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March 12, 2010

## VIA ELECTRONIC FILING

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 2148  
Salem, OR 97308-2148

**Re: Docket LC 50**

Enclosed for filing in the above referenced docket are an original and one copy of Idaho Power Company's Motion for Leave to File a Response to the Reply of Move Idaho Power and Nancy Peyron.

Also enclosed for filing are an original and one copy of Idaho Power Company's Response to the Reply of Move Idaho Power and Nancy Peyron.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached Certificate of Service.

Very truly yours,

Wendy McIndoo  
Legal Assistant

Enclosures

cc: Service List

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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing documents on  
in Docket LC 50 on the following named persons on the date indicated below by e-mail  
addressed to said persons at his or her last-known address indicated below.

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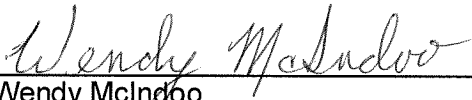
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DATED: March 12, 2010

  
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BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

LC 50

In the Matter of Idaho Power Company's  
2009 Integrated Resource Plan

**IDAHO POWER COMPANY'S MOTION  
FOR LEAVE TO FILE A RESPONSE TO  
THE REPLY OF MOVE IDAHO POWER  
AND NANCY PEYRON**

Pursuant to OAR 860-013-0031, Idaho Power Company ("Idaho Power" or "Company") hereby requests leave to file a response to the Reply Regarding Petitions for Intervention of Move Idaho Power and Nancy Peyron filed on March 8, 2010 ("Reply"). Idaho Power is filing its response concurrently with this motion.

**I. INTRODUCTION**

On February 12, 2010, Move Idaho Power ("MIP") and Nancy Peyron (together, "Joint Petitioners") filed Petitions for Intervention ("Petition") in Idaho Power's 2009 Integrated Resource Plan ("IRP") docket. According to their Petition, MIP and Ms. Peyron intend "to pursue in particular issues pertaining to the need for *and routing of proposed transmission lines*" in this docket.<sup>1</sup> On February 19, 2010, Idaho Power filed its Answer to the Petition. In its Answer, Idaho Power indicated that it does not object to the requested interventions provided that the intervention is limited to issues relevant to this proceeding and that the Commission specifically preclude Joint Petitioners from raising issues related to the specific routing of proposed transmission lines. Thereafter, on March 8, 2010, Joint Petitioners filed their Reply in which they argue that the discussion of the proposed transmission line's route "cannot lawfully be excluded from a process examining a utility's proposed Integrated Resource Plan (IRP)."<sup>2</sup>

<sup>1</sup> Petition at 2 (emphasis added).  
<sup>2</sup> Reply at 1.

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**II. ARGUMENT**

Idaho Power requests the right to file a response to Joint Petitioner's Reply to clarify the purpose of the IRP proceeding and respond to the new legal arguments raised by Joint Petitioner's in their Reply. Clarification of the scope of Joint Petitioner's intervention at this time will preclude further litigation regarding the proper scope of this docket. The Company's response is limited to new arguments raised in the Joint Petitioners' Reply and will assist the Commission in its evaluation of the Joint Petitioners' Petition and Reply.

**III. CONCLUSION**

Idaho Power respectfully requests leave to file a response to Joint Petitioner's Reply.

Respectfully submitted this 12<sup>th</sup> day of March, 2010.

**McDOWELL RACKNER & GIBSON PC**



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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**LC 50**

In the Matter of Idaho Power Company's  
2009 Integrated Resource Plan

**IDAHO POWER COMPANY'S RESPONSE  
TO THE REPLY OF MOVE IDAHO  
POWER AND NANCY PEYRON**

**I. INTRODUCTION**

Pursuant to OAR 860-013-0031, Idaho Power Company ("Idaho Power" or "Company") hereby submits this Response to the Reply of Move Idaho Power and Nancy Peyron ("Response") filed on March 8, 2010 ("Reply") to the Public Utility Commission of Oregon ("Commission"). This Response is being filed concurrently with Idaho Power's Motion for Leave to File a Response to the Reply of Move Idaho Power and Nancy Peyron ("Motion"). The procedural background preceding this Response is set forth in Idaho Power's Motion.

