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February 21, 2009

Administrative Law Judge Allan J. Arlow
Administrative Hearings Division
Public Utility Commission of Oregon
550 Capitol Street NE, Suite 215; PO Box 2148
Salem, OR 97308-2148

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Public Utility Commission of Oregon
Administrative Hearings Division

RE: Idaho Power Company "Addendum" to 2006 IRP

Dear Administrative Law Judge Arlow:

I have reviewed the Idaho Power addendum to its previously filed 2008 Integrated Resource Plan Update and its previously acknowledged 2006 Integrated Resource Plan (IRP). Idaho Power is requesting the Oregon PUC to include this addendum in its acknowledged IRP. They state that "the principal focus of the addendum is the Boardman to Hemingway line and the reasons supporting its inclusion in the company's acknowledged IRP". I do not believe that the reasons provided in the addendum adequately support the Boardman to Hemingway (B2H) inclusion.

Following are my reasons for rejecting this addendum:

1. The Commission lacks jurisdiction to consider this Addendum. This filing simply cannot be 'integrated' into the 2006 order, and even if it could be, circumstances have changed so drastically since then that any attempt would be highly unproductive. Moreover, IPC has indicated that it plans on filing a new Integrated Resource Plan in the near future. We believe that, by attempting to insert this Addendum as modification to the prior approval of the IPC's 2006 plan, IPC is attempting to circumvent *any* comprehensive review of the line.
2. Several statements in the addendum are inconsistent. The IRP states that the current estimate is for a total of 2250 capacity.
 - a. 1400 MW is the estimate of the export capacity (export power from Hemingway to Boardman). The addendum also states that the Gateway West project is not yet committed. Is the B2H export power viable without the Gateway West connection to locations further east? Without the Gateway West project, where will IP get the 1400MW to export to Boardman?
 - b. 850 MW is the estimate of the import capacity (from Boardman to Hemingway). 225 of this is to cover summer peak demand in the Treasure Valley, and some additional amount will be used to "reduce existing third-party transmission wheeling expenses required to deliver existing Boardman resources to Idaho's existing system". It will also be used to "transfer some of the existing transmission uses to the new 500 kV line which will release capacity on the existing 230 kV system". Can it really do all this?

3. The addendum mentions a Sand Hollow substation in 2 places. This is the first official mention of the need for an additional in-line substation (Sand Hollow) as part of the B2H project. Idaho Power has not made a compelling argument as to why this substation is critical to B2H. But the current route discussions are based on the fact the IP says the B2H line MUST support connection to a substation near the Sand Hollow area. This addendum keeps bringing up new, undocumented requirements that make it impossible to fully review or even understand the proposal.
4. The minimal amount of cost benefit information provided in the addendum is very misleading. For example the cost per kV of the 500 kV line is stated as being \$700 based on just the import capacity ($\$600\text{million} / 850\text{MW} = \706 per kV). And this is compared to \$1,200 for a combined cycle combustion turbine. And they even say the B2H line would only cost \$300 ($\$600\text{million} / 2250\text{MW} = \267 per kV) based on the total capacity of 2250. But there are several flaws in this comparison.
 - a. Is it accurate to compare the cost of power generation with that of transmission?
 - b. The data does not show how much power would be generate by the combined cycle combustion turbine. This is important to know in the analysis. I estimate it is the 225 needed by IP.
 - c. Looking just at the additional power being supplied to Idaho Power customers, the line will cost much more than \$300 or 700 per kV. It would be \$2,667 per kV ($\$600\text{million} / 225\text{MW} = \$2,667$ per kV). If you only look at supplying IP 225 additional MW, this is a more accurate number to compare to the \$1,200 for the turbine.
 - d. There are additional benefits to the transmission line that should be included in the cost per kV, but they should be calculated at a different rate than the supply of the needed power to IP.
 - e. The comparison provided by IP is just for construction. Any cost benefit analysis should also include:
 - i. Operation & maintenance costs of the 2 (or more) options
 - ii. Cost to purchase the 225 MW of power moved on the B2H line versus the cost to generate the 225 MW on the turbine.
 - iii. And this should reflect only the portion of the year that the additional power is needed.
 - iv. Wheeling charges saved by moving their Boardman power over the B2H line.
 - v. Wheeling revenue generated by the B2H excess capacity.
 - vi. Other relevant data needed for a complete cost benefit analysis
 - f. The determination of which option is most cost effective cannot be made until a complete, accurate analysis of the various options is completed and provided to the commission.

5. Given the need for additional renewable power and the many projects under review, the need for B2H cannot be determined until the results of this review is known.

In conclusion, the IRP addendum submitted by Idaho Power is incomplete, premature and lacks proper analysis. No action should be taken on it until a more complete, well documented analysis is provided by Idaho Power.

Sincerely yours,

A handwritten signature in cursive script that reads "Evelyn Sayers". The signature is written in black ink and is positioned above the typed name.

Evelyn Sayers
Landowner

cc: Matt Muldoon, Oregon Public Utility Commission; Adam Bless, Oregon Department of Energy; Thomas Nelson, Attorney at Law; Lucas Lucero, Bureau of Land Management; Governor Ted Kulongoski, State of Oregon; Senator Ted Ferrioli, State of Oregon District 30; Representative Cliff Bentz, State of Oregon District 60.