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*IDAHO PUBLIC  
UTILITIES COMMISSION*

**NEW CASE**

January 9, 2023

Case No. IPC-E-23-01

Jan Noriyuki, Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Boulevard  
Building 8, Suite 201-A  
Boise, Idaho 83714

Re: Case No. IPC-E-23-01  
Idaho Power Company's Application for a Certificate of Public Convenience  
and Necessity for the Boardman to the Hemingway 500-kV Transmission Line

Dear Ms. Noriyuki:

Attached for electronic filing please find Idaho Power Company's Application in the above matter.

In addition, please find attached the Direct Testimony of Jared Ellsworth and the Direct Testimony of Lindsay Barretto, filed in support of the Application. Word versions of the testimonies will also be sent in a separate email for the convenience of the Reporter.

The confidential documents will be sent in a separate encrypted email to parties who sign the protective agreement.

Please feel free to contact me directly with any questions you might have about this filing.

Very truly yours,



Donovan E. Walker

DEW:sg  
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	
COMPANY'S APPLICATION FOR A	)	CASE NO. IPC-E-23-01
CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY FOR	)	APPLICATION FOR A
THE BOARDMAN TO HEMINGWAY 500-KV	)	CERTIFICATE OF PUBLIC
TRANSMISSION LINE.	)	CONVENIENCE AND
	)	NECESSITY
	)	

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Idaho Power Company ("Idaho Power" or "Company"), in accordance with *Idaho Code* §§ 61-501, 61-502, 61-503, 61-508, 61-526; as well as RP 52, and 112, hereby respectfully makes application to the Idaho Public Utilities Commission ("Commission" or "IPUC") for an order granting the Company a Certificate of Public Convenience and Necessity ("CPCN" or "Certificate") to construct a 300-mile long, overhead, 500-kV high voltage transmission line between the proposed Longhorn Station near Boardman, Oregon to the existing Hemingway Substation in southwest Idaho ("B2H project"), necessary to meet the identified capacity deficiency in 2026. The Company must begin construction of the B2H project in the summer of 2023 in order to meet its obligation to

reliably serve customer load and to continue to provide adequate electric service to Idaho Power's customers in 2026, and into the future, and therefore respectfully requests the Commission consider a case schedule that could allow for an Order to be issued by June 30, 2023.

Accompanying this Application are two sets of testimony. The Direct Testimony of Jared L. Ellsworth presents the need and justification for the B2H project including (1) the execution by project participants Idaho Power, PacifiCorp, and Bonneville Power Administration ("BPA"), of a non-binding term sheet ("Term Sheet") that addresses B2H ownership, transmission service considerations, and asset exchanges, and the agreements necessary to facilitate the Term Sheet, (2) the identification of what would become the B2H project as a cost-effective resource in the 2006 Integrated Resource Plan ("IRP") and as a cost-effective resource through successive IRPs, (3) the results of the 2021 IRP preferred portfolio that indicate a portfolio with B2H minimizes both cost and risk, and (4) the additional benefits the B2H project will provide. The Direct Testimony of Lindsay Barretto provides a description of the B2H project design and the standards and guidelines for which it is constructed. In addition, Ms. Barretto describes the siting and permitting process that has spanned nearly two decades, including the federal, state, and local permits necessary for construction and operation of the B2H project in Oregon. Finally, Ms. Barretto discusses the costs associated with the B2H project.

## **I. CORPORATE STATUS**

Idaho Power is a corporation incorporated under the laws of the state of Idaho. Idaho Power is engaged in the business of generating, purchasing, transmitting, and distributing electric energy and providing retail electric service in the states of Idaho and Oregon. Idaho Power's principal offices are situated in Boise, Idaho, and its address is 1221 West Idaho Street, Boise, Idaho 83702. Copies of Idaho Power's Articles of

Incorporation and Certificates of Convenience and Necessity are on file with the Commission. *Idaho Code* § 61-528.

## **II. INTRODUCTION**

Idaho Power serves more than 600,000 customers in a 24,000-square mile service area across southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of the Company's energy mix, Idaho Power's residential, business and agricultural customers pay some of the nation's lowest prices for electricity.

