BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO INCREASE RATES FOR ELECTRIC SERVICE TO RECOVER COSTS ASSOCIATED WITH INCREMENTAL CAPITAL INVESTMENTS AND CERTAIN ONGOING OPERATIONS AND MAINTENANCE EXPENSES.	)	CASE NO. IPC-E-24-07

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ERIC HACKETT

Q. Please state your name, business address, and present position with Idaho Power Company ("Idaho Power" or "Company").

A. My name is Eric Hackett. My business address is 1221 West Idaho Street, Boise, Idaho 83702. I am employed by Idaho Power as the Projects and Resource Development Director.

Q. Please describe your educational background.

A. I graduated in 2003 from Boise State University in Boise, Idaho, receiving a Bachelor of Science degree in Civil Engineering. I am a registered professional engineer in the state of Idaho. In 2010, I earned a Master of Business Administration from Boise State University.

Q. Please describe your work experience with Idaho Power.

A. From 2005 to 2007, I was employed as an engineer in Idaho Power's Transmission Engineering group. In 2007, I became a Project Manager leading transmission and distribution line and station infrastructure projects. In 2012, I was promoted to Engineering Leader where I managed the Cost and Controls group supporting project management. In 2015, I changed leadership roles and managed the Stations Engineering and Design group as an Engineering Leader. In 2018, I was promoted to Senior Manager of Projects overseeing Project

Management and Cost and Controls, which later became Manager of Projects and Design in 2021, adding Power Production Design and Project Management. I was promoted to my current role, Projects and Resource Development Director in 2024. In addition, I am currently leading a team of internal employees and consultants in development and evaluation of Idaho Power's Request for Proposals for Peak Capacity and Energy Resources.

Q. What is the purpose of your testimony in this matter?

A. The purpose of my testimony is to discuss the Company's generation-related major projects, expected to be complete in 2024 and included in the Company's request in this case. In my testimony I will discuss the prudent nature of these investments, detailing why they are needed to ensure Idaho Power's generation fleet is robust and well-positioned to provide continued safe, reliable service to customers.

Q. How is your testimony organized?

A. My testimony begins with a background of the Company's generation fleet and the factors that have led to additional generation-related investments required since conclusion of Idaho Power's last general rate case in 2023, Case No. IPC-E-23-11. I will then discuss the large capital projects expected to be complete in 2024, detailing the

Company's investment associated with the addition of utility-scale battery projects and explain why Idaho Power's investment in these facilities reflects the least-cost, least-risk option to ensure sufficient capacity to meet customer demand in 2024 and beyond. My testimony will conclude with a discussion detailing the renovation of one of the Company's aging fish hatcheries necessary for licensing of one of Idaho Power's hydro facilities to ensure it is able to continue to provide safe, clean and reliable energy to customers.

I. BACKGROUND

Q. Please describe Idaho Power's current generation fleet.

A. The backbone of Idaho Power's current generation fleet consists of the Company's 17 hydroelectric projects on the Snake River and its tributaries. Together, these projects comprise the Company's largest generation source at approximately 1,800 megawatts ("MW") of nameplate capacity. Additionally, the Company is the sole owner of three gas-fired generation facilities: the Danskin and Bennett Mountain simple-cycle power plants located near Mountain Home, Idaho, and the Langley Gulch combined-cycle power plant located near New Plymouth, Idaho, which collectively provide approximately 762 MW of combined capacity.

The Company also holds a 33 percent ownership share in the Jim Bridger power plant ("Bridger"), consisting of two coal-fired units and two recently converted natural gas-fired units which were placed in service in May 2024. Idaho Power's share of current operations at Bridger provides approximately 706 MW of combined net dependable capacity. In addition, the Company has access to 134 MW of net dependable capacity at the coal-fired North Valmy power plant, reflecting 50 percent of the nameplate capacity at Unit 2 of that facility. Recently, Idaho Power added the Hemingway Battery Energy Storage System ("BESS") and the Black Mesa BESS to its generation fleet which together provide 120 MW of operating capacity. Lastly, the Company owns and operates an 8 MW diesel facility near Salmon, Idaho.