**II. DISCUSSION**

In their Reply, Move Idaho Power and Nancy Peyron (together, "Joint Petitioners") argue that litigation of a specific route for the proposed 500 kilovolt ("kV") transmission line from the Boardman substation to the proposed Hemingway substation ("B2H") "cannot lawfully be excluded from a process examining a utility's proposed Integrated Resource Plan (IRP)."<sup>1</sup> The Joint Petitioners' position is contrary to the Commission's Integrated Resource Plan ("IRP") Guidelines<sup>2</sup> and Commission precedent, and should therefore be rejected.

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<sup>1</sup> Reply at 1.

<sup>2</sup> *In the Matter of Public Utility Commission Investigation Into Integrated Resource Planning*, Docket UM 1056, Order No. 07-002 (Jan. 8, 2007) [hereinafter "Order No. 07-002"].

1 **A. The Joint Petitioners' Position is in Conflict with the Commission's IRP**  
2 **Guidelines.**

3 The Joint Petitioners argue that it would be legal error to preclude evaluation of  
4 specific routes in the Company's IRP for three reasons. None of these reasons is  
5 persuasive.

6 First, Joint Petitioners claim that without evaluating specific routes, the  
7 Commission cannot determine whether the proposed B2H is part of the best cost/risk  
8 portfolio.<sup>3</sup> The Joint Petitioners' argument is based on a fundamental misunderstanding of  
9 the Commission's IRP process. The Commission does not intend for the IRP process to  
10 consider the details of specific resources or to resolve all areas of uncertainty related to  
11 resource portfolios. The Commission explicitly "acknowledge[s] the uncertainty associated  
12 with utility resource planning" and therefore requires utilities to evaluate resource portfolios  
13 "over the range of identified risks and uncertainties."<sup>4</sup> To fulfill this requirement in this  
14 case, Idaho Power has evaluated multiple resource portfolios, including those that contain  
15 B2H, over a range of circumstances and incorporating various risks.

16 Similarly, the Commission has been clear that IRP acknowledgment should be  
17 limited to generic resources, rather than specific resources.<sup>5</sup> This policy stems from the  
18 Commission's desire "to keep the IRP process separate from the procurement process."<sup>6</sup>  
19 The Joint Petitioners' argument that the Commission should allow litigation of specific B2H  
20 routes is in essence a request for the Commission to consider whether a specific resource  
21 should be acknowledged, in conflict with the IRP Guidelines. The Energy Facility Siting

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23 <sup>3</sup> Order No. 07-002 at 5; IRP Guideline 1(c).

24 <sup>4</sup> Order No. 07-002 at 6, 12.

25 <sup>5</sup> *Id.* at 25.

26 <sup>6</sup> *Id.*

1 Council (EFSC”), not the Commission, is the agency with the statutory authority to  
2 evaluate and determine specific sites for specific energy facilities. The Joint Petitioners  
3 will have an opportunity to make any arguments related to the route of B2H to EFSC in a  
4 public process.

5 The Joint Petitioner’s argument also ignores the iterative nature of the IRP process  
6 and the timeline in the process for consideration of B2H. At this point, there is no specific  
7 route being proposed for B2H because EFSC has not yet issued a site permit.  
8 Accordingly, any discussion of the route would be completely speculative. It is possible  
9 that the route ultimately determined by EFSC *will* render the project uneconomical, but it is  
10 far too early to tell. At any rate, B2H will be included in at least the 2011 IRP and will be  
11 the subject of a route-specific Certificate of Convenience and Necessity proceeding in  
12 both Oregon and Idaho before construction commences. If the Joint Petitioners believe  
13 that the project, as it becomes more definite, is not appropriately part of a least cost/least  
14 risk portfolio, they will have several opportunities to raise their arguments in the future.

