BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR TWO BATTERY STORAGE FACILITIES	)	**CASE NO. IPC-E-24-45**
	)	**ORDER NO. 36817**

On December 27, 2024, Idaho Power Company ("Company") applied for a Certificate of Public Convenience and Necessity ("CPCN") for two dispatchable battery facilities providing a total of 100 megawatts ("MW") of operating capacity ("Application").

On February 3, 2025, the Idaho Public Utilities Commission ("Commission") issued a Notice of Application and Notice of Intervention Deadline, setting a deadline for interested parties to intervene. Order No. 36454. The Industrial Customers of Idaho Power, Idaho Irrigation Pumpers Association, Inc. ("IIPA"), and Micron Technology, Inc. intervened. Order Nos. 36485 and 36492.

On April 23, 2025, the Commission issued a Notice of Modified Procedure, establishing a public comment deadline and Company reply deadline. Order No. 36569.

On May 20, 2025, the Commission issued an Order vacating and resetting the comment deadlines. Order No. 36602. The purpose of resetting the deadlines was to provide the parties with time to adequately scrutinize the effect of increased tariffs imposed on goods imported from China. Staff and IIPA filed comments to which the Company replied.

On July 8, 2025, IIPA filed a petition for intervenor funding, requesting an award of intervention costs sufficient to cover all its costs and expenses incurred to participate in this proceeding.

Having reviewed the record, the Commission issues this Order granting the Application and directing the Company to take the additional actions described below.

BACKGROUND

In June 2023, the Company issued a Request for Proposals ("RFP") for new resources to address an expected capacity shortfall in 2026, following Oregon's procurement rules.[1] The following year, the Commission approved a Market Purchase Agreement for up to 200 MW and the 150 MW Boise Bench Battery Energy Storage System ("Boise Bench BESS") to partially address the Company's projected 236 MW capacity deficit in 2026. Order Nos. 36309 and 36386. Despite Staff's uncertainty about whether the Boise Bench BESS was the least-cost resource, the Commission did not impose cost caps on the project.[2]

The Company intended the Savion Solar plus BESS project ("Savion Solar") listed in its Final Short List to fill the remainder of the 2026 capacity deficit after accounting for the contributions of the two above-described projects. However, permitting issues made it impossible to bring the project online by 2026. As a result, the Company returned to its Initial Short List and Final Short List from the 2026 RFP but could not find a replacement resource in time. Consequently, the Company began negotiating for projects outside the RFP process, which ultimately led to the battery projects at issue in this case. Ultimately, the Company decided to address the projected 2026 capacity deficit by undertaking two projects that would expand existing BESS facilities: the 50 MW Hemingway Incremental Project ("Hemingway Incremental Project") and the 50 MW Boise Bench Expansion Project ("Boise Bench Expansion Project")(collectively the "Proposed Battery Projects").

THE APPLICATION

The Company requests a CPCN for the Proposed Battery Projects. It states that these projects are necessary to satisfy its capacity demands in 2026. The Company does not seek binding

[1] In 2013, in Case No. IPC-E-10-03, the Commission closed a case that examined creating Idaho-specific RFP process and instead directed the Company to follow Oregon's RFP guidelines. Order No. 32745. Currently before the Commission, Case No. GNR-E-25-01, was filed by Staff to examine modifying the RFP oversight process for regulated electric utilities in Idaho.

[2] Although the Commission did not impose any cost caps in the Boise Bench BESS case it did state that it:

> expects the Company to exercise the utmost due diligence in selecting resources, managing costs, and providing service to its Idaho customers. When the Company requests recovery for the [Boise Bench BESS], the Commission will consider all facets of the project including scope, cost justification, and the Company's procurement process, to determine the prudence of the Company's decisions.

Order No. 36386 at 6.

ratemaking treatment for the Proposed Battery Projects in this case and will address that issue in a future filing.

STAFF COMMENTS

After reviewing the Company's Application, discovery responses, and supporting documents, Staff recommended granting a CPCN for the Hemingway Incremental Project—but not the 50 MW Boise Bench Expansion Project at the Boise Bench BESS. Staff believed the Hemingway Incremental Project was cost-effective and necessary to meet the 2026 capacity deficit, but did not believe the Boise Bench Expansion Project was necessary given other approved resources and initial overbuilds. Additionally, Staff expressed concerns that the Boise Bench Expansion Project may not be cost-effective due to rising import tariffs, which could pose an unknown financial risk to customers. Staff also urged the Company to explore ways to reduce costs on the existing 150 MW Boise Bench BESS project considering the tariffs and to keep the Commission informed on tariff impacts and battery delivery status.