Q. Does Idaho Power's request in this case include any generation-related additions?

A. Yes. Since 2010, the Company's actual system peak has grown 1.5 percent per year on average, and over the next five years Idaho Power is expecting to experience unprecedented growth with an annual system peak increase of approximately 3.7 percent per year, necessitating the addition in 2024 of a BESS providing 60 MW of operating capacity near Rogerson, Idaho and a BESS providing 36 MW of operating capacity at Hemingway Station, which I will

discuss later in my testimony. In addition to growth, Idaho Power continues to replace or refurbish existing infrastructure to maintain safe, reliable operation of the electrical grid, taking a proactive approach to ensuring a robust and reliable generation fleet. In total, the incremental generation-related investments expected to be placed in service in 2024 total approximately $374.2 million and represent 43 percent of the incremental investments included in the Company's request in this case.

Q. How have the generation-related investments grown since the completion of the last general rate case in 2023, Case No. IPC-E-23-11 ("2023 GRC")?

A. Of the $860 million in infrastructure placed in service over this period, the $374.2 million reflects growth of 20.4 percent in generation-related investments in the Company's system since the Company's 2023 GRC.

Q. Does the Company have a general procurement policy for which it follows to ensure that all investments Idaho Power makes are the procured in a least cost, least risk manner?

A. Yes. The Company has a Procurement Policy and Procurement Standard in place to provide guidance for procurement activities, including competitive bidding practices as well as for the purchase of many minor and ancillary materials and services, and to help ensure that

procurement decisions are made based on the best overall value to Idaho Power and its customers. In addition, many goods are stock items in Idaho Power warehouses and are not bid through a Request for Proposal ("RFP") on a project basis, but rather as wholesale purchases. The Company's efforts ensure *all* projects are completed in a least-cost, least-risk manner, including all generation-related investments as well as the transmission and distribution-related investments Mr. Colburn discusses in his testimony.

II. 2024 BATTERIES

Q. What drove the need for the addition of the utility-scale battery projects for which the Company is seeking a prudence determination in this case?

A. As mentioned earlier in my testimony, Idaho Power has experienced and expects sustained load growth thereby requiring the addition of new dispatchable resources to meet system needs. As a result of this growth, as well as limited third-party transmission capacity and a decline in the peak serving effectiveness of certain supply-side and demand-side resources, Idaho Power rapidly moved to a near-term capacity deficiency identifying a near-term capacity deficit in summer 2024. To meet its obligation to reliably serve customer load and fill the 2024 capacity deficiency, as soon as practicable, the Company commenced a competitive solicitation with the

issuance of an RFP, seeking to acquire energy and capacity to help meet Idaho Power's previously identified capacity needs of 85 MW to be online by June of 2024 and an incremental 115 MW in 2025 ("2022 RFP"). This robust competitive bidding process resulted in the procurement of a 100 MW solar photovoltaic ("PV") plus 60 MW energy storage project, consisting of a 25-year Power Purchase Agreement ("PPA") for a 100 MW solar PV facility that supplies energy to the Company's system combined with an Idaho Power-owned BESS providing 60 MW of operating capacity ("Franklin BESS"). In addition, Idaho Power procured a second BESS providing 36 MW of operating capacity at the Hemingway station ("Hemingway BESS"). The combined projects were necessary to adequately address 2024 capacity deficits.

Q. Did the Company file a request for a Certificate of Public Convenience and Necessity ("CPCN") for the 2024 BESS procurements?

A. Yes. Idaho Power's request for a CPCN associated with the Franklin BESS and the Hemingway BESS for a total of 96 MW of operating capacity was presented in two separate proceedings: (1) Case No. IPC-E-23-05 included the request for a CPCN for the Franklin BESS with 60 MW of operating capacity as well as the Hemingway BESS providing 12 MW of operating capacity, and (2) Case No. IPC-E-23-20

included the request for a CPCN to acquire an additional 24 MW of operating capacity for the Hemingway BESS. Following filing of Case No. IPC-E-23-05 in February 2023, Idaho Power determined that a capacity shortfall still existed in 2024 and therefore in May 2023, the Company filed Case No. IPC-E-23-20 requesting approval to economically and efficiently add 24 MW of battery storage to the planned 12 MW BESS at Hemingway. The Commission issued Certificate Nos. 544[1] and 547[2] granting a CPCN for acquisition of 96 MW of new dispatchable energy storage to meet the identified capacity deficiency in 2024.

