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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER
COMPANY'S APPLICATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY FOR THE BOARDMAN TO
HEMINGWAY 500-KV TRANSMISSION LINE

Case No. IPC-E-23-01

**CITY OF BOISE CITY'S
FORMAL COMMENTS**

The city of Boise City ("Boise City") submits these formal comments on the application submitted by Idaho Power Company ("Company") for a certificate of public convenience and necessity ("CPCN") for the Boardman to Hemingway 500-kV transmission line ("B2H"). Boise City, pursuant to Rule 203 of the Commission's Rules of Procedure, IDAPA 31.01.01.203, and pursuant to the Notice of Modified Procedure, Order No. 35731, issued on April 10, 2023, hereby submits its formal written comments and states as follows:

BOISE CITY RECOMMENDS THE COMMISSION ISSUE A CPCN FOR B2H

1. Boise City recommends the Commission grant the Company a CPCN for B2H, acknowledging B2H will allow the Company to meet its summer 2026 capacity deficit and will likely facilitate the future development of least-cost, least-risk portfolios. Boise City further recommends the Commission consider conditioning the CPCN with additional requirements, based on the unique attributes of this regional transmission line, to ensure risks to customers are appropriately mitigated and that the benefits of B2H are proportionally received by customers.
2. Boise City believes the Company has reasonably demonstrated both a need for new resources to meet capacity deficits and, through robust analysis over many integrated resource plan (“IRP”) cycles, that B2H is necessary for the development of least-cost, least-risk energy portfolios to reliably serve customer demand over time. The company’s 2021 IRP, acknowledged by the Commission in Order No. 35303, identified more than \$265 million in cost-savings in the preferred portfolio with B2H compared to the best performing portfolio that does not include B2H as a resource. *See* Idaho Power 2021 Integrated Resource Plan at 81, *available* *at* https://docs.idahopower.com/pdfs/AboutUs/PlanningforFuture/irp/2021/2021%20IRP_WEB.pdf (last visited May 17, 2023). In addition to the results of the 2021 IRP, the Company’s planning processes have consistently identified B2H as a cost-effective resource since 2009. Application at 4. In the context of the continually growing capacity needs faced by the Company, the robust economic modeling, alternative portfolios considered, sensitivity analysis, and diverse scenarios tested in each IRP, the Company has sufficiently justified that B2H is likely a least-cost resource required to meet customer demand.

RECOMMENDED CONDITIONS FOR A CPCN

3. In evaluating the Company's application for a certificate for B2H, Boise City recommends the Commission consider the fundamental differences of a transmission resource compared to a generation resource and whether additional conditions are appropriate to mitigate risk to customers. Constructing B2H does not guarantee access to resources or immediately come with firm market purchase agreements, even though B2H is modeled in the IRP inclusive of market purchases the Company expects it to facilitate. Ellsworth, Di at 81. Additionally, growing the Company's reliance on market purchases will increase customers' exposure to market price volatility. This is significantly different from the Company's recent solar and storage resource procurement and associated applications for CPCNs. Lastly, while ratemaking treatment is not directly at issue here, overall B2H costs are significant and the Company's 45.45% ownership stake could create long-term affordability risks if costs continue to escalate or the project is not delivered on time.
4. Boise City supports the Company's application based on the assumption that B2H will deliver on its promise to be a "Clean-Energy Superhighway." B2H has the potential to facilitate access to clean, low-cost energy resources and further hasten the transition away from high-cost, volatile, fossil resources. To ensure this potential is realized, Boise City recommends transparent, clear, annual reporting of resources delivered to the Company's system via B2H as a condition of the CPCN. This additional reporting would allow customers and stakeholders to ensure B2H is indeed facilitating the "year-round access to reliable, clean, low-cost market energy purchases from the Pacific Northwest" once operational. *See* Application at 3. This reporting could be submitted for Commission review annually as a part of the Power Cost Adjustment ("PCA") filing, assuming costs associated with market purchases or other contracted resources will be passed on to customers through the PCA.

5. Given the significant ownership stake in the project, the Company's lead role in constructing the transmission line, and the yet-to-be-determined ratemaking treatment of B2H, the Commission should consider proactive measures to ensure ratepayers are not ultimately responsible for a project where costs unreasonably outweigh the direct, long-term benefits to the Company's system.

RECOMMENDATIONS SUMMARY

6. Boise City appreciates the significant progress made to date by the Company to ensure resource adequacy and access to clean, affordable, and reliable regional resources. B2H is a key component of regional decarbonization and has the potential to facilitate the buildout of new renewable resources and strengthen the Western grid through resource diversity and reliability. Specific to Idaho Power's system, Boise City believes B2H can deliver cost-effective, reliable, clean electricity and meet the Company's near-term resource needs. Boise City recommends the Commission grant the Company's application for a CPCN for B2H and consider conditions on project costs and reporting requirements as needed to ensure the transmission line produces maximal benefit for Idaho Power's system and customers.

DATED this 23rd day of May 2023.



Ed Jewell
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 23rd day of May 2023, served the foregoing documents on all parties of record as follows:

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