1. Capacity Needs

After approval of the Market Purchase Agreement and Boise Bench BESS—and the Savion Solar project fell through—the Company updated its capacity forecast, identifying a remaining 41 MW shortfall at that time. The Company proposed filling the deficit with the Proposed Battery Projects. Staff reviewed the capacity forecast along with its inputs and underlying assumptions, finding them reasonable and the predicted 41 MW deficit valid. Staff's comments contained the following Table 1, which summarizes how certain resources affect the 2026 capacity deficit:

Table 1: Summary of Capacity Position Changes

Document	Load & Resource Changed Assumptions	2026 Capacity Position Before the Project	Capacity Position After the Project
2023 IRP (Sep '23)	B2H online Jun '26	(22) MW	N/A
2023 IRP	B2H online Nov '26	(356) MW	N/A
IPC-E-24-12 2026 200MW Powerex Market Purchase	B2H online Nov '26 Updated load forecast CBM = 0 MW year-round Valmy 261 MW online in '26	(236) MW	(186) MW
IPC-E-24-16 2026 150MW Boise BESS	No change. Concurrent analysis as IPC-E-24-12.	(186) MW	(120) MW
IPC-E-24-45 2026 2 x 50MW BESS extensions	B2H online Nov '**27** Updated load forecast Wildfire risk factor Delay hydro shutdown Accelerate PVS2 to May 2026 50MW Summer Firm Energy	(41) MW	+7 MW

2. Selected Battery Projects

Staff believed the Proposed Battery Projects are the most feasible solutions for the Company's 2026 capacity deficit. In support of this conclusion, Staff reasoned that several projects identified during the 2026 RFP were no longer feasible because a range of issues prevented them from meeting the required commercial operation date ("COD"). Nor could the Company secure additional short-term market purchases that would have allowed it to delay implementing shortlist projects that could not meet the required COD. However, the Company was able to resolve the 2026 capacity shortfall by combining approved market power purchases with cost-effective expansions of existing or already-authorized BESS projects.

A. The Hemingway Incremental Project

The Company plans to add 50 MW of capacity to its existing Hemingway BESS with the Hemingway Incremental Project. Although the Hemingway Incremental Project will not be physically integrated with the existing Hemingway BESS 116 MW system, the Company intends to operate both as a single asset with a shared interconnection point. The Company estimated this would cost [redacted] with $1.5 million in Operations and Maintenance ("O&M") costs for the Hemingway Incremental Project during the first-year, rising to $2 million annually thereafter.

Staff observed that the Company's modeling indicates that adding the 50 MW Hemingway Incremental Project capacity helps reduce the capacity shortfall. However, the system must start with 58 installed MW initially to meet a three-year performance guarantee of 50 MW or 200 MWh. This allows for 233 MWh of energy dispatch over four hours. Staff found it reasonable to include additional installed capacity to account for early degradation, allowing time to monitor performance and plan for future needs. Based upon its review of the Company's assumptions, Staff agreed that 8 MW of additional overbuilt capacity is appropriate to meet the three-year guarantee.

Staff found that the levelized cost of the Hemingway Incremental Project is lower than the 150 MW Boise Bench BESS previously approved in Order No. 36386 and all BESS projects from the initial and final RFP shortlists. Consequently, Staff believed that the Hemingway Incremental Project provides incremental capacity at a competitive cost and is a cost-effective means of reducing the 2026 capacity deficit.

Staff evaluated the Company's Application in accordance with *Idaho Code* § 61-526 and Commission Rule of Procedure 112, IDAPA 31.01.01.112. Staff believed the Company has met the requirements of *Idaho Code* § 61-526 showing (1) financial ability to complete the project, (2)

good faith of the Applicant, and (3) public need. Additionally, the Company provided documents through its Application and through discovery that Staff believed satisfies Rule 112. In sum, Staff believed the project is cost effective and will contribute to the Company's capacity position and recommended granting a CPCN for 50 MW of BESS capacity through the Hemingway Incremental Project.