Q. Did Order Nos. 35900 and 36011 impose any conditions on costs associated with the procurement of the Company-owned battery storage facilities providing 96 MW of operating capacity?

A. Yes. With respect to the BESS providing 72 MW of operating capacity approved with Order No. 35900 and the BESS providing an additional 24 MW of operating capacity approved with Order No. 36011, the Commission found it was "fair, just, and reasonable to establish a soft cap"[3] of $[redacted] and $[redacted], respectively. This equates to a total soft cap of $[redacted].

[1] Case No. IPC-E-23-05, issued on October 27, 2023.
[2] IPC-E-23-20, issued on January 4, 2024.
[3] Order No. 35900, page 5 and Order No. 36011, page 6.

Q. Why did the Commission impose a soft cap on the 2024 battery storage investments?

A. In both Order No. 35900 and 36011, the Commission adopted Commission Staff's ("Staff") recommendation to implement the soft cap due to concerns about whether least-cost, least-risk resources were selected. In comments regarding the recommendation for the soft cap on the BESS providing 72 MW of operating capacity, Staff expressed concerns about ownership and resource type restrictions.[4] Similarly, in comments regarding the recommendation for the soft cap on the BESS providing 24 MW of operating capacity, Staff indicated they "believed that due to the issues associated with the resource selection process, the bid pool could have been larger and there could have been additional final shortlisted projects with lower costs."[5] Neither soft cap foreclosed future requests by Idaho Power for recovery of costs above the soft cap, but rather indicated the Company would have to provide justification for any costs above the soft cap when requesting rate recovery.

Q. Was procurement of both the Franklin BESS and the Hemingway BESS least-cost, least-risk?

//

[4] Order No. 35900, page 3.
[5] Order No. 36011, page 3.

A. Yes. The Company's competitive solicitation process was initiated as soon as practicable once the 2024 capacity deficiency was identified, with an RFP process that did not restrict bids based on a resource type or ownership structure, allowing bids for *all* commercially viable resource types as well as third-party ownership of those resources.[6] Through the fair and competitive 2022 RFP process, Idaho Power received 17 eligible project submittals, comprising 23 different proposals, from 11 developers as potential for meeting the 2024 capacity deficiency. Through qualitative and quantitative evaluations, the RFP evaluation team narrowed the project submittals to a final short list, and ultimately identified a combination of two projects that resulted in the acquisition of least-cost, least-risk resources: (1) the 100 MW solar PV facility combined with the Idaho Power-owned Franklin BESS providing 60 MW of operating capacity, and (2) the Hemingway BESS providing 36 MW of operating capacity. The bid pool identified those resources that could be constructed in the short timeframe and did not hinder Idaho Power's ability to identify the least-cost, least-risk resources for meeting the 2024 capacity deficiency.

//

[6] As detailed in Sections 3.1 and 3.4 of the 2022 RFP.

Q. How do the Franklin BESS and Hemingway BESS costs compare to the Commission's soft cap?

A. The total Franklin BESS and Hemingway BESS costs included in the Company's request in this case are $194.3 million compared to the Commission-established soft cap for the combined Franklin BESS and Hemingway BESS projects of $[redacted].

Q. Should the Commission find project costs above the soft cap are prudent?

A. Yes. The Franklin BESS and Hemingway BESS projects represent the least-cost, least-risk resources to meet the Company's 2024 capacity deficits, and therefore should be considered prudent investments. However, should the Commission wish to evaluate the costs of those projects in relation to the soft cap, it is important to consider several necessary methodological adjustments to the soft cap to make it a reasonable cost-effectiveness threshold.

First, I will address the soft cap established by the Commission in Order No. 35900, with respect to the BESS with 72 MW of operating capacity for which a CPCN was granted in Case No. IPC-E-23-05. In comments supporting its position, Staff indicated they believed it was reasonable to cap the proposed Franklin BESS and Hemingway BESS costs based on the lowest unit price of the BESS facilities bid into the 2022 RFP. However, the BESS that Staff selected as

the basis for the soft cap computation was not the most cost-effective project identified to meet the 2024 capacity deficit. Rather the most cost-effective project is the project selected, the combined 100 MW solar PV plus 60 MW energy storage facility. Staff's analysis of the final short list projects only captured the unit price associated with the BESS and failed to account for the benefit associated with the low PPA costs.

