



"Protect Our Land, Preserve Our Heritage"

STOP B2H Coalition

60366 Marvin Road, La Grande, Oregon 97850

www.stopb2h.org info@stopb2h.org

November 18, 2022

Please accept the enclosed Comments on Staff Report and Recommendations from the Stop B2H Coalition pertaining to Idaho Power Company's 2021 IRP, #LC 78.

Thank You,

Co-Chair, Stop B2H Coalition

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

**In the Matter of
Idaho Power Company**

**2021 INTEGRATED
RESOURCE PLAN**

Docket LC 78

**Stop B2H Coalition
Comments on Staff Report and Recommendations
Submitted
November 18, 2022**

Table of Contents:

Co-Chair, Stop B2H Coalition 1

Introduction 3

Comments on Select Staff Recommendations 4

Conclusion 9

Introduction

The STOP B2H Coalition appreciates the work and comments that staff, interveners, and the company provided in this IRP. This IRP and the last three IRP’s have been difficult to evaluate because of the changing nature of so many data points from past IRP’s and the uncertainty in the validity of the data in this IRP. It is impossible to evaluate these IRP’s in a consistent basis per OPUC Guideline 1: Substantive Requirements. It states: a) All resources must be evaluated on a consistent and comparable basis; b) Risk and uncertainty must be considered and; c) The primary goal must be the selection of a portfolio of resources with the best combination of expected costs and associated risks and uncertainties for the utility and its customers¹. These changing metrics and inconsistencies STOP believes is by design to keep creating and manipulating new data while ignoring other data that does not support the positions the company desires. Therefore, we need to state--upfront and overall--that it is difficult to know if this 2021 IRP is reflecting what is best for ratepayers.

Some of the issues and concerns STOP has are:

- the lack of an inflation adjusted budget that meets industry standards and is developed to a “control or bid/tender level” with an acceptable contingency margin;
- the ever changing ELCC, LOLE, forecasted load, and reliability threshold(s);

¹ ORDER NO. 07-002

- derating the nameplate capacity of existing demand response (DR), and
- a doubling of the planning reserve margins.

These and other issues have caused Idaho Power to declare an emergency so they can skip competitive bidding to acquire new resources.

These changes combined changed the “need” calculation which was not present in the 2019 IRP. It was “discovered” when the company changed their paperwork calculations. Was Idaho Power that poor at understanding their system in 2019 IRP (after 5 delays)? And if they were, are they now too? Is this a real or paperwork exercise to hone their shareholders profits? Does the value of shareholder gain on capital expenditures get calculated into an IRP? It seems like we calculate everything else so why not this? As the regulator of a monopoly would you do this?

Comments on Select Staff Recommendations

The following are STOP’s comments on the Company’s Action Plan items and Staff’s associated recommendations regarding acknowledgement.

Conduct ongoing Boardman to Hemmingway (B2H) permitting activities. Negotiate and execute B2H partner construction agreements. Once the agreements are in place, file for a certificate of public convenience and necessity with state Commissions. (2022) Recommendation: Acknowledge [#1]

Since this is also in the company’s action plan STOP totally concurs with the company and staff and assumes the commission will too. Partner construction agreements need to be negotiated and executed and in place BEFORE a certificate of public convenience and necessity is filed. Since there is agreement for acknowledgement STOP assumes the commission will do so. STOP then expects that Idaho Power will withdraw the petition for a CPCN in docket CPN 5. If the company does not withdraw this CPCN we ask the commission to order a termination of the docket to reflect this acknowledgement. It should also be noted PAC may not be able to sign the construction agreement since they have not sought acknowledgement to construct the B2H from the commission in their IRP’s.

In PAC’s 2021 IRP action plan item 3c on p 25 it states,

Boardman-to-Hemingway (500 kV transmission line):

- *Continue to support the project under the conditions of the Boardman-to-Hemingway Transmission Project (B2H) Joint Permit Funding Agreement. [Note: this is not a construction agreement]*
- *Continue to participate in the development and negotiations of the construction agreement.*
- *Continue to participate in "pre-construction" activities in support of the 2026 in-service date.*
- *Continue negotiations for plan of service post B2H for parties to the permitting agreement.*

Furthermore it should be noted that PAC did not participate at all in Idaho Power's application for a site certificate from ODOE/EFSC which seems like a vote of no confidence in the B2H project.

Until PAC includes the construction of the B2H in their IRP for acknowledgement and it is acknowledged no CPCN should be started. Additionally PAC and IPC should submit a partner's construction budget agreement to the "control or bid/tender level" in their IRP or no CPCN should be considered.

This is a perennial issue that has been raised since the 2017 IRP², resulting in over five years of ratepayers and the public operating and living in a state of limbo.

Discuss partnership opportunities related to SWIP-North with the project developer for more detailed evaluation in future IRPs. (2022) Recommendation: Acknowledge with conditions. [#2]

STOP has been consistent in IRP comments that IPC needs to develop other regional sources of energy purchases and transmission in other markets. The company was fixated with trying to justify the B2H that

² In 2017 OPUC commissioner Bloom stated that he expected to see PacifiCorp's IRP before the OPUC for acknowledgment of B2H. He stated that the action that day was an acknowledgment for Idaho Power and was NOT an acknowledgment for PacifiCorp, a 54% capacity participant of the project. A review of the video of the final 2017 IRP hearing shows Commissioner Bloom at 4:16:18 say:

"My concerns are that Idaho power is the 24% participant and the two big parties, BPA which we can't control, and PAC doesn't even have it in their IRP. So if we acknowledge this IRP for Idaho power this is not an acknowledgment for PAC. They are going to have to do all their own work on this to convince us that it's still in the money."

they took their eye off the ball causing the loss of 190 MW of transmission availability in its southern territory. Other utilities and third party transmission vendors saw the resource inadequacy coming across the country. They saw the early retirements of coal and natural gas facilities with their replacement of renewable generation that could not replace lost generation at the rate it is lost, and that it would require more transmission with renewable interconnections. Others saw this coming why didn't Idaho Power, even with STOP and other IRPAC members' warnings.