B. The Boise Bench Expansion Project

The Boise Bench Expansion Project would add 50 MW to the approved 150 MW Boise Bench BESS via a shared interconnection point, creating a single 200 MW project at the Boise Bench Substation. The Company initially estimated the full 200 MW project would cost [redacted], exceeding the estimate for the 150 MW Boise Bench BESS by about $13.4 million provided in Case No. IPC-E-24-16. However, this estimate has significantly increased due to higher import tariffs. On top of this, just the 50 MW Boise Bench Expansion would have $1.4 million in O&M costs during its first year of operation, rising to $1.9 million annually thereafter.

i. Tariff Risks

On May 1, 2025, the Company and Staff informally discussed the financial implications of newly implemented U.S. import tariffs on Chinese products. The Company explained that the batteries for the Boise Bench Expansion Project were coming from a Chinese supplier, [redacted]. As a result of the 145% tariff then being applied to Chinese imports, the overall cost of that project was projected to rise substantially. Since the Company did not indicate that similar tariff issues affected the Hemingway Incremental Project, Staff limited its tariff risk assessment to the 200 MW Boise Bench BESS project.

The Company described five alternative responses to the increased tariffs:

[redacted]

According to the Company, [redacted] Staff observed that no

viable alternative resources remain from the 2026 RFP, so the Company would have to look elsewhere for resources.

[redacted] However, not only would [redacted]. Consequently, this option would not satisfy the 2026 capacity deficit.

The Company considered [redacted] unfeasible based on information gathered from its own government relationships and those of the Edison Electric Institute. The Company indicated it favored alternative No. 5, [redacted].

Trade negotiations between the U.S. and China resulted in a temporary tariff reduction to 30% from May 14 to August 12, 2025. This prompted the Company [redacted]. Company estimates indicated that [redacted]-under the lower tariff. Staff believed the uncertainty resulting from the changing tariffs posed a significant financial risk to ratepayers.

ii. Cost Analysis

Staff believed that import tariff rates could impact the cost-effectiveness of the Boise Bench BESS project. The Chinese supplier can fulfill [redacted] of the contract during the 90-day tariff reduction. The remaining [redacted] could be subject to an import duty substantially higher than 30%, potentially making the project not cost effective. According to Staff, if [redacted]-of the batteries are subject to a 145% tariff, the total cost of the full 200 MW BESS project will increase from [redacted]. Staff's Comments contain the above Table 2, which illustrates various cost-estimate comparisons under different tariff rates.

Table 2: Cost Estimate Comparisons

Scenario	IPC-E-24-16	IPC-E-24-45 150 MW Boise Bench BESS w/ 50 MW Expansion (Tariff Assumed at Filing)	IPC-E-24-45 150 MW Boise Bench BESS w/ 50 MW Expansion (Current Tariff)	
Capacity	150 MW	200 MW	200 MW	
Percentage of Deliveries at Tariff Rate	100%	100%	30%	70%
Tariff Rate	0%	7.50%	30%	145%
Manufacturer Supplied BESS Equipment	[redacted]	[redacted]	[redacted]	
Other Construction Costs	[redacted]	[redacted]	[redacted]	
Total Project Cost	[redacted]	[redacted]	[redacted]	
Project Cost: $ / MW	[redacted]	[redacted]	[redacted]	

iii. Capacity Analysis

Staff reviewed the Company's updated capacity projections based upon updated figures the Company provided following a May 1, 2025, meeting. According to Staff's analysis of those figures, without the 200 MW Boise Bench BESS and the 50 MW Hemingway Incremental Project, the system faces a 29 MW capacity shortfall. On the other hand, with both included, there would be a 46 MW surplus. However, the Commission currently has granted a CPCN for only 150 MW of BESS. *See* Order No. 36386. Staff estimated that the 150 MW BESS system alone would result in a 27 MW capacity surplus. This suggests the Company can likely maintain reliable service through 2026 with just the approved 150 MW Boise Bench BESS, without needing the additional 50 MW expansion. The Company had combined the 150 MW and 50 MW projects into a single 200 MW proposal, but Staff's analysis separates them to assess the impact of each scenario.

Staff noted that the Company signed a supply agreement for 200 MW of BESS capacity when it had Commission approval only for 150 MW. Staff opposed making customers pay for the unapproved 50 MW expansion and the associated tariff risks. Staff believed the approved 150 MW Boise Bench BESS is sufficient to meet 2026 capacity needs without the extra 50 MW.