Q. Please explain how the low PPA costs associated with the combined 100 MW solar PV plus 60 MW energy storage facility result in a more cost-effective project than the standalone energy storage project.

A. As part of the evaluation of the 2022 RFP bids, Idaho Power used Energy Exemplar's AURORA's Long-Term Capacity Expansion ("LTCE") modeling platform to develop portfolios, through the selection of a variety of supply- and demand-side resource options, that are least-cost, least-risk for a variety of alternative future scenarios while meeting reliability criteria. As a resource addition, AURORA continually selected the combined solar PV and battery storage in the LTCE analysis, indicating the low solar PPA price is contributing to the value the project provides as compared to the other final short list projects. In addition to being a lower cost resource, when compared to standalone battery storage systems, the

combined solar PV plus energy storage better meets the Company's capacity needs, resulting in a higher Effective Load Carrying Capability than would exist as a standalone energy storage system.

This was further evidenced in the additional AURORA modeling scenario runs performed, which included a low carbon/low gas scenario, a planning carbon/planning gas scenario, and a high carbon/high gas scenario. In each of these three futures, the same 2024 resources were selected, confirming the 2024 resources selected reflect the least-cost, least-risk option under a wide range of future assumptions. As such, when computing a soft cap, it is more appropriate to holistically consider the value of the 100 MW solar PV plus 60 MW energy storage facility and base the soft cap of the 60 MW BESS on the unit price associated with that project, as it was the least-cost resource selected.

Q. How does the holistic evaluation you described impact Staff's soft cap calculation?

A. Under the holistic evaluation, which uses the unit price of the least-cost resource, the soft cap associated with the Franklin BESS would be approximately $[redacted], as opposed to Staff's $[redacted].

Q. Does the holistic evaluation impact the soft cap established by the Commission for the Hemingway BESS

with 12 MW of operating capacity for which the Company received a CPCN with Order No. 35900?

A. No, because Staff's computation of the soft cap was based on the unit price of the Hemingway BESS bid submitted as part of the 2022 RFP, the 12 MW BESS. Idaho Power believes there was, however, a flaw in Staff's methodology utilized to calculate the unit price for which the [redacted] soft cap was founded and ultimately established by the Commission. Because this was the same methodology for which Staff's soft cap calculation of $[redacted] for the BESS providing 24 MW of operating capacity was based, and established by the Commission with Order No. 36011, I will discuss the Company's methodology as it relates to the combined Hemingway BESS providing a total of 36 MW of operating capacity, as a whole.

Q. What is Idaho Power's underlying concern with Staff's methodology for calculating the soft cap for the Hemingway BESS?

A. The Company's concerns with Staff's methodology for calculating the soft cap associated with the Hemingway BESS relate to the exclusion of beginning of life costs associated with the energy storage facility. Battery cells within a BESS degrade over time. For example, for illustrative purposes, a 100 MW BESS installation will supply 100 MWs to the system on day one; however, assuming

a 7 percent degradation rate, that same 100 MW BESS will only supply 93 MW to the system after one year. The degradation rate varies and is a function of time and throughput, or megawatt-hours. To mitigate the degradation, additional battery segments are added. The Company believes that when computing the unit price of the Hemingway BESS, the project costs of the Hemingway BESS should include the costs associated with day one batteries that mitigate immediate degradation. By including additional battery segments at the beginning of life, Idaho Power can ensure reliable operation at full nameplate capacity (36 MW) for a minimum of 4 hours through the first five years of operation before necessitating a decision to augment the BESS if the then current capacity is below the nameplate capacity after year five. If the BESS system is not cycled daily, the longevity and assurance of performing above the nameplate capacity beyond five years is likely and thus deferral of future augmentation investments can occur.

