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February 16, 2024

**VIA ELECTRONIC FILING**

[PUC.FilingCenter@puc.oregon.gov](mailto:PUC.FilingCenter@puc.oregon.gov)

Re: RE136 - Transmission Updates: 4th Quarter 2023

Attention Filing Center:

Attached please find the 4th 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 fourth 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,

A handwritten signature in blue ink, appearing to be "ML", written over a light blue rectangular background.

Matt Larkin

MTL/sg  
Attachment

**Idaho Power Company's**  
**Transmission Update for 4<sup>th</sup> Quarter 2023**  
**February 16, 2024**

In late 2013, Staff of the Public Utility Commission of Oregon (“Commission”), requested<sup>1</sup> 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-segment<sup>2</sup> of this project, the Company provide a description of the developments<sup>3</sup> that transpired in the previous quarter. Similarly, in 2017, Commission Staff requested<sup>4</sup> 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.<sup>5</sup> 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.

**4<sup>th</sup> 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

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<sup>1</sup> Commission Staff Data Request No. 1, Transmission Updates Docket, dated December 17, 2013.

<sup>2</sup> Segment E extends across southern Idaho and is comprised of 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.

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

<sup>4</sup> Commission Staff Data Request No. 65, Docket UE 316.

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

substation near Melba, Idaho, known as Segment E<sup>6</sup>. Project briefing meetings have been held with each applicable county's commissioners to provide an update on the project, schedule and to review next steps. Bid events have been held for biological resource services, cultural resource services, right of entry services, and LiDAR survey. Initial slickspot peppergrass surveys were completed for Segment 8. LiDAR data for Segment 8 was captured in December 2023. Idaho Power and PacifiCorp continue to coordinate the timing of next steps to best meet customer and system needs -- including the possibility of an increase in the Company's participation in the construction of certain project segments, for which Idaho Power would need to coordinate with PacifiCorp.

### **Boardman to Hemingway**

The Companies are parties to the B2H Transmission Project Construction Funding Agreement to jointly support and contribute funds for the design, engineering, procurement, construction and commissioning of 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 the construction project manager for B2H. The Second Amended and Restated B2H Transmission Project Joint Permit Funding Agreement that was in place to jointly support the processes associated with obtaining necessary permits to develop B2H was terminated when the construction funding agreement went into effect. The construction funding agreement identifies PacifiCorp's approximate 55 percent ownership interest and Idaho Power's approximate 45 percent ownership interest. The Bonneville Power Administration ("BPA"), a former party to the permit funding agreement, will instead take transmission service from Idaho Power via B2H to serve their customers in Southern Idaho.

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 ("DOE")'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

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<sup>6</sup> Segment E extends across southern Idaho and is comprised of 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.

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.

#### 4<sup>th</sup> Quarter 2023 Project Developments

As explained in more detail below, as a result of delays in obtaining Notices to Proceed from state and federal agencies as well as additional time being spent to negotiate the Guaranteed Maximum Price ("GMP") amendment for the construction phase of the project, Idaho Power is targeting the start of construction of B2H in 2024. The project delays have resulted in slippage of the anticipated in-service date of B2H to November 2026. In addition, total cost estimates for the project have increased to between \$1.5 billion and \$1.7 billion. However, B2H continues to be selected as a least-cost resource through the IRP process.

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, comprising of approximately 32 submittals, was approved in December 2023. Three or more primary construction BLM NTPs are anticipated, the first of which authorizing construction at sites in Idaho, is now anticipated for March 2024 after delays related to the cultural process. Ten archaeological property specific mitigation and monitoring plans have been submitted to the BLM and consulting parties for review. In addition, the Idaho Power cultural resource team meets weekly with the BLM to track and manage cultural resource deliverables. Idaho Power and the BLM held a kickoff meeting with BLM's Compliance Inspection Contractor, Power Engineers in December. 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 was issued for Idaho in October 2023. The USACE permit for Oregon and the Oregon Department of Environmental Quality water quality certificate are expected to be issued in the first quarter of 2024.

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.

In December 2022, Idaho Power filed its first amendment request ("RFA1") driven in part by landowner change requests as well as changes to multiple access roads resulting from additional design and engineering review. Oregon DOE issued the final order in September 2023. In November 2023, Ms. Irene Gilbert appealed the RFA1 final order to the Union County Circuit Court. The Company filed a second amendment request ("RFA2") in June 2023 which included additional access road adjustments, landowner-driven changes and the addition of the Midline station. Idaho Power anticipates a decision on RFA2 in the second quarter of 2024.

Funding Agreement. In June 2023, Idaho Power and PacifiCorp executed the Construction Funding Agreement and filed it with the Federal Energy Regulatory Commission ("FERC"). The agreement became fully effective in September 2023, upon meeting the conditions precedent

contained in the agreement including: acceptance of the agreement by the FERC, receipt of the Certificate of Public Convenience and Necessity (“CPCN”) for Boardman-to-Hemingway from the Public Utility Commission of Oregon and the Idaho Public Utilities Commission (“IPUC”) for Idaho Power, receipt of the CPCN from the IPUC and the Wyoming Public Service Commission for PacifiCorp, and consent by Idaho Power and PacifiCorp to the conditions contained within their respective CPCNs.