Staff acknowledged that the additional 50 MW of capacity could be useful for addressing capacity needs beyond 2026. Delaying implementation of the proposed Boise Bench Expansion Project until after 2026 would provide additional time for the Company to explore cost-saving options. However, because tariffs also impact the 150 MW Boise Bench BESS, Staff recommended the Company find ways to reduce tariff-related costs. For example, Staff suggested staggering battery deliveries to take advantage of potential future tariff relief. Alternatively, the Company could delay some battery shipments. To facilitate this, Staff recommended that the Company consider alternative capacity options, including short-term market purchases, demand response programs, curtailment contracts with large users, or utilizing more of its current resources. Staff further recommended the Company provide clear documentation and analysis to show it has taken reasonable steps to reduce costs and manage risk for customers.

In sum, due to the financial risks and lack of an identified capacity deficit, Staff recommended against granting a CPCN for the Boise Bench Expansion Project at this time. Although the Company projects significant capacity deficits starting in 2027, these estimates are variable. Staff encouraged the Company to consider all options for addressing future needs, including for the Boise Bench Expansion Project if costs become reasonable. Staff also

acknowledged ongoing challenges with the Company's multi-year RFP process and is addressing those issues in Case No. GNR-E-25-01.

iv. Excess Capacity

As stated, Staff believed the 50 MW Boise Bench Expansion Project is unnecessary for 2026. However, if the Commission decides to approve the CPCN, Staff noted that part of the expansion may exceed what is necessary to meet the projected capacity deficit. Like the Hemingway Incremental Project, the Boise Bench Expansion Project begins with a slightly higher initial capacity than its nameplate rating. According to the Company, the total Boise Bench BESS needs about 222 MW to meet a three-year guarantee of 200 MW/800 MWh. About 55 MW and 221.7 MWh of this amount come from the Boise Bench Expansion Project. However, the Company also provided a 20-year performance table showing the system maintains more than the guaranteed energy level through year five, suggesting it may be oversized. Based on this data, Staff estimated that the full Boise Bench system may be overbuilt by about 29 MWh (or 7 MW), with around 2 MW (25%) of the overbuild tied to the Boise Bench Expansion Project.

Like with the Hemingway Incremental Project, Staff acknowledged that some excess capacity is reasonable to cover early degradation, but believed the total overbuild in this case is unnecessary. Staff asserted that the Boise Bench Expansion Project may include more capacity than necessary to satisfy the 2026 capacity deficit described in the Company's Application. Staff estimated that [redacted] of the total project cost will be incurred prematurely, with about [redacted] of this amount associated with the Boise Bench Expansion Project.

v. Future Recovery

Staff noted that the Company is not seeking cost recovery for the Proposed Battery Projects at this time. This is reasonable because a CPCN approves only starting the projects, but does not guarantee cost recovery. Staff will review project costs for prudence in a future rate proceeding. If the Commission approves the Boise Bench Expansion Project, any costs beyond what the CPCN supports may not be considered prudent. Specifically, Staff indicated that 2 MW of excess capacity proposed for the Boise Bench Expansion Project is unnecessary to maintain the near-term capacity of the resource. Accordingly, Staff argued the [redacted] associated with that overbuild expense for the Boise Bench Expansion Project should be excluded when the Company initially seeks cost recovery.

vi. Fire Risks

Staff acknowledged concerns about the fire risks associated with BESS projects. Although a BESS fire is unlikely, the potential consequences can be severe. There have been over 50 reported BESS fires worldwide since 2021, with more than 30 additional large-scale battery fires unrelated to utility systems.

BESS fires differ from typical fires in several important ways: (1) they can begin "spontaneously" due to internal failures; (2) are hard to extinguish because of stored chemical energy; and (3) emit toxic smoke that poses both immediate and long-term health and environmental risks. These factors pose meaningful financial risks for ratepayers, including investment losses and liability for damages.

Staff acknowledged the Company's efforts to reduce fire risk associated with BESS projects. The Company is working with a nationally recognized consultant to support safety planning and training. Its system design includes measures to isolate battery units and prevent fire spread. The Company also has insurance and warranty protections in case of fire-related damage. Staff recognized that industry codes and standards are improving and that the overall risk of a BESS fire is declining. Given the safety measures in place, Staff considered BESS a reasonable option for meeting system needs. However, Staff recommended the Company continue to closely monitor and manage fire risks associated with its BESS projects.