Since 1996, firm peak-hour load has increased from 2,437 megawatts ("MW") to 3,751 MW in 2021 – a new system peak hour record reached on June 30, 2021. In addition, on December 22, 2022, Idaho Power set a winter system peak hour record of 2,604 MW. The Company anticipates adding approximately 13,300 customers each year throughout the next 20 years, including significant commercial and industrial growth. The anticipated load forecast for the entire system predicts summer peak-load requirements will grow nearly 55 MW per year, and the average energy requirement is forecast to grow about 30 average megawatts ("aMW") per year<sup>1</sup>. Further, preliminary 2023 IRP load forecast results show a notable increase above 55 MW per year. To meet this growing demand, Idaho Power's 20-year resource plan<sup>2</sup> includes the addition of 3,790 MW of new non-carbon emitting resources consisting of wind, solar, and storage technologies; the addition of the B2H transmission line; and a variety of demand-side management resource additions.

Once operational, the B2H project will provide the Company increased year-round access to reliable, clean, and low-cost market energy purchases from the Pacific Northwest, including during those times when energy demand from Idaho Power's

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<sup>1</sup> See Idaho Power Company's 2021 IRP, December 2021.

<sup>2</sup> See Case No. IPC-E-21-43.

customers is at its highest. The B2H project has been a cost-effective resource identified in each of Idaho Power's IRPs since 2009 and continues to be a cornerstone of the Company's 2021 IRP preferred portfolio. As can be seen in the 2021 IRP, the lowest-cost resource portfolio includes B2H, and the best non-B2H portfolio has a significant cost premium. As a resource alone, B2H is the lowest-cost alternative to serve Idaho Power's customers in Idaho and Oregon.

### **III. CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

Idaho Power has an obligation to provide adequate, efficient, just, and reasonable service on a nondiscriminatory basis to all those that request it within its certificated service territory. *Idaho Code* §§ 61-302, 61-315, 61-507. The Commission must assure that the rates Idaho Power charges its customers and that the rules and regulations by which it provides service are just, reasonable, nondiscriminatory, and non-preferential. *Idaho Code* §§ 61-501, 61-502, 61-503, 61-507, 61-508. The Company must acquire additional resources to meet the identified capacity deficits on its system in order to comply with its continuing obligation to serve customers and thus is requesting an order from the Commission affirming that the public convenience and necessity requires the same. The B2H project represents a cost-effective means of providing adequate and reliable service to the customers in Idaho Power's certificated service territory. To meet the identified 2026 capacity deficits, the Company must begin construction of the B2H project in summer 2023.

The Commission has the express authority to order a utility to build new structures, or to upgrade and/or improve existing plant and structures, in order to secure adequate service or facilities.

Whenever the commission, after a hearing had upon its own motion or upon complaint, shall find that additions, extensions, repairs or improvements to or changes in the existing plant, scales, equipment, apparatus, facilities or other physical property of any public utility . . . ought reasonably to be made, or that a new structure or structures should be erected, to promote the security or convenience of its employees or the public, or in any other way to secure adequate service or facilities, the commission shall make and serve an order directing such additions, extensions, repairs, improvements, or changes be made or such structure or structures be erected in the manner and within the time specified in said order.

*Idaho Code* § 61-508.

A CPCN or Certificate represents the exercise by the Commission of its foundational authority and principles that are necessary in Idaho's system of permitting regulated, vertically integrated, public utilities to exist and to provide necessary services to the public. Certificates have been utilized in various ways from the time that Idaho's statutory system of public utility regulation was enacted by the Legislature in 1913, *Idaho Code* § 61-101, *et seq.*, to the present time. After nearly 100 years of legislative enactments, Commission orders, and Idaho Supreme Court reviews, the Certificate remains the embodiment of the Commission's fundamental power and authority to, at the most basic level, authorize and direct a public utility to serve in the public interest. See *Idaho Power & Light Co. v. Blomquist et al.*, 26 Idaho 222, 141 P.1083 (1914); *Idaho Op. Atty. Gen. No. 87-2*, 1987 WL 247587 (Idaho A.G.).