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. Surveys have been completed for all parcels with right of entry. Final wrap up of remaining surveys will take place just ahead of construction.

Preconstruction Activities.

- Design. The Issue for Construction (“IFC”) transmission design package has been completed by the Engineer of Record, Leidos. Minor design modifications continue to be necessary due to landowner micro-siting within the site boundary. Leidos is coordinating with the steel lattice supplier to develop tower models. Tower testing is on schedule to begin in the first quarter of 2024. Significant analysis is being performed to ensure the tower designs are robust, tested, and ready for production on schedule to support construction.
- Geotechnical Engineering. To date, 317 borings have been drilled and electric resistivity testing has been completed in 306 locations. An additional 30 borings are not accessible to drill until construction has started and an access road is built.
- Procurement and Construction RFP. Requests for Proposals (“RFP”) were issued for lattice steel towers, conductor, conductor hardware, tubular steel, optical ground wire (“OPGW”), OPGW hardware, and transmission and civil services. Notices of Award or limited Purchase Orders have been made for lattice, conductor, conductor hardware, glass insulators, OPGW, and miscellaneous hardware. Tubular steel and OPGW hardware vendor selections and transmission and civil service selections will be made in the first and second quarters of 2024.

In August 2023, Quanta Infrastructure Solutions Group (“QISG”) submitted the GMP amendment proposal for the construction phase of the project which reflected an increase in price from the construction estimate at the 90 percent design. Idaho Power is working through commercial negotiations, schedule analysis and value engineering with QISG as part of the GMP amendment to reduce project costs and risk.

2023 IRP. On September 29, 2023, Idaho Power filed its 2023 IRP with the Commission (Docket LC 84), which includes B2H as a top performing resource alternative and resulting position in the preferred portfolio, requesting Commission acknowledgement of the B2H project’s in-service date of summer 2026.

Petition for Certificate of Public Convenience and Necessity. 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 Commission granted a CPCN on June 29, 2023.

Right-of-Way agents are actively negotiating with landowners to acquire easements, with 39 percent of the affected landowners having signed an agreement. In September 2023, the Company filed three condemnation cases. Two condemnation filings have been resolved prior to trial. The third has a scheduled hearing date in February. Idaho Power has hired a new land surveying contractor who is completing surveying and preparation of legal descriptions and easement exhibits by county progressing from east to west along the B2H route.

*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 United States Department of Energy ("USDOE"), 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. Further, while the Inflation Reduction Act of 2022 provides incentives for funding of certain eligible transmission projects under the DOE's Transmission Facility Financing program and the USDOE's Transmission Siting and Economic Development Grants program, because the B2H project has already been significantly developed, it is downstream of the program's objectives and does not qualify.

However, one of the major USDOE efforts is the USDOE Grid Deployment Office, which set out to identify nationally-significant routes through a transmission needs study ultimately developing a national grid plan. The USDOE's National Transmission Needs Study was released on October 30, 2023. Projects that land within the nationally significant routes can be considered for new DOE financing under the (1) Transmission Facilitation Program, which supports financing arrangements for new, replacement or upgraded lines, (2) Enhancing Grid Resilience, providing matching grants for existing infrastructure upgrades for hardening to reduce risks from wildfires or other extreme weather and to prevent outages, and (3) Advanced Grid Technologies, offering matching grants for increased capacity and enhanced flexibility of the existing grid. While the Enhancing Grid Resilience program may offer similar incentives to a new construction line as it is being built, the B2H project does not qualify for either the Transmission Facilitation Program or the Advanced Grid Technologies option. Because the Transmission Facilitation Program is targeted toward hard-to-finance projects in order for them to become financially viable and the Advanced Grid Technologies is for existing infrastructure, the B2H project does not qualify. As construction of B2H commences, Idaho Power continues to evaluate individual aspects of the Enhancing Grid Resilience grants for potential viability to new transmission. The Company has evaluated extensively, and will continue to do so, federal funding opportunities for B2H in an effort to reduce costs to customers.

In January 2024, Idaho Power met with the Oregon DOE and Oregon Department of Transportation ("DOT"), who are collaborating to request funding from the Transmission Siting and Economic Development Grants Program for Oregon counties in which B2H would be located, and discussed various topics that would help support Oregon's initial concept to allocate grant funds. The Oregon DOE and Oregon DOT are envisioning programs to support the construction of electric vehicle fast charging infrastructure as well as related workforce training and awareness building in Morrow, Umatilla, Union, Baker and Malheur counties. The US DOE is expected to inform the Oregon DOE and Oregon DOT if it is interested in the concept in February 2024.