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VIA ELECTRONIC FILING

PUC.FilingCenter@puc.oregon.gov

Re: RE136 - Transmission Updates: 3rd Quarter 2022

Attention Filing Center:

Enclosed please find the 3rd Quarter 2022 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 2022.

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 3rd Quarter 2022
November 7, 2022

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 2022 Project Developments

There were no notable Gateway West project developments in the 3rd quarter of 2022.

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

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. On June 4, 2021, the Commission issued Order No. 21-184 largely acknowledging items from the Company’s Action Plan identified in the Second Amended 2019 IRP, including the B2H project as a cost-effective resource in Idaho Power’s preferred portfolio.

3rd Quarter 2022 Project Developments

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. Idaho Power finalized the Geotechnical POD in the 4th quarter of 2019 and the BLM has issued Notices to Proceed on Phase 1A and 1B borings. Geotechnical sub-surface activities began in October 2021 on private land. Notices to Proceed on the remaining phases, are expected to be issued by spring 2023.

Oregon Permitting. After over two years of a contested case hearing, the EFSC approved the B2H project in a 6-0 vote on September 27, 2022. The Council issued its written final order and site certificate shortly thereafter, triggering a 60-day period to file appeals with the Oregon Supreme Court. If appealed, an appellate decision would likely occur in early Summer 2023.

2021 IRP. On December 30, 2021, Idaho Power filed its 2021 IRP with the Commission (Docket No. LC 78), requesting acknowledgement of B2H based on the Company owning 45 percent of the project, rather than the 21 percent share discussed in the 2019 IRP. The preferred portfolio, which includes B2H, is approximately \$270 million more cost effective than the best portfolio that did not include B2H.

Funding Agreement. Under the current permit 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 primarily covers permitting and pre-construction 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. In the 2021 IRP, Idaho Power modeled acquiring BPA's ownership of the project, which would be an increase of Idaho Power's share of the line to 45 percent. 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 contemplates 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. The parties currently are conducting due diligence and negotiating the term sheet agreements.

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. All cases have been resolved.

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.

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. A Commission decision is anticipated by June 30, 2023.