Q. Does Idaho Power believe the overbuild of the BESS is necessary for day one operations?

A. Yes. The overbuild is necessary as it provides for the most efficient plant balancing and cell utilization, extending the guaranteed performance of the entire system and ensuring the Company has the capacity necessary to meet customer demand. Absent overbuild,

immediately upon the BESS being placed in service, Idaho Power would instantly be placed in a resource deficit relative to the required capacity resources of 36 MW, necessitating additional procurement activities. It is also consistent with the industry and how many other utilities procure batteries.

Q. Why did Staff exclude the overbuild costs as a component of their Hemingway BESS unit cost calculation?

A. Staff concerns about the overbuild amounts were twofold: uncertainties related to the cost-effectiveness of the projects absent the overbuild costs[7] and when the batteries associated with the overbuild became used and useful.[8] First, Idaho Power's basis for comparison of BESS proposals was consistent among all projects during evaluation through the RFP process. Because some projects included overbuild in their proposals and some did not, to ensure a consistent basis for comparison, the Company adjusted all proposal prices to exclude overbuild costs for bid evaluation purposes. Because adding battery cells is linear from a cost perspective, the least cost project at a 0 overbuild is going to be the least cost project with a 5 year overbuild due to the linear nature of adding battery cells. Therefore, the overbuild was appropriately captured

[7] Case No. IPC-E-23-05, Staff Comments, pg. 5.
[8] Case No. IPC-E-23-20, Staff Comments, pg. 12.

when comparing bids submitted as part of the 2022 RFP; the selection of the Hemingway BESS was a least-cost resource.

Q. What concerns did Staff express regarding when the BESS became used and useful?

A. Staff suggested the Company did not provide certainty about when the overbuilt capacity would become used and useful due to Idaho Power's lack of experience owning and operating a BESS, and indicated the manufacturer warranties could be used for the first several years to mitigate excessive degradation. However, manufacturer warranties would only cover the failure of a battery cell, not degradation of the BESS and therefore cannot be relied upon to ensure reliable operation of the BESS at full nameplate capacity.

Further, Staff did not recognize Idaho Power's first-hand, recent experience owning and operating an 80 MW BESS at the Company's Hemingway substation, placed in service in 2023. The 80 MW BESS includes overbuild, to ensure reliable operation at full nameplate capacity, that became used and useful immediately upon being placed in service. The additional battery cells, which are cycled along with the rest of the battery cells, result in more time that the BESS can discharge at its nameplate capacity, allowing for approximately 4.5 hours of discharging as opposed to only 4 hours of discharging that would occur

absent the overbuild. The overbuild associated with the 36 MW Hemingway BESS will likewise be used, useful, and provide benefits to customers as soon as it is placed in service in 2024. As such, Idaho Power believes it is appropriate to include the overbuild costs as a component of the unit price calculation of the 36 MW Hemingway BESS.

Q. How does the Company's inclusion of beginning of life costs impact Staff's soft cap calculation?

A. Under the adjusted soft cap methodology to include the beginning of life costs in the unit price calculation, the soft cap associated with the Hemingway BESS would be approximately $[redacted], as opposed to Staff's $[redacted] ($[redacted] associated with the 12 MW BESS from Case No. IPC-E-23-05 and [redacted] associated with the 24 MW BESS from Case No. IPC-E-23-20).

Q. In total, how do the Company's combined Franklin BESS and Hemingway BESS soft cap calculations compare to the soft cap imposed by the Commission?

A. As shown in Table 1 below, the total soft cap for the combined Franklin BESS and Hemingway BESS providing 96 MW of operating capacity would be $[redacted] under Idaho Power's holistic evaluation compared to $[redacted] under Staff's methodology.

//

//

Table 1.

BESS Soft Cap Computation

	Staff's Proposal	Adjusted Methodology
Franklin BESS	[redacted]	[redacted]
Hemingway BESS	[redacted]	[redacted]
Total	[redacted]	[redacted]

Q. What is the total investment in the 96 MW of Company-owned battery storage included in Idaho Power's request in this case?

A. The Company is requesting in this case to include the revenue requirement associated with an investment amount of $194.3 million in rates for the Franklin BESS and Hemingway BESS, which is less than the $[redacted] soft cap under Idaho Power's methodology.