15 The Joint Petitioners’ next argument is that the utility is required to “compare  
16 different resource . . . locations” in its evaluation of the best cost/risk portfolio. The Joint  
17 Petitioners appear to interpret this requirement to suggest that the utility compare *specific*  
18 *sites* of resources in its portfolios. However, the Commission has never required such  
19 granular information in the IRP. When comparing locations of resources, utilities, and the  
20 Commission, assess potential locations on a large-scale basis—for example, on the basis  
21 of transmission availability, proximity to load centers, or wind, solar, or geothermal  
22 resource availability. The Commission does not require utilities to evaluate specific sites.

23 In addition, requiring utilities to evaluate specific sites is contrary to the  
24 Commission’s expectation that subject to some exceptions, the utility will conduct a

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1 request for proposal (“RFP”) for major resources that are identified in the IRP.<sup>7</sup> The utility  
2 has no way to anticipate the sites that may result from its RFP, making evaluation of  
3 resources on a site-specific basis in the IRP impossible.

4 Finally, the Joint Petitioners argue that utilities are required to identify  
5 “environmental compliance costs” and “any barriers to implementation.”<sup>8</sup> The requirement  
6 to identify compliance costs, barriers to implementation, or other areas of risk would be  
7 conducted on a more economic basis, such as potential carbon mitigation costs, and  
8 public policy uncertainty does not amount to a requirement to resolve all areas of  
9 uncertainty in this proceeding.

10 **B. The Joint Petitioners’ Position is Contrary to Commission Precedent.**

11 The Joint Petitioners’ argument that it would be legal error to preclude litigation of a  
12 specific route in the IRP is contrary to Commission precedent acknowledging IRPs  
13 containing generic transmission resources without designating specific routes. In Idaho  
14 Power’s 2006 IRP, for example, the Commission acknowledged the IRP containing  
15 transmission resources without evaluating potential specific routes.<sup>9</sup> The Commission  
16 also recently acknowledged PacifiCorp’s 2008 IRP that contained significant transmission  
17 resources without evaluating different routes.<sup>10</sup> Additionally, as Idaho Power discussed in  
18 its Answer to Petitions for Intervention of Move Idaho Power and Nancy Peyron, the  
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22 <sup>7</sup> See Order No. 06-446.

23 <sup>8</sup> IRP Guidelines 4(g) and (m).

24 <sup>9</sup> See *Re Idaho Power Co.’s Application for Adoption of its 2006 Integrated Resource Plan*, Docket LC  
25 41, Order No. 07-394 at 7-8, 10-11 (Sept. 12, 2007). In that case, Idaho Power identified a generic  
line between the mid-Columbia area and the Boise area as the McNary to Boise line.

26 <sup>10</sup> See *Re PacifiCorp 2008 Integrated Resource Plan*, Docket LC 47, Order No. 10-066 at 3 (Feb. 24,  
2010).

1 Commission previously held that evaluating the proposed route for a gas pipeline was  
2 inappropriate in the IRP and was more appropriately raised in the EFSC proceedings.<sup>11</sup>

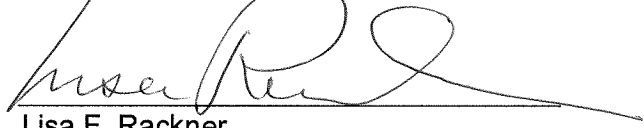
3 Idaho Power agrees that in the IRP proceeding the Petitioners are free to address  
4 and challenge the reasonableness of the costs Idaho Power has assumed to construct the  
5 generic B2H line. But such a challenge does not require an assessment of the costs of all  
6 alternative routes.

7 **III. CONCLUSION**

8 Idaho Power requests that the Commission reject the Joint Petitioners' argument  
9 that the Commission's IRP Guidelines require parties to litigate specific routes for the  
10 proposed B2H in this docket. Such an evaluation is not required by the IRP Guidelines  
11 and is contrary to Commission precedent on IRPs.

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13 Respectfully submitted this 12<sup>th</sup> day of March, 2010.

14 **McDOWELL RACKNER & GIBSON PC**

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26 <sup>11</sup> *Re Investigation into Least-Cost Planning for Resource Acquisition by NW Natural*, Docket LC 29,  
Order No. 00-782 at 5-6, 8 (Dec. 11, 2000).