplated that Idaho Power would acquire BPA's ownership interest, which would increase Idaho Power's interest to approximately 45 percent, and Idaho Power would deliver transmission service to BPA's customers in Southern Idaho.

In January 2023, BPA issued a Letter to Region to announce that the participants have concluded negotiations on final agreements to transfer ownership interest and began its public process to provide regional stakeholders with more information about the contracts and an opportunity to comment prior to a final decision. On March 23, 2023, BPA issued their closeout letter notifying stakeholders of their final decision to execute definitive contracts for the plan of service provided by B2H. Subsequent to BPA's decision, eight agreements necessary for B2H and specific to the Company were executed, including the Second Amended and Restated B2H Transmission Project Joint Permit Funding Agreement between Idaho Power and PacifiCorp, which identifies PacifiCorp's approximate 55 percent ownership interest and the Company's approximate 45 percent ownership interest.

Surveys and Right-of-Entry. In the first quarter of 2022, the Company began completing the remaining pre-construction environmental, cultural, and other siting surveys required to satisfy permitting conditions. Most landowners voluntarily granted the Company access to their property. However, for some landowners, Idaho Power filed petitions in local district court to affirm the Company's statutory authority to enter those lands. The Company anticipates the surveys will be complete in August 2023.

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. In April 2022, the Company awarded a contract for constructability consulting services. The 90 percent detailed design package has been completed. Requests for Proposals ("RFPs") have been issued for lattice steel towers, conductor, conductor hardware, tubular steel, optical ground wire ("OPGW"), and OPGW hardware and evaluation is underway.

Petition for Certificate of Public Convenience and Necessity ("CPCN"). On September 30, 2022, Idaho Power filed a Petition for a CPCN authorizing construction of B2H. The Petition was filed in compliance with the newly adopted CPCN rules approved in Docket AR 626, which require utilities to petition the Commission for a CPCN if condemnation of land or an interest therein may be necessary for construction of the transmission line. The evidentiary hearing was held April 19 – 20, 2023. A Commission decision is anticipated by June 30, 2023.

Federal Funding Opportunities. Idaho Power has hired consultants that are experts in Federal Grants for grid resilience and transmission. The Company's interactions with the Department of Energy, that have been confirmed by advisement by Idaho Power's consultants, identified that projects that have been significantly permitted, engineered, and have had substantial funds expended are generally not candidate projects for Infrastructure Investment and Jobs Act ("IIJA") programs based on the IIJA guidelines for qualifying projects. While B2H is not an ideal candidate project, future high voltage transmission projects are an area that the Company continues to monitor for grant opportunities.