In the broadest sense, a Certificate allows a company that meets the definition of a "public utility" pursuant to *Idaho Code* § 61-129 to exclusively provide its service to the public in a specified geographic region, its service territory. It is a codified part of the "regulatory compact" whereby the utility takes on the exclusive obligation/right to serve all those requesting service within its service territory and, correspondingly, submits itself to the rate and service quality regulation of the Commission. In a more literal sense, a

Certificate from the Commission is required for the construction or extension of a line, plant, or system by any street railroad, gas, electrical, telephone, or water corporation. *Idaho Code* § 61-526. Section 61-526 also provides that “if public convenience and necessity does not require or will require such construction or extension [of a line, plant, or system] the commission . . . may, after hearing, make such order and prescribe such terms and conditions for the locating or type of line, plant or system affected as to it may seem just and reasonable . . . .” A CPCN is required for the utility to construct a new generation resource or plant but is not required to increase the capacity of existing generating facilities. *Id.*

#### **IV. RESOURCE NEED**

Transmission adequacy analyses began being performed as part of the 2000 IRP planning process and beginning with the 2006 IRP, Idaho Power commenced analyzing transmission system constraints for a 20-year planning period. It was at this time that significant transmission deficiencies began to exist, growing to as much as 1,800 MW in 2025. As a result, the preferred portfolio selected through the 2006 IRP process, and accepted by the Commission with Order No. 30281, included two significant supply-side resource additions, one of which was 225 MW of additional transmission capacity to occur in 2012 via a connection to the Pacific Northwest power markets, a project at the time envisioned as a 230-kilovolt transmission line between the McNary substation and Boise.

Following inclusion of the 230-kV transmission line between the McNary substation and Boise in the preferred portfolio of the 2006 IRP, Idaho Power determined there was insufficient room at the existing McNary substation for major transmission expansion options. In addition, as part of the regional transmission planning public review process conducted by the Northern Tier Transmission Group (“NTTG”), it was determined a 230-kV project would be unable to meet the Company’s overall resource planning

requirements and would underutilize a substantial transmission corridor. A project operating at a voltage of 500-kV was selected to match the existing Pacific Northwest transmission grid. The resulting project identified to meet this need, the B2H project, would increase capacity between the Pacific Northwest and Idaho Power's service area, adding 1,050 MW of capacity to the Idaho to Northwest path in the west-to-east direction, and 1,000 MW of capacity from east-to-west.<sup>3</sup>

The B2H project was identified as part of the preferred resource portfolio in Idaho Power's 2009, 2011, 2013, 2015, 2017, 2019 and most recently in the 2021 IRP. In addition, the B2H project has been identified as a regionally significant project, producing a more efficient or cost-effective plan in NTTG's 2007, 2009, 2011, 2013, 2015, 2017, and 2019 biennial regional transmission plans, and in the NorthernGrid, NTTG's successor regional planning organization, 2021 biennial regional transmission plan. The B2H project has proven to be a regionally significant project through the regional transmission planning process as well as a cost-effective resource through successive IRPs.

As described in more detail in the Direct Testimony of Company witness Mr. Ellsworth, as part of the 2021 IRP, Idaho Power uses AURORA's long-term capacity expansion modeling capability to develop portfolios, optimizing resource additions and exits of generating units to develop resource portfolios under various future conditions, such as sensitivities for natural gas prices, carbon costs, load growth and electrification, transmission and clean energy constraints and timelines. The resulting portfolios consist of a combination of resources that enable Idaho Power to supply cost-effective electricity to customers over the 20-year planning period. Once the portfolios are created, Idaho

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<sup>3</sup> Beyond the 1,000 MW of east-to-west capacity gained with B2H, the addition of the Gateway West project will further increase the east-to-west capacity between the Pacific Northwest and Idaho Power's service area by approximately 800 - 1,000 MW by mitigating transmission limitations east of Hemingway.



Power performs the portfolio cost analysis using the AURORA electric market model, determining operating costs for the 20-year planning horizon for each of the resulting resource portfolios. The resulting preferred portfolio, that includes B2H, best minimizes both cost and risk.

Under Idaho law, Idaho Power has an obligation to provide adequate, efficient, just, and reasonable service on a nondiscriminatory basis to all those that request it within its service area. Idaho Power has experienced and expects sustained load growth, thereby requiring the addition of new resources. The B2H project as a resource has repeatedly demonstrated to be the most cost-effective method of serving projected customer demand, and as a transmission line the B2H project also offers incremental ancillary benefits, additional operational flexibility, and access to abundant clean energy in the Pacific Northwest. In 2012, the White House identified B2H as one of seven lines that were critical to enhancing the nation's energy portfolio and fostering the growth of renewable energy resources.<sup>4</sup> Later, in 2021, Americans for a Clean Energy Grid identified B2H as one of the 22 shovel ready infrastructure projects needed to unlock and interconnect 60,000 MW of new renewable capacity.<sup>5</sup> The B2H project is necessary to integrate and balance variable energy resources, like wind and solar, by facilitating the transfer of geographically diverse renewable resources across the western grid.