IIPA'S COMMENTS

IIPA presented testimony from Dr. Deborah Glosser, a Civil Engineer and former staff member of the Oregon Public Utilities Commission. Dr. Glosser recommended denial of the Application. To support this recommendation, Dr. Glosser raised several concerns about the prudency of the Proposed Battery Projects. For example, Dr. Glosser asserted that the Company failed to show the Proposed Battery Projects meet the required standards of necessity, least-cost, and prudence for a CPCN. Dr. Glosser opined that the Proposed Battery Projects will primarily address speculative capacity deficits in 2027—not established needs in 2026. Moreover, Dr. Glosser believed the Proposed Battery Projects were not procured in a cost-effective manner because they were not selected through a competitive bidding process.

Dr. Glosser also questioned the Company's assumption that investment tax credits ("ITCs") will be available for the proposed battery projects. Dr. Glosser noted that Congress has proposed accelerated phaseouts and stricter deadlines for ITCs. If ITCs are unavailable, the

levelized cost of capacity for the Hemingway Incremental Project would [redacted] Additionally, Dr. Glosser noted that this cost [redacted] if the 145% tariff duty remains in effect—further undermining the prudency of the Hemingway Incremental Project.

Dr. Glosser also questioned the Company's assertion that the proposed battery projects will provide 100 MW of firm operating capacity during 2026. According to Dr. Glosser, the Company's ELCC modeling does not clearly account for the 4-hour battery life of the proposed projects. Additionally, Dr. Glosser asserted that the Company also overlooked key performance limitations of lithium-ion batteries, including reduced efficiency in cold temperatures, charging limits below freezing, and curtailment risks in extreme heat while also underestimating the likely degradation rate of the batteries. Dr. Glosser noted that there are no binding plans to augment lost capacity, and the effects of degradation or winter performance issues are not factored into the ELCC calculations for the Proposed Battery Projects.

Concluding that the Company failed to prove the Proposed Battery Projects are prudent or in the best interest of ratepayers because of the above-described modeling and planning flaws, Dr. Glosser recommended that the Commission deny the Application entirely. However, if a CPCN for the Proposed Battery Projects is approved, Dr. Glosser recommended the imposition of cost containment measures. Specifically, Dr. Glosser recommended that the Commission impose a hard cap on the Proposed Battery Projects and a soft-cap on costs exceeding 10% of their proposed original cost.

PUBLIC COMMENTS

The Idaho Conservation League ("ICL") submitted a public comment recommending approval of a CPCN for the Proposed Battery Projects. ICL asserted that batteries are a safe, reliable, and cost-effective means of meeting peak demand with stored clean energy. Additionally, ICL noted that BESS systems can facilitate other system upgrades, firm up capacity, and improve frequency response and regulation. Consequently, ICL strongly urged Commission approval of the Application.

COMPANY REPLY COMMENTS

The Company opposed Staff's recommendation to deny a CPCN for the Boise Bench Expansion Project and IIPA's recommendation to deny a CPCN for both Proposed Battery Projects. The Company directly challenged the IIPA's assertion that the Proposed Battery Projects

are not least-cost, least-risk resources. The Company asserted that the Proposed Battery Projects have levelized costs at or below that of the final shortlist project from the RFP.

The Company further asserted that its modeling of the Proposed Battery Projects was neither speculative nor inaccurate. To support this contention, the Company highlighted that an independent evaluator oversaw the evaluation of the Proposed Battery Projects along with various other aspects of the BESS operating characteristics that the IIPA's expert allegedly misunderstood. For example, the Company asserted no modeling adjustment was necessary to address summer temperatures as BESS projects have temperature control systems that facilitate operations in extreme temperatures.

The Company also disagreed with Staff's assertion that the Boise Bench Expansion Project is unnecessary to address capacity deficits in 2026. Despite acknowledging that its most recent system reliability assessment identified a 46 MW capacity surplus, the Company maintained that its decision to procure the Proposed Battery Projects six months earlier was prudent, based on the reliability assessment available at that time.