Q. Does the information presented in your testimony support Idaho Power's assertion that the Franklin BESS and Hemingway BESS providing 96 MW of operating capacity in total procured by the Company were the least-cost option to meet the 2024 capacity deficiency?

A. Yes. Idaho Power identified a 2024 capacity deficiency in May 2021 and issued an RFP as soon as practicable in December 2021. This robust competitive process ultimately resulted in the procurement of the Franklin BESS and Hemingway BESS providing 96 MW of operating capacity in total and included in the Company's request in this case. The final cost of these batteries is

lower than the soft cap computations proposed by Staff when adjusted for methodological deficiencies. For these reasons, the batteries providing 96 MW of operating capacity and included in this case represent the least-cost, least-risk option for customers.

III. FISH HATCHERY RENOVATION

Q. Which fish hatchery required renovation?

A. Idaho Power's Oxbow hatchery, located downstream from the Oxbow dam powerhouse at the mouth of Pine Creek, is the holding and spawning facility for adult steelhead migrating up the Snake River above its confluence with the Salmon River. Built in 1961, the Oxbow hatchery was the first hatchery facility constructed by the Company as part of its hatchery mitigation program and is required by the Federal Energy Regulatory Commission ("FERC") as part of Idaho Power's operating license for the Brownlee, Oxbow, and Hells Canyon dams ("Hells Canyon Complex"). Due to the aging infrastructure and need for modernization, and the license requirement that the Company provide the facility, it was essential the hatchery undergo an extensive renovation.

Q. Please describe the Oxbow hatchery and its operations.

A. The Oxbow hatchery is an Idaho Power facility, operated by the Idaho Department of Fish and Game, with

facilities that formerly consisted of: (1) a small metal building containing an office and incubation room, (2) two concrete adult fish holding ponds, (3) two small concrete fish-rearing raceways, (4) river water intake structure, (5) a wood-framed hatchery manager's residence, and (6) a wood-framed bunkhouse.

The Oxbow hatchery traps and spawns enough adult steelhead to provide the Niagara Springs hatchery with approximately one million eggs annually. A majority of the steelhead broodstock are trapped in November. These fish are kept in holding ponds at the hatchery over the winter to await spawning the following spring. Another small portion of broodstock is usually collected each spring if river conditions are conducive to operation of the trap. This ensures that fish are collected and spawned from all portions of the run. Spawning of approximately 600 male and female fish begins in mid-March and concludes by late April, with each female producing around 5,000 eggs. Eggs are then incubated at the hatchery until early May when they are transferred to the Niagara Springs hatchery. In March of the following year, fish have reached smolt size, approximately 8 inches, and are hauled in tankers to the Snake River where they are released below Hells Canyon dam to begin their 570-mile migration to the Pacific Ocean.

//

In addition, hatchery staff operate the trap at the Hells Canyon dam from May through mid-July to collect spring Chinook salmon adults for use as broodstock at the Rapid River hatchery, with the intent of trapping approximately 250 adult salmon to produce 350,000 smolts annually. When spawning begins at the Rapid River hatchery in August, a portion of the eggs collected there are transferred to Oxbow hatchery for initial incubation. These eggs are incubated for about one month and then shipped back to Rapid River hatchery to complete incubation and rearing.

Q. What were the signs the Oxbow hatchery infrastructure was aging and needed renovation?

A. The main hatchery building, which contains the office and an incubation room, had aged to the point where water was leaking through the wall in the incubation room and into the office. In addition, the ventilation system was poor, allowing for chemical smells from the incubation room to infiltrate the office. Furthermore, the river water intake structure was severely degraded and at risk of failure.

Q. You indicated the Oxbow hatchery was required by FERC to operate the Hells Canyon Complex. What agreement dictates Idaho Power's requirement to fund the Oxbow hatchery?

A. While construction of the Oxbow hatchery was first necessitated by the FERC order of December 11, 1963, that amended the Hells Canyon Complex license issued by FERC effective July 31, 1955, a Settlement Agreement entered into on February 14, 1980, between the National Marine Fisheries Service, the Idaho Department of Fish and Game, the Oregon Department of Fish and Wildlife, and the Washington Department of Game ("1980 Settlement Agreement"), dictates the current Oxbow hatchery operations for which the Company is obligated.