Idaho Power requests, pursuant to *Idaho Code* §§ 61-508 and 61-526, that the Commission find it to be in the public convenience and necessity that the Company begin construction of the B2H project in the summer of 2023 in order to meet its obligation to

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<sup>4</sup> DEP'T OF ENERGY, *Obama Administration Announces Job-Creating Grid Modernization Pilot Projects* (Oct. 5, 2011) (available at <https://www.doi.gov/pressreleases/Obama-Administration-Announces-Job-Creating-Grid-Modernization-Pilot-Projects>) (last visited Dec. 30, 2022).

<sup>5</sup> <https://cleanenergygrid.org/portfolio/transmission-projects-ready-to-go/>.

reliably serve customer load and to continue to provide adequate electric service to Idaho Power's customers in 2026 and into the future.

## **V. THE B2H PROJECT**

Idaho Power proposes to meet the 2026 capacity deficiency with B2H, a 500-kV transmission line between Boardman, Oregon and the Hemingway substation in southwestern Idaho. It consists of approximately 298 miles of electric transmission line, with 274 miles located in Oregon and 24 miles in Idaho. The B2H project will require 298 miles of single-circuit 500-kV transmission line, removal of 12 miles of existing 69-kV transmission line, rebuilding of 0.9 mile of a 230-kV transmission line, and rebuilding of 1.1 miles of an existing 138-kV transmission line into a new right-of-way. The B2H project is designed to withstand a wide range of physical conditions and extreme events. Because transmission lines are so vital to the electrical grid, design standards are stringent. B2H will adhere to, and in most cases, exceed, the required codes or standards observed for high voltage transmission line design. This approach to the design, construction, and operation of the B2H project will establish utmost reliability for the life of the transmission line.

In 2007, Idaho Power filed a Preliminary Draft Application for Transportation and Utility Systems and Facilities on Federal Lands and began scoping routes. The following year, in 2008, the Company submitted application materials to the Bureau of Land Management ("BLM") as the lead agency for the federal National Environmental Policy Act ("NEPA") review and a Notice of Intent to the Oregon Energy Facility Siting Council ("EFSC" or "Council"). The NEPA and EFSC processes are separate and distinct permitting processes and not necessarily designed to work simultaneously. At a high level, the NEPA process requires federal agencies to take a "hard look" at the environmental consequences of their actions along with reasonable alternatives, but

NEPA does not mandate a particular result. On the other hand, the Oregon EFSC process is a standards-based process based on a fixed site boundary. For a linear facility, like a transmission line, the process requires the transmission line boundary to be established (one or more routes selected) and fully evaluated to determine if the project meets established standards.

In 2009, Idaho Power paused the NEPA and EFSC activities to work with community members throughout the siting area to identify a proposed route that would be acceptable to both the Company and the public. Through the year-long community advisory process (“CAP”), Idaho Power hosted 27 Project Advisory Team meetings, 15 public meetings, and 7 special topic meetings. In all, nearly 1,000 people were involved in the CAP, either through Project Advisory Team activities or public meetings. Forty-nine routes and/or route segments were considered through the CAP and ultimately the route recommendation from the CAP was the final route recommendation Idaho Power brought into the NEPA process, submitted in 2010.

Public involvement and outreach continued for years. Idaho Power worked with landowners, stakeholders, and jurisdictional leaders on route refinements and to balance environmental impacts with impacts to farmers and ranchers. In 2012, concurrent with the BLM NEPA process, the Oregon Department of Energy (“ODOE”) conducted informal meetings, solicited comments, and issued a Project Order outlining the issues and regulations Idaho Power must address in its Application for Site Certificate (“ASC”). On November 22, 2016, the BLM completed its NEPA process, issuing its Final Environmental Impact Statement. Field surveys necessary for the EFSC application continued to be conducted and in 2017, the Company submitted an Amended Preliminary ASC to ODOE. On November 17, 2017, the BLM released its record of decision for the B2H project, authorizing the BLM to grant a right-of-way to Idaho Power for the

construction, operation, and maintenance of the B2H project on BLM-administered land. The right-of-way was granted on January 9, 2018. In September 2018, Idaho Power submitted its Complete ASC to EFSC, incorporating final route refinements.