Plan and coordinate with PacifiCorp and regulators for conversion to natural gas operation with a 2034 exit date for Bridger units 1 and 2. The conversion is targeted before the summer peak of 2024. (2022-2024) Recommendation: Acknowledge [#3]

STOP believes that the Bridger conversion data is incomplete because speculative inputs were used and the expenses for the conversion are preliminary due to the current turbulent world economy. It's going to cost more than projected. Additionally PAC developed large wind farms to the east to compensate for the early retirement of these units. Ironically, the closure of these units and the loss of 354 MW by Idaho Power was a primary reason IPC needed 350 MW from B2H. This narrative helped the company's greenwashing and getting the buy-in from environmental groups in the IRPAC. Now, they renege on the closure for these plants. Bait and switch?

Conduct preliminary construction activities, acquire long-lead materials, and construct the B2H project. (2022-2026) Recommendation: Acknowledge [#8]

STOP continues to believe that the company's IRP analysis is flawed and an independent evaluator (IR) maybe best suited to develop or verify data inputs for the modeling. Waiting for the company to comply with staff recommendations in the 2023 IRP is to late ... construction will have begun. Can or

does the commission have the political will or authority to STOP a transmission line that is under construction because they found the company's analysis to be flawed?

STOP has pointed out a variety of flaws in its comments regarding Idaho Power's analysis of the B2H. Staff has accurately categorized some of those flaws into topical subsections in their report. Those subsections are: 1) construction costs, 2) Mid-C prices, 3) Aurora input updates, 4) planning input updates, 5) alternative resources, and 6) federal funding. ([Staff report](#) pdf p 15- 19)

STOP will discuss several of these topics.

We know the construction estimates are extremely inaccurate and the company admits this by saying, *"that the cost naturally would not have included the inflation, labor, and supply chain increases experienced in 2022."* ([Staff report](#) pdf 14]. Their construction consultants' estimate was based on a preliminary design and did not use the Advancement of Cost Engineering ("AACE") guidelines as MISO, a regional transmission organization, does. As STOP pointed out in its comments HDR's construction estimate for the B2H is at a "study or feasibility stage" and not a "control or bid/tender stage". This represents a huge opportunity for cost overruns. This risk must be mitigated for by requiring a more granular budget before any construction starts. Staff's budget format suggestion is good but it does not go far enough. In STOP's comments we provided MISO's, a regional transmission organization, transmission line estimation process. There was a budget outline in that material. STOP suggests using an industry budget format. This format can then guide the budgeting process through tender, bidding, and construction to final bill.

Fact: Mid-C prices are rising and will continue to do so. We have a resource inadequacy in the Mid-C and the company's modeling did not factor that in. Staff pointed out that Mid-C prices modeled for the 2021 IRP are substantially lower than observed Mid-C prices.

Add to this deficiency the possibility that the 4 lower Snake Rivers dams will be breached adding GW's to the short fall. Do we need a 1,050 W-E pipeline to take energy while increasing Oregon ratepayer's prices? Other portfolios are not adequately and transparently considered (nor their budgets' evaluated on a comparative basis) that deploy renewables and storage close to load while building out local transmission and distribution systems in Idaho's prime renewable energy land in the state?

Earlier we discuss our concerns about AURORA, the inputs, and how the inputs are formulated often out of the sight of public review. STOP won't reiterate them here.

Given some of the data questions, Staff recommended the Company rerun its modeling with updated inputs to confirm the robustness of the 2021 IRP's Preferred Portfolio. Staff requested the Company use observed Mid-C prices, an assumed capital cost for CCCT plants of \$1,300 per kW, the updated nameplate capacity of existing DR programs from the 2022 peak season, and a select list of new IRA-related federal subsidies that require only a change in eligibility or expiration. The Company was unable to perform the analysis as requested by Staff. The full discussion is in the Staff Report p 13-14

STOP urges the commission to not acknowledge this action item. Acknowledgement continues to kick the can down the road while continually asking IPC for better data, as they fiddle with the data they input into the black box called AURORA to give them the output they want. Please insist that if IPC wants to build the B2H that they give the commission the data they need to make the best possible informed decision on behalf of the ratepayers before any construction is undertaken. How will they be

stopped if the data in the 2023 IRP demonstrated the B2H is not the least cost/least risk portfolio?

There won't be another "bite of the apple."

Conclusion

In conclusion STOP believes that going ahead with construction of the B2H is a very risky decision based on the questions raised about the quality of the data and process in the last several IRP's. It's a common theme that won't go away. Waiting for the 2023 IRP to correct data and modeling issues is too late if construction of the B2H begins in 2022/2023. People's land will be condemned, lives disrupted, and the cultural heritage and landscape of eastern Oregon scared into perpetuity. Hold off allowing construction until 1) PAC gets acknowledgement to construct the B2H, 2) a construction agreement with the budget designed to the "control or bid/tender stage" is signed and is acknowledged by the commission. Staffs recommendations 5, 7, 8, and 9 on pdf p 7 are spot on. They just need to be completed before construct can begin. STOP is confident that when a fuller more accurate evaluation is completed the B2H will not be an economical or acceptable risk to the rate payers.