Public Utility Commissioners
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Re: LC 63 COMMENTS

This document is submitted by the Blue Mountain Alliance. It provides our concerns regarding the Integrated Resource Plan (IRP) Submitted by Idaho Power for 2015. It is our observation that the IRP fails to provide realistic predictions regarding the future need for the Boardman to Hemingway Transmission line. It focuses on justification for the line, in many instances lacking supporting documentation for the comments made, and largely ignores the changes which are and will impact the generation, distribution and use of electricity in both the short and long term.

We have significant concerns regarding acceptance of an IRP including the B2H project in the preferred alternative. While the Public Utility Commission (PUC) "acceptance" does not mean there is "agreement" with the IRP, nor is it considered documentation that this is the least cost or best alternative, the Energy Facility Siting Council has been willing to accept this document as "verification" that a need exists and that the document reflects the "least cost" option available. Our comments are organized following the headings listed in Order No. 07-002.

Guideline 1: Substantive Requirements
a. All resources must be evaluated in a consistent and comparable basis.
--The IRP focus appears to be on justifying the B2H line rather than providing a supportable analysis of the need. For example, Idaho Power has provided a significantly inflated (l.6 percent per year) projection of customer and use increases compared to PacifiCorp (0.4 percent per year) and other utilities..
--While Idaho Power may have been considering the development of the B2H line for several years, it was not included in the acknowledged 2006 or 2008 IRP's, or in the originally submitted 2010 IRP. It was included as an amendment to these three documents after the fact.
b.& c. Risk and uncertainty must be considered and portfolio must provide the best combination of expected costs and associated risks to the utility and it's customers.
---The IRP fails to do a realistic evaluation of the increases in private generation and use of electricity which will reduce the need for large distribution lines. This increased cost will be further exacerbated due to increasing costs to Idaho Power and other large utility customers due to fewer and fewer customers purchasing less and less electricity.

Guideline 2: Procedural Requirements

a. The public which includes other utilities, should be allowed significant involvement in the preparation of the IRP and the public should be provided opportunity to review and comment prior to filing a final plan with the Commission--While it appears that a serious effort was made to include representation for the Idaho utilities and customers, the same is not the case for Oregon citizens who will experience both financial and resource impacts from this development.
c. The utility must provide a draft IRP for public review and comment prior to filing a final plan with the Commission.
It appears that there was involvement from the Idaho customers during the development and comment period. Oregon citizens were unrepresented with the exception of the Citizens Utility Board who had difficulty accessing the process early in the development. In addition the CUB is primarily focused on supporting Renewable Energy development, and thus do not represent a large portion of the citizens of the state. This concern is further supported by the fact that the County Commissioners and public in Union County as well as citizens and/or commissioners in other counties in the area of the line were

and some are still unaware of the impact of the decision or that there was a need or opportunity to comment. It came to the attention of Union County just two weeks ago by accident.

Guideline 4: Plan Components

b. Analysis of high and low load growth scenarios in addition to stochastic load risk analysis with an explanation of major assumptions.
--The applicant fails to justify the load growth figures they project in the IRP. Idaho Power used the average annual increase in customers and the average electricity use during approximately 25 years starting in 1990. This approach has no validity due to changes in market conditions.

1. There have been significant decreases in the average electricity use per customer in the past 6 or 7 years.
2. The table provided by Idaho power shows that the annual growth in customers has slowed significantly during the past 7 years.
3. Partner utilities including Pacific Power have reported significantly lower rates of customer growth in their recently filed IRP. They also project no need for additional energy befor 2028. The applicant needs to explain why Idaho Power's projected increases in the number of customers and use rates are so much greater than their partner in this project. and other utilities in the state. Of additional concern is the projection made by Idaho Power in their request to reduce the timeframes for contracts for solar power to two years. In that document, they indicated that they currently are having to accept energy that they do not need due to the fact that it is PURPA certified.