In July 2020, ODOE issued its Proposed Order, proposing approval of the B2H project subject to certain conditions. However, certain members of the public objected to aspects of the proposed order, and EFSC initiated a contested case hearing process to consider the issues that those members of the public raised. The contested case spanned nearly two years and included exchange of discovery, live depositions, submission of written testimony, live cross-examination hearings, and extensive briefing. The Council held a three-day hearing to consider the parties' exceptions to the Proposed Contested Case Order and provided direction to ODOE regarding modifications to the Proposed Order and the Proposed Contested Case Order. ODOE implemented the Council's direction and issued the draft Final Order on September 16, 2022, and on September 27, 2022, EFSC made its final decision in a unanimous (6-0) vote to approve the B2H project subject to certain conditions. A Final Order and Site Certificate were issued on October 6, 2022, by EFSC.

## **VI. THE B2H PROJECT PARTICIPANTS**

Idaho Power, PacifiCorp, and BPA are parties to the Joint Permit Funding Agreement, initially executed January 12, 2012, and amended several times ("Permit Funding Agreement"), to jointly support the regulatory processes associated with obtaining necessary permits and other work to develop the B2H project ("Parties"). Collectively, the Parties represent a very large electric service footprint in the western United States and have all recognized the regional significance of the B2H project. The Permit Funding Agreement is intended to align the Parties' cost responsibility for funding with their assigned B2H capacity allocations. Those allocations include a seasonal

capacity arrangement between Idaho Power and BPA – which is a benefit for Idaho Power’s customers. The synergies between BPA’s capacity needs (winter focused) and Idaho Power’s capacity needs (summer focused) will lead to high utilization of the B2H project’s increased capacity. Under the original Permit Funding Agreement, Idaho Power has a 21.21 percent ownership share of the B2H project, BPA has a 24.24 percent ownership share, and PacifiCorp a 54.55 percent ownership share.

As the B2H project entered into the permitting and pre-construction phase, and after significant discussions, study efforts, and negotiations, on January 18, 2022, the Parties executed the Term Sheet that addresses B2H ownership, transmission service considerations, and asset exchanges. A decade has passed since the Parties signed the Permit Funding Agreement and the Parties’ capacity needs, strategies, and goals associated with the B2H project have evolved. As a result, the Parties negotiated the Term Sheet as the framework for future agreements required between and among the Parties as the B2H project moved towards pre-construction.

As envisioned under the Term Sheet, BPA will transition out of its role as a joint permit funding coparticipant and will instead rely on the B2H project by taking transmission service from Idaho Power to serve its customers. To accommodate this change, Idaho Power will increase its B2H project ownership share from 21.21 percent to 45.45 percent by acquiring BPA’s B2H project capacity. The Parties reached a major project milestone in January 2023, concluding negotiations on final agreements that memorialize and effectuate the change in ownership. As part of its standard administrative decision-making process, on January 9, 2023, BPA provided their customers and stakeholders information about the agreements and notified them of a BPA-hosted workshop on January 23, 2023, to answer questions about the agreements. The notice also explained customers and stakeholders have the opportunity to comment

through February 10, 2023, prior to BPA proceeding with execution of the binding contracts for the B2H project. BPA's public process is expected to conclude in March 2023 with the issuance of a letter to the region describing its reasoning behind its decision and responding to comments.

As described in more detail in the Direct Testimony of Mr. Ellsworth, the five agreements specific to the Company and necessary to reflect adjustments to the funding and ownership percentages envisioned in the Term Sheet are nearly finalized and will be ready for execution following BPA's public process. Also, under the Term Sheet and in addition to the transactions directly related to construction and operation of the B2H project, Idaho Power and PacifiCorp agreed to the exchange of undivided ownership interests in certain transmission assets to provide transmission capacity that better aligns with the current configuration of the parties' respective future needs following the addition of B2H. The asset exchanges and their related capacity will enable the Company to utilize 200 MW of bidirectional transmission capacity between Idaho Power's system and the Four Corners substation, a desert Southwest market hub, which will further diversify the Company's ability to reach diverse energy markets. The agreement to facilitate these assets exchanges, the Joint Purchase and Sale Agreement, is nearly finalized and will be ready for execution as well.