This point is particularly important because the Commission requires the Company to follow Oregon's competitive bidding rules. Oregon Public Utility Commission's ("OPUC") resource procurement review process does not require the Company to obtain a CPCN between the RFP process and the associated cost recovery request in a general rate case. Under OPUC regulations, procurement decisions are presumed prudent if a utility follows the established competitive bidding rules. The Company contends that this complex, multi-jurisdictional regulatory process, compelled it to sign binding procurement agreements before receiving a CPCN, to make sure new resources would be available in time to meet expected capacity shortfalls.

The Company disagreed with Staff's conclusion that it can likely maintain reliable service through 2026 without the Boise Bench Expansion Project. According to the Company, forecasts are "inherently wrong" and variations in its planning assumptions could turn the current forecast capacity surplus into a deficit. Company Reply Comments at 8-9. The Company argued that realizing a 46 MW capacity surplus would not mean it will have excess capacity available for sale. Instead, it would simply reduce the amount of the 380 MW the Company's forecasts assumed would be obtained through market purchases.

Although the Company agreed with Staff that there are financial risks due to uncertainty of import tariffs and the uncertain availability of ITCs, it asserted that delaying the Proposed

Battery Projects could increase their total cost. For example, the Company contended that the 145% import tariff on goods from China after August 12, 2025, would be added on top of the 17.5% tariff on lithium-ion batteries starting January 1, 2026. If this proves to be the case, delaying the Boise Bench Expansion Project could increase costs further. Additionally, the Company highlighted legislative proposals to repeal or change the Inflation Reduction Act that would end ITC eligibility for BESS projects as early as January 1, 2026. This would further increase the cost if the Boise Bench Expansion Project is delayed.

Accordingly, the Company requested that the Commission approve a CPCN for the Proposed Battery Projects. It also asked the Commission to reject IIPA's proposed cost containment measures as unfair and unnecessary and Staff's proposal to mandate mitigation tariff-related costs for the 150 MW Boise Bench BESS and to provide ongoing updates to the Commission about tariffs and battery delivery status.

IIPA'S PETITION FOR INTERVENOR FUNDING

IIPA's petition for intervenor funding ("Petition") included an itemized list of expenses totaling $12,717.50—including expert witness fees and legal fees. IIPA argued that these expenses were reasonable given that they were necessarily incurred to participate in this case.

IIPA stated that its expert witness identified several risks that would likely fall on the Company's customers if the CPCN for the Proposed Battery Projects was granted. For example, IIPA highlighted its contention that the Proposed Battery Projects were not selected as part of a competitive bidding process, would meet speculative needs, and were not guaranteed eligibility for ITC incentives.

IIPA argued that the costs it incurred constitute a financial hardship for the association which is a 501(c)(5) nonprofit representing farming interests in eastern and central Idaho through voluntary contributions by its members—which have been falling. IIPA stated that due to its limited means of participation in this and other cases, its participation has been focused and prudent.

IIPA noted that its recommendations materially differed from those of Staff, recommending the CPCN be denied for both Proposed Battery Projects. According to IIPA, the Company has failed to prove that the Proposed Battery Projects are prudent or in the best interests of customers because of critical flaws in its evaluation. IIPA believed its participation in the case benefited all the Company's customers.

COMMISSION FINDINGS AND DECISION

I. CPCN Application

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including *Idaho Code* §§ 61-301 through 303. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501 through 503.

Public utilities shall "furnish, provide and maintain such service, instrumentalities, equipment and facilities as shall promote the health, safety, comfort and convenience of its patrons, employees and the public, and as shall be in all respects adequate, efficient, just and reasonable." *Idaho Code* § 61-302. Before constructing "a line, plant, or system," a public utility providing electrical service must obtain a CPCN from the Commission establishing that the "public convenience and necessity" requires it. *Idaho Code* § 61-526. Pursuant to Idaho Commission Rule of Procedure 112, IDAPA 31.01.01.112, existing utilities applying for the issuance of a CPCN under *Idaho Code* § 61-526 must submit any relevant data including: (1) a Statement and Explanation; (2) a Description of Construction or Expansion; (3) a Map; (4) a Financial Statement and Construction Timelines; and (5) Cost Estimates and Revenue Requirements.