c. For electric utilities, a determination of the levels of peaking capacity and energy capability expected for each year of the plan, given existing resources identification of capacity and energy needed to bridge the gap between expected loads and resources, modeling of all existing transmission rights, as well as future transmission additions associated with the resource portfolio tested.
--Idaho Power failed to analyze how the availability of additional energy resources which will come on line as a result of Gateway West which will is projected to provide 2,500MW of energy to Idaho Power. It appears that there is more than enough energy being brought into the state to meet and exceed all needs without any increase in transmission capacity or utilization of Oregon energy resources.
--An additional question that is not discussed in the IRP is the fact that Idaho Power plans to let most of it's current wind energy contracts expire due to a stated preference for solar energy as a better match with the times when their energy needs are greatest (afternoons in the summer). A comparison of Solar Power Resource Potential by State indicates Oregon is the second worse state for access to "sun energy". Idaho is significantly better at 9th from the top and Nevada and southern states are better yet. Idaho will get less quantity and less predictable energy from solar developments in Oregon than almost any other state. http://www.neo.ne.gov/statshtml/20l.htm
--Oregon is in the process of eliminating all coal generated electricity from it's energy mix. This will mean that there will be a reduction of the energy flow from coal plants to the east which would have utilized this transmission line. Currently coal represents approximately 1/3 of Oregon's energy consumed. This energy will be replaced by renewable energy developments such as wind, solar and hydro power. Oregon currently generates more than 100% of it's energy needs from renewable resources in the state and additional developments have been approved, but not yet built which will be able to meet additional renewable energy requirements as they become necessary. The reduced ongoing need for transmission between Oregon and Idaho can be handled by the three existing lines for the foreseeable future. If a need were to occur in the future for increased capacity, upgrades could be made to the existing infrastructure to accommodate that increase without the over-building of capacity that the B2H line represents.
--Idaho Power predicts that they will realize a reduction through energy efficiency in 2015-2019 of 84 average megawatts for energy demand and 126 MW for peak demand. The partnering utility in the

B2H line, PacifiCorp, projects that they will meet 86% of projected increases in electricity usage over the next decade by energy efficiency. In 2014 alone, they saved more than 553,200 megawatt-hours of electricity for their 730,000 customers. This amount of power could serve nearly 59,000 homes for a year.
--Taking the Boardman Coal Plant offline will reduce the necessary load capacity of the lines. In the other direction, load capacity will be reduced by the shut down of 522 megawatts of capacity existing for the North Valmy Power Plant in addition to other planned closures of coal generated plants..
e. Identification and estimated costs of all supply-side and demand-side resource options, taking into account anticipated advances in technology.
--The applicant did a very marginal job of addressing this plan component, and there is a need to address at a minimum the impacts of existing technology. Idaho Power appears to be lagging significantly behind other states in the development of conservation and energy efficiency.
Some technology either available or which is predicted to be available very soon include: micro grids, net metering, energy storage technology such as batteries, small nuclear developments such as the one currently going to be modeled at the Idaho Military Base in the near future.

g. Identification of key assumptions about the future and alternative scenarios considered.
--The applicant focused upon justifying their preferred option and failed to complete a thorough review of other options. There is practically no information on the "no action" option which should form the basis for evaluation of all other scenarios.

j. Results of testing and rank ordering of the portfolios by cost and risk meters.
--The applicant failed to justify the inclusion of the B2H line. Given the multiple known factors which will reduce the need for this transmission line, the risk is significant and the cost is far greater than any potential benefit of the line to Oregon. The Idaho PUC has also questioned the justification for inclusion of this development in spite of the fact that the costs appear to be less and the benefits appear to be far greater than the impacts on Oregon.

k. Analysis of the uncertainties associated with each portfolio evaluated.
--All options including the B2H line should include the large number of uncertainties involved with this development that will make it likely that it is an unneeded resource, and could, in fact, become completely unnecessary in the foreseeable future due to the currently existing transmission lines being able to handle the energy transfer needs,.