## **VII. B2H PROJECT COSTS**

The cost estimate included in the 2021 IRP preferred portfolio included B2H project costs assuming Idaho Power's ownership share under the Term Sheet, or 45.45 percent. Prepared between 2020 and 2021, the cost estimate was based on a 10 percent detailed design/indicative design, the best available information at the time. The difference between the preferred portfolio and the best alternative portfolio that did not include B2H was approximately \$266 million on a net present value ("NPV"), or \$266 million more

costly than the preferred portfolio. As described in more detail in the Direct Testimony of Ms. Barretto, since modeling of the 2021 IRP, the Company has received both a 30 percent detailed design package and, in December 2022, a 60 percent detailed design package. Under the 60 percent design package, the transmission line structure locations are generally confirmed, structure types and class are finalized, and access roads are near finalized. It also includes more site-specific constraints to meet height limitations, as well as right-of-way considerations.

Updating the cost estimate to incorporate the 60 percent detailed design package as well as increased material and labor costs due to inflation and supply chain issues results in Idaho Power's ownership share of B2H project costs totaling \$ [REDACTED]. While the total B2H project cost increases from \$485 million (zero percent contingency) to \$ [REDACTED] (20 percent contingency) since modeling of the 2021 IRP, the NPV impact to the preferred portfolio is an increase from \$159.6 million to [REDACTED], a \$ [REDACTED] impact. By inspection, a [REDACTED] increase does not result in a change to the Preferred Portfolio, as the best non-B2H portfolio is \$266 million more costly. In addition, if the Company were to update costs of all capital projects based on current conditions, the B2H project is not the only variable that would change. B2H replacement resources have also seen price increases due to inflationary and supply chain pressures since the 2021 IRP was published, therefore, the least-cost non-B2H portfolio would experience cost increases as well. Also, IRPs are based on comparing portfolios, and the best alternative portfolio that did not include B2H included the Gateway West project, another 500-kV transmission project. An increase in B2H costs would likely mean that there would be a comparable increase to Gateway West costs. The B2H project remains the least-cost, least-risk option using the December 2022 updated cost estimate.

### **VIII. RATEMAKING TREATMENT**

Idaho Power is not requesting binding ratemaking treatment in this case as it did for the Langley Gulch Power Plant CPCN, Case No. IPC-E-09-03. Idaho Power has not yet selected contractors for the construction phase but anticipates issuing Requests for Proposals for materials and contractors during the first quarter of 2023. In addition, the Company anticipates selecting a construction manager in the second quarter of 2023. As a result, a number of contractual terms have not been executed and the B2H project cost estimate is based on Idaho Power's most recent forecast of project costs. Therefore, the Company's request in this case is that the Commission find Idaho Power has met the requirements of Idaho Code § 61-526 and issue an order granting a CPCN to construct the B2H project necessary to meet the identified capacity deficiency in 2026. The Company will make a future filing to address the cost recovery associated with these projects. Assuming total B2H project costs of [REDACTED], the estimated annual levelized revenue requirement would be approximately [REDACTED] on an Idaho jurisdictional basis.

### **IX. FINANCING THE B2H PROJECT**

Idaho Power maintains investment grade credit ratings with Standard & Poor's Ratings Services and Moody's Investors Service, with a long-term issuer rating of BBB and Baa1, respectively. The Company maintains ready access to the capital markets and to instruments providing for its liquidity. Idaho Power has a \$300 million revolving credit facility with its banking syndicate, which may be increased to \$450 million under specified conditions, \$253,125,000 of which terminates on December 6, 2026, and \$46,875,000 of which terminates on December 6, 2025. The Company has an option to request up to two one-year extensions of the agreement, subject to certain conditions. Idaho Power also



has authority from state regulatory commissions to issue up to \$1.2 billion in aggregate principal amount of debt securities. The Company also has access to commercial paper markets, as well as a balance of cash and investments on its balance sheet. Additionally, Idaho Power has access to capital and credit outside of existing mechanisms and instruments, such as through term loans, letter of credit, and other instruments, an example of which is included as Attachment 1 from Wells Fargo Bank, a member of the Company's banking syndicate (comprised of six prominent financial institutions). IDACORP, the parent entity of Idaho Power, also maintains access to the public equity markets. The Company intends to finance the construction of the transmission line with a combination of available cash and operating cash flow, available facilities and borrowing and debt issuances, and potential future equity issuances.