We find that the evidence in the record demonstrates that the public convenience and necessity requires the Company to acquire 100 MW of dispatchable energy storage. The Company's updated capacity forecast provided after the May 1, 2025 meeting with Staff demonstrates that the Company needs to acquire additional, dispatchable resources to meet customer demand and to ensure system reliability beginning in the summer of 2026. However, Staff's analysis indicates that addition of only the Hemingway Incremental Project would satisfy the Company's forecasted capacity deficit during 2026. Although the Company did not strictly follow the approved procurement process to acquire this resource, we find the process the Company used to be reasonable under the circumstances.

The Company originally followed the approved procurement process to acquire the Savion Solar project, which later fell through due to lack of citing approval at the county level. When that project unexpectedly fell through, there wasn't enough time to complete any of the other projects from the initial RFP to meet the expected 2026 capacity deficit. As a result, the Company had to

look outside the approved RFP process and selected the Proposed Battery Projects to address the capacity deficit in the timeframe it required. Notably, the levelized cost of the Hemingway Incremental Project is lower than that of the previously approved 150 MW Boise Bench BESS, *see* Order No. 36386, as well as all other BESS projects from both the initial and final RFP shortlists. Given the time constraints and the Hemingway Incremental Project's competitive cost and capacity benefits, we find the Company's deviation from the approved resource procurement process reasonable under the circumstances.

Although the record supports the need for 50 MW of additional capacity in 2026, it does not clearly justify an additional 50 MW beyond that. Stated differently, 50 MW of capacity, which can be provided by the Hemingway Project, is necessary to satisfy the 2026 capacity deficit, but the additional 50 MW from the Boise Bench Expansion Project does not appear to be immediately necessary. However, it appears that this additional capacity will help meet near-term capacity needs beyond 2026. We find that approving the full 100 MW of dispatchable energy storage requested in the form of the Proposed Battery Projects will provide the Company with flexibility to cost-effectively dispatch resources, reduce Market Purchases, meet changing energy demand requirements, and address the significant and growing capacity deficits expected beyond 2026. Given these circumstances, we find it reasonable to approve a CPCN for the full 100 MW of dispatchable energy storage requested in the Company's Application.

Despite approving the Company's request for a CPCN, we believe significant risks related to increased and uncertain import tariffs, delayed installation dates, and potential loss of ITC make it reasonable to impose cost-containment measures on the Boise Bench Expansion Project. The record shows that a significant portion of the batteries for the Boise Bench Expansion Project have not been shipped from their Chinese supplier. As a result, these batteries may be subject to higher or lower U.S. import tariffs, which could significantly alter their costs. The precise financial impact of these tariffs on the final cost of the Boise Bench Expansion Project depends on the outcome of negotiations between China and the U.S. Delays in installation dates and potential loss of ITC could also significantly increase costs. To ensure that customers do not bear the risk of this financial uncertainty, we impose a soft cap on expenditures and direct the Company to take the following steps.

The Company shall utilize a soft cap of [redacted] using Table 2 above for the 150 MW Boise Bench BESS with 50 MW Expansion when justifying cost recovery. We expect the

Company to take all measures available to protect customers from possible runaway costs. The Company shall provide clear documentation and analyses to show it has taken reasonable steps to contain costs and manage risk for customers in its application for cost recovery.

The Company shall also file quarterly reports as a compliance filing in this case beginning January 1, 2026 and continuing until the Proposed Battery Projects are completed. The reports shall update the project status including (1) expected in-service dates; (2) import tariff percentage and amounts imposed on delivered batteries; (3) projected import tariff percentages for outstanding deliveries; (4) ITC status; and (5) costs incurred to date compared to the projected cost for the same items.

We understand that the Company did not anticipate ending up in this situation when it selected the Savion Solar project from its RFP. We acknowledge the fact that the Savion Solar project could not move forward due to citing issues and the imposition of increased tariffs on goods from China are both issues that have placed the Company into an unenviable position here. We also acknowledge that the Company is required to provide safe and reliable service to its customers. While this requirement coupled with the unexpected events that necessitated the selection of the Proposed Battery Projects, are unfortunate realities, the Company had to pivot. We expect that the Company will do its best to contain costs and that when it seeks recovery for those costs, only reasonable costs will be presented. The Company is also expected to demonstrate that actual benefits resulted from the investments in the Proposed Battery Projects.