m. Identification and explanation of any inconsistencies of the selected portfolio with state and federal energy policies that may affect a utility's plan and any barriers to implementation.
--FERC Order 1000 as upheld by the Supreme Court allows PUC to require energy developers to establish methods to balance the load of energy entering the distribution lines prior to putting it into the system. (This reduces the energy surges and valleys which require a larger transmission line to accept.) FERC is currently taking public comments regarding the best way to address this issue.
--FERC Order 1000 directs utilities to: "(2) ensure that the costs of transmission solutions chosen to meet regional transmission needs are allocated fairly to those who receive benefits from them." Acceptance of an IRP that will result in no significant benefit to Oregon citizens, who will be reimbursing costs of the development for the next 40 years is contrary to this federal requirement. When asked, the developer has not provided information regarding what the actual dollars are projected to be, but with PacifiCorp purchasing approx. 54% of the costs of the line projected to cost 1.2 billion dollars, it will be a substantial impact on Oregon citizens who are customers of both PacifiCorp and Idaho Power. According to the IRP, Bonneville Power has not committed to pay for a portion of the

line, but if that occurs, it will add even more to the costs to Oregonians for a line being built primarily to benefit Idaho customers since Idaho Power only has approx. 18,000 customers in Oregon.
--Since the US Supreme Court has blocked the implementation of the Clean Power Plan (CPP) until court challenges are heard, and Idaho Power has no Renewable Energy Requirement, they have an opportunity to provide for a smoother transition in terms of timing of the closing of coal generated electric plants which will remove some potential short-term pressure on the transmission lines.

Guideline 5: Transmission
Portfolio analysis should include costs to the utility for the fuel transportation and electric transmission required for each category of resource being considered.

--The development and use of this line by Idaho Power represents an unreasonable expense given the most likely use it will provide to their customers. Idaho Power has stated they do not plan to renew the majority of their wind energy contracts. They are moving instead to solar power as it provides the most output during the hot summer afternoons when Idaho Power has the greatest need for energy. given their statements regarding their preferred resource mix, which involves not renewing wind power contracts and relying on solar developments as their major renewable energy source after hydro generated energy indicate an unreasonable cost to obtain the minimal amount of energy which will be required from Oregon resources. It appears that the primary use of the B2H line for Idaho Power would be to purchase low cost excess energy from Bonneville Power during the two months of additional energy need..
--The use of the transmission line by Oregon Utilities will also decrease substantially due to the requirement that Oregon not use coal generated electricity after 2030. Currently nearly 1/3 of all electricity used in Oregon is contracted through coal plants which would have been using the B2H line had not the legislature passed the bill requiring the removal of coal generated electricity by Oregon's two largest utilities.

Guideline 7: Demand Response
--Idaho Power's IRP follows a pattern of thought that would indicate a belief that the full responsibility for managing the reliability of the system lies with them. In fact, FERC currently is accepting comments on transferring the responsibility for providing for a consistent flow of energy (demand response) into the distribution lines to the developers of the energy. This would alleviate the need to develop a transmission structure capable of accepting large amounts of intermittent energy with significant peaks and valleys as well as reducing demand by as much as 188,000 megawatts according to FERC.

Guideline 11: Reliability
--The use of high voltage transmission lines carrying large quantities of energy on a single distribution line increases the risk of loss of power either from terrorist activities or natural events. The reliability of the grid is better served by utilizing multiple interconnecting lines that make it less likely that energy will be lost to large areas simultaneously.

Guideline 12: Distributed Generation
--Developments in new energy storage technology provides the key ingredient which has limited the development of micro grids and distributed generation moving many people away from reliance on large utilities to provide their electricity. According to the director of the research arm of the US Department of Energy, "a number of breakthroughs in battery technology have been achieved, with

huge implications on the use of renewable energy and electric cars."
http://www.thereregister.co.us/2016/03/04/us_hits_battery_storage_holy_grail/

We encourage you to seriously consider our comments as they indicate need to require Idaho Power to provide a realistic Integrated Resource Plan preferred 0ption which does not include the development of the B2H transmission line.

Ryan Stoner	Dave Price	Cindy Severe
President	Vice President	Secretary