#### **X. COMMUNICATIONS AND SERVICE OF PLEADINGS**

Communications and service of pleadings with reference to this Application should be sent to the following:

Donovan E. Walker  
Lead Counsel  
Idaho Power Company  
1221 West Idaho Street (83702)  
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Tim Tatum  
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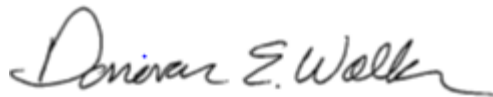
#### **XI. REQUEST FOR RELIEF**

Idaho Power respectfully requests that the Commission issue an order granting the Company a Certificate of Public Convenience and Necessity to construct the B2H project which is necessary to meet the identified capacity deficiency in 2026. The Company must begin construction of the B2H project in the summer of 2023 in order to meet its obligation to reliably serve customer load and to continue to provide adequate

electric service to Idaho Power's customers in 2026, and into the future, and therefore respectfully requests the Commission consider a case schedule that would allow for an Order to be issued by June 30, 2023.

Idaho Power requests that the Commission issue Notice of this Application, set an intervention deadline, and convene a prehearing conference in this matter at its earliest convenience to establish a proper procedure to expedite the orderly conduct and disposition of this proceeding. RP 211.

DATED at Boise, Idaho this 9<sup>th</sup> day of January 2023.

A handwritten signature in black ink that reads "Donovan E. Walker". The signature is written in a cursive style with a large initial 'D'.

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DONOVAN E. WALKER  
Attorney for Idaho Power Company

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-23-01**

**IDAHO POWER COMPANY**

**ATTACHMENT NO. 1**



Corporate Banking Group  
Energy Power & Utilities  
90 S. 7th Street  
Minneapolis, MN 55402

wellsfargo.com

August 14, 2018

Mr. Steven R. Keen  
Idaho Power Company  
1221 W. Idaho Street  
Boise, Idaho 83702

Re: Boardman-to-Hemingway Transmission Project – Financial Assurance Requirements Under  
EFSC Process

Mr. Keen:

Wells Fargo Bank, National Association (“Wells Fargo Bank” and together with its affiliates, “Wells Fargo”) has a long standing business relationship with Idaho Power Company (“Idaho Power”). Wells Fargo has acted as a joint book-runner for Idaho Power in the arrangement of senior secured debt and participated as a lender to Idaho Power under various credit agreements, including Idaho Power’s current \$300 million syndicated credit agreement, under which Wells Fargo Bank also acts as the administrative agent on behalf of all the lenders under the credit facility.

Based upon Idaho Power’s current credit ratings, profile, and information we have as of the date hereof, and subject to acceptable pricing, terms, and requisite internal approvals, and assuming no market disruption, Wells Fargo confirms to you that it would be highly interested in arranging (as administrative agent under the existing credit facility or otherwise), and believes it would be successful at arranging, a syndicated letter of credit in an amount up to \$141 million for a period not to exceed three years (the “LC Facility”) for the purpose of ensuring Idaho Power’s obligation that the site of the Boardman-to-Hemingway transmission project be restored to a useful and non-hazardous condition.

This letter is for informational purposes only. This letter does not constitute or give rise to (i) any legal obligation on the Wells Fargo, or any of its affiliates, to arrange, underwrite or provide, or commit to arrange, underwrite or provide, the LC Facility or any other financings; or (ii) any representation or warranties in respect of any of the foregoing. In addition, such obligations or liabilities would arise only under separate written agreements in form and substance satisfactory to Wells Fargo in its sole discretion.

This letter shall be governed by and construed in accordance with New York law.

Should you have any questions or require any clarification, please do not hesitate to contact any of the Wells Fargo Team.

Sincerely,

Wells Fargo Bank, National Association

Michael McQuinn  
Wells Fargo Securities, LLC

Together we'll go far