II. Intervenor Funding Request

Commission decisions benefit from robust public input. "It is hereby declared the policy of this state to encourage participation at all stages of all proceedings before the commission so that all affected customers receive full and fair representation in those proceedings." *Idaho Code* § 61-617A(1). Recoverable costs can include legal fees, witness fees, transportation, and other expenses so long as the total funding for all intervening parties does not exceed $40,000.00 in any proceeding. *Idaho Code* § 61-617A(2). The Commission must consider the following factors when deciding whether to award intervenor funding:

(1) That the participation of the intervenor materially contributed to the Commission's decision;
(2) That the costs of intervention are reasonable in amount and would be a significant financial hardship for the intervenor;
(3) The recommendation made by the intervenor differs materially from the testimony and exhibits of the Commission Staff; and

(4) The testimony and participation of the intervenor addressed issues of concern to the general body of customers.

Id.

To obtain an award of intervenor funding, an intervenor must further comply with Commission's Rules of Procedure 161-165, IDAPA 31.01.01.161-165. Rule 162 of the Commission's Rules of Procedure provides the form and content requirements for a petition for intervenor funding. The petition must contain: (1) an itemized list of expenses broken down into categories; (2) a statement of the intervenor's proposed finding or recommendation; (3) a statement showing that the costs the intervenor wishes to recover are reasonable; (4) a statement explaining why the costs constitute a significant financial hardship for the intervenor; (5) a statement showing how the intervenor's proposed finding or recommendation differed materially from the testimony and exhibits of the Commission Staff; (6) a statement showing how the intervenor's recommendation or position addressed issues of concern to the general body of utility users or customers; and (7) a statement showing the class of customer on whose behalf the intervenor appeared. The Petition filed by IIPA comports with the procedural and technical requirements of the Commission's Rules. IDAPA 31.01.01.162.

Commission Rule 165.02-.03 requires the payment of awards of intervenor funding to be made by the utility and is an allowable expense to be recovered from ratepayers in the next general rate case. IDAPA 31.01.01.165.02-.03.

We find that IIPA's Petition satisfies the intervenor funding requirements in the Idaho Code and the Commission's Rules of Procedure. IIPA intervened and participated in all aspects of the proceeding. IIPA's Petition for intervenor funding was filed timely and no party objected to IIPA's Petition. Because this case was processed via modified procedure without a technical hearing, we award intervenor funding based on our assessment of the submitted written materials included in IIPA's Petition.

The Commission finds that IIPA materially contributed to the Commission's final decision. IIPA's recommendations opposed the request in the Company's Application. Additionally, IIPA's participation focused on issues of concern to the body of rate payers it represents, addressing risks ratepayers may bear as a result of granting the requested CPCN for the Proposed Battery Projects. Finally, we find the expert witness fees, legal fees, paralegal fees, and soft costs incurred by IIPA are reasonable in amount for this case, and that IIPA, as a non-profit organization, would suffer financial hardship if the Petition is not approved.

IIPA's request for intervenor funding does not exceed the statutory maximum award allowed in any single case. Accordingly, we find it reasonable to award IIPA its full request of $12,717.50 in intervenor funding. We hereby authorize a total of $12,717.50 to be paid to IIPA.

ORDER

IT IS HEREBY ORDERED that the Company's Application for the two dispatchable battery facilities providing a total of 100 MW of operating capacity is approved.

IT IS FURTHER ORDERED that the Company shall utilize the soft cap described in this Order when justifying cost recovery.

IT IS FURTHER ORDERED that the Company shall provide clear documentation and analyses showing cost and risk management when applying for recovery of costs for the project.

IT IS FURTHER ORDERED that the Company shall provide quarterly reports beginning January 1, 2026, as described above.

IT IS FURTHER ORDERED that IIPA's Petition for intervenor funding is granted in the amount of $12,717.50. *See Idaho Code* § 61-617A(2), IDAPA 31.01.01.165.01. The Company is ordered to remit said amount to IIPA within 28 days from the date of this Order. IDAPA 31.01.01.165.02. The Company shall be permitted to recover the cost of this intervenor funding in its next general rate case from its Schedule 24 irrigation customer class.[3] *See Idaho Code* § 61-617A(3).

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

[3] We note that the IIPA's petition for intervenor funding indicates that IIPA represents the irrigation class of customers served under the Company's Schedule 10. IIPA's Pet. for Interventor Funding, at 4. However, the Company does not have a Schedule 10. Instead, the Company's irrigation class of customers is served under the Company's Schedule 24.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th day of October 2025.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Laura Calderon Robles
Interim Commission Secretary

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