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November 13, 2023

VIA ELECTRONIC FILING

PUC.FilingCenter@puc.oregon.gov

Re: RE136 - Transmission Updates: 3rd Quarter 2023

Attention Filing Center:

Attached please find the 3rd 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 third 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 3rd Quarter 2023
November 13, 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.

3rd 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

¹ Commission Staff Data Request No. 1, Transmission Updates Docket, dated December 17, 2013.

² 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.

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.

substation near Melba, Idaho, known as Segment E⁶. 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. 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 Second Amended and Restated B2H Transmission Project Joint 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. The permit 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 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

⁶ 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.

near-term action items, including B2H permitting and construction activities. A final order, Order No. 23-004, was issued on January 13, 2023.

3rd Quarter 2023 Project Developments

Federal Permitting. For project construction to commence, approval of a Construction POD and a Notice to Proceed (“NTP”) from the BLM are required. The Construction POD will be comprised of approximately 32 submittals, all 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 in Idaho where there are no cultural concerns and is expected to be issued in December 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 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 addition, 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 first quarter of 2024.

Funding Agreement. In January 2023, BPA issued a Letter to Region to announce that the participants have concluded negotiations on final agreements to transfer BPA’s ownership interest to Idaho Power 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 the Company’s revised ownership interest.

In June 2023, Idaho Power and PacifiCorp executed the Construction Funding Agreement which provides the definitive terms and conditions by which the parties will jointly support and contribute funds, for the procurement, construction, and commissioning of the B2H project and filed it with the Federal Energy Regulatory Commission (“FERC”). In addition, it appoints Idaho Power as the construction project manager, providing for full power and authority to do all things necessary or proper for the development and construction of the B2H project. 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. 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 Issue for Construction (“IFC”) 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”), OPGW hardware, and transmission and civil services, and evaluation is underway. In August 2023, Quanta Infrastructure Solutions Group (“QISG”) submitted the Guaranteed Max Price amendment proposal for the construction phase of the project. It is under review. As a result of delays in issuing Notices to Proceed from state and federal agencies, Idaho Power believes construction will begin in the first half of 2024.

2023 IRP. On September 29, 2023, Idaho Power filed its 2023 IRP with the Commission (Docket No. 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.

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.