Q. The Company has been involved in renewing its long-term federal licenses for operating the Hells Canyon Complex since 2003. Does Idaho Power expect when FERC issues the new license for the Hells Canyon Complex it will include the requirement that the Company maintain the Oxbow hatchery?

A. Yes. In fact, the renovation of the Oxbow hatchery is a known requirement of the forthcoming new license, having been identified as a key feature in the 2003 license application and further indicated as a project feature by FERC in their 2007 Environmental Impact Statement. However, due to the continued delay in the issuance of a new license by FERC, the significant signs of aging and potential safety issues, and the requirements under the existing 1980 Settlement Agreement, renovation

and modernization of the Oxbow hatchery was imminent. As such, in an application filed with FERC on October 8, 2021, Idaho Power proposed to rebuild the Oxbow hatchery while also proposing to include the hatchery as a project feature in the existing license, as it inadvertently had not been recognized as a project feature within the existing license when constructed. FERC approved and included the renovated Oxbow hatchery into the FERC license with its Order Amending License, Approving Exhibit M, and Revising Project Description issued January 26, 2023. In addition to the 1980 Settlement Agreement and the existing and future Hells Canyon Complex licenses requiring the Oxbow hatchery, FERC has approved the rebuild of the Oxbow hatchery.

Q. Please detail the renovation and modernization of the facility.

A. The renovation and modernization of the Oxbow hatchery included the removal of the hatchery building, the adjacent cooling unit, abandoned raceways in the northeast corner of the site, the abandoned raceway west of the existing hatchery building, intake structure, holding ponds, sorting and spawning equipment, and a garage/storage building. The Company will add a larger set of holding ponds with an open-air structure covering them, a masonry sorting and spawning building, a wood-framed hatchery building, a wood-framed shop and storage building, a

surface water intake structure and aeration tower, and a new visitor kiosk with interpretive and educational information. The new intake structure addresses structural and flood elevation issues that were experienced with the existing intake structure. The rebuilt hatchery also incorporated improved stormwater drainage infrastructure and paved throughways and parking areas, with fill brought in so that the hatchery meets floodplain requirements.

Q. Did the Company have to cease hatchery operations while the renovation occurred?

A. No. The existing facility continued to operate during construction and met its primary functions as: (1) a sorting and transfer point for fish captured at the Hells Canyon trap, (2) spawning, incubation and broodstock holding for adult steelhead, and (3) incubation of spring Chinook salmon, and short-term holding for adult spring Chinook. No changes occurred to the number of fish held onsite nor any plans to raise fish onsite occurred.

Q. Has the Oxbow hatchery renovation been completed?

A. No. However, most of the work has been completed, with final work expected to be finished in the fall of 2024. The facilities related to the majority of the costs are expected to be placed in service in September 2024. The Oxbow hatchery renovation is necessary to

maintain operations of the Hells Canyon Complex in accordance with the FERC license and the 1980 Settlement Agreement and is necessary for the continued safe, reliable operation of the facility.

IV. CONCLUSION

Q. Please summarize your testimony.

A. Idaho Power experienced unprecedented growth over the past decade, resulting in the need for the Company to procure its first utility-scale resources in over a decade. Idaho Power's investment in the 2024 batteries reflects the least-cost, least-risk option to meet the Company's resource need, as identified in the 2024 CPCN cases and affirmed by Commission Order Nos. 35900 and 36011. In addition, the 2024 renovation of one of the Company's aging fish hatcheries is necessary for licensing of one of Idaho Power's hydro facilities, ensuring it is able to continue to provide safe, clean and reliable energy to customers.

Q. Does this conclude your direct testimony in this case?

A. Yes, it does.

//

//

//

//

DECLARATION OF ERIC HACKETT

I, Eric Hackett, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Eric Hackett. I am employed by Idaho Power Company as the Projects and Resource Development Director.

2. On behalf of Idaho Power, I present this pre-filed direct testimony in this matter.

3. To the best of my knowledge, my pre-filed direct testimony is true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 31st day of May 2024, at Boise, Idaho.

Signed: _____
ERIC HACKETT