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September 1, 2020

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

Re: Transmission Updates: 2nd Quarter 2020

Attention Filing Center:

Enclosed please find the 2nd Quarter 2020 Transmission Update regarding the Gateway West and Boardman to Hemingway transmission projects. This update provides a description of the developments that transpired in the second quarter of 2020.

This filing should be brought to the attention of Bryan Conway, Utility Program Director. If you have any questions, please contact Senior Regulatory Analyst Courtney Waites at 208-388-5612.

Very truly yours,



Lisa D. Nordstrom

LDN/slb

Enclosure

Idaho Power Company's
Transmission Update for 2nd Quarter 2020
September 1, 2020

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.

2nd Quarter 2020 Project Developments

There were no notable Gateway West project developments in the 2nd quarter of 2020.

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 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”) jointly propose to design, construct, operate, and maintain 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, on May 22, 2019, the Oregon Department of Energy (“ODOE”) issued the Draft Proposed Order (“DPO”) for B2H. In the DPO, ODOE recommends the Energy Facility Siting Council (“EFSC”) issue a site certificate for construction in Oregon. Public hearings on the DPO were held the last two weeks of June 2019. Public and reviewing agency comments on the DPO were due on August 22nd and Idaho Power prepared and submitted its responses to comments on November 7, 2019.

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.

2nd Quarter 2020 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 the 3rd quarter of 2020. Geotechnical sub-surface activities are expected to start in the 4th quarter of 2020.

Oregon Permitting. With respect to the Oregon permitting process, the ODOE issued the Proposed Order on July 2, 2020, recommending approval of an EFSC site certificate to build B2H across five counties in eastern Oregon. Idaho Power expects the EFSC to issue a final order and site certificate in the second half of 2021 following the contested case process.

Beginning in the 4th quarter of 2019, Idaho Power coordinated with key landowners in the vicinity of the Naval Weapons Systems Training Facility near Boardman, Oregon to relocate six irrigation pivots to provide clearance for the right-of-way for the B2H project, as well as another transmission line currently under construction by the Umatilla Electric Cooperative. This work was completed in the 1st quarter of 2020. Idaho Power has also continued to meet with other landowners to micro-site the project route and prepare for an EFSC site certificate amendment in the future.

2019 IRP. On January 31, 2020, the Company filed an amendment to the 2019 IRP, providing supplemental analyses related to the need for future resources. The B2H project was, again, identified as a cost-effective resource in the Company's preferred portfolio. The Commission solicited public comments in the 1st quarter of 2020 and a Public Comment Hearing was held on April 23, 2020. However, on July 1, 2020, the Company filed a Motion to Suspend the Procedural Schedule in Docket No. LC 74 to allow time for Idaho Power to conduct a comprehensive review of the IRP modeling resulting from complications in the efforts to implement a new modeling approach in the 2019 IRP. The Company has since notified the Commission that it anticipates resuming the procedural schedule on October 2, 2020. Idaho Power believes that the new analyses performed as part of the comprehensive review of the IRP modeling will continue to identify B2H as a cost-effective resource in the Company's preferred portfolio.

Funding Agreement. On July 13, 2020, BPA, PacifiCorp, and Idaho Power executed the Third Amendment to the Permit Funding Agreement, extending the construction agreement negotiation window for B2H to October 13, 2020, with the ability to mutually extend to January 11, 2021. Further, BPA met with its Southeast Idaho customers to continue discussions related to long-term BPA service, and B2H's potential role in that service. BPA raised the possibility of the potential arrangement in which the Company would provide BPA transmission service across the Idaho Power transmission system under a transmission service agreement. If such a transaction were to occur, there would be opportunities for BPA to assign this contract to its current customers in the future.

As part of the terms of the transmission service agreement, BPA and/or its customers would pay for transmission wheeling under the provisions of Idaho Power's Open Access Transmission Tariff ("OATT") and enter into a transmission service agreement. Under this possible arrangement, BPA and/or its customers' OATT payments would, over time, ensure recovery of Idaho Power's revenue requirement associated with their respective usage of B2H. The needs of all parties, including consideration of impact to both Bonneville and Idaho Power's customers, will need to be negotiated to determine if this transaction structure can work.