



Case No: IPC-E-16-28, Order No. 33872 Final Order

Contact: Matt Evans

(208) 334-0339 or (208) 520-4763

www.puc.idaho.gov

PUC approves IPC CPCN for redundant transmission line in Wood River Valley

BOISE (Sept. 15, 2017) – State regulators have approved Idaho Power’s application for a Certificate of Public Convenience and Necessity to construct a new transmission line to serve the Wood River Valley.

In granting the request, the Idaho Public Utilities Commission said Idaho Power demonstrated that a redundant line is necessary to mitigate the risk to public health and safety of the valley’s 9,000 residents.

The Wood River Valley is currently served by two substations fed by a single transmission line that links substations near Hailey and Ketchum.

The existing line was built in 1962 on wooden poles in mountainous terrain that can be difficult to access. It needs to be rebuilt, Idaho Power said, and a redundant line would allow the line to be rebuilt without planned power outages.

In its CPCN application, Idaho Power said structure failure along the line could lead to an extended power outage of days or weeks. A redundant line would eliminate that risk, the company said.

In weighing the evidence, the Commission was persuaded that a major outage could last days or weeks due to access limitations along the current line that would hamper repair efforts.

“We believe this possibility poses an unacceptable risk to public health and safety,” the Commission said.

The need for a redundant transmission line in the valley was identified in the mid-1970s. A previous CPCN issued by the Commission was canceled in 1995 at the company’s request. The Commission based its ruling on a showing that the line was no longer needed.

Opposition to Idaho Power’s plan focused on a number of issues, including the aesthetic impact of the new infrastructure, while questioning whether the new line would significantly improve the reliability of service.

Critics also contended that Idaho Power should explore adding distributed local generation resources, such as solar arrays or energy storage systems, to meet a portion of the load in the valley in the event of an outage, rather than building a redundant transmission line.

In its order, the Commission said it appreciated the “very well informed and thoughtful” comments and testimony provided by local residents, organizations and governmental entities.

However, the Commission said, distributed local generation resources and energy storage systems are not an effective stand-alone alternative unless they can provide adequate and reliable service to the entire valley.

Options such as distributed generation should continue to be explored as the technology evolves and costs decrease, the Commission said, adding that it encouraged interested parties to continue their collaboration on the issues surrounding the case.

“There may still be opportunities to find areas of common interest and common ground,” the Commission said.

Granting the CPCN is not a mandate to build the new line. In fact, the Commission’s 18-page order notes that while Idaho Code requires a public utility to obtain a CPCN before constructing certain facilities or infrastructure, a CPCN is not required to extend lines, plant or system in an area already served by a utility.

The order also does not constitute approval of the cost of the project for ratemaking purposes. Idaho Power is required to apply to the Commission in order to recover expenses associated with the project from its customers.

The project is expected to cost \$30 million, with the company’s proposed route calling for a transition from overhead lines to underground lines for a portion of the route leading into Ketchum.

Underground configurations are typically more expensive than overhead configurations, but the Commission found that Idaho Power demonstrated that an overhead configuration through downtown Ketchum was not feasible.

Additionally, the Commission found, the company’s proposed route, on separate towers and at a distance from the current line, would reduce the risk of an avalanche or weather event damaging both lines.

“In the event both lines are impacted by an outage, a redundant line provides resiliency that would enable Idaho Power to restore power faster,” the Commission said, adding that a redundant line is “justified” by the company’s planning standard and supported by national reliability standards.

Ultimately, the Commission said, its responsibility in the case was to determine what facilities are required to ensure Idaho Power is able to meet its obligation to provide service that promotes the “health, safety and convenience” of the public and that is “adequate, efficient, just and reasonable.”

“Having reviewed the record, we find that the Company has demonstrated the need for a redundant line from the Wood River substation to the Ketchum substation,” the Commission said.

Intervening parties in the case included the company, commission staff, the city of Ketchum, CoxCom, Rock Rolling Properties, Sierra Club and two property owners.

Interested parties may petition the Commission for reconsideration of the order by no later than Oct. 6.

Reconsideration petitions must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted. Petitions can be delivered to the Commission at 472 W. Washington St. in Boise, mailed to PO Box 83720, Boise, ID, 83720-0074, or faxed to (208) 334-3762.

The Commission's order and other documents related to the case can be found at www.puc.idaho.gov. Under the "Electric" heading, click on "Open Electric Cases," and scroll down to Case No. IPC-E-16-28.