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From: Ken Miller <kmiller@snakeriveralliance.org>
Sent: Wednesday, March 18, 2015 4:49 PM
To: comment@boardmantoemingway.com
Cc: Ken Miller
Subject: Boardman to Hemingway comments
Attachments: March 2015 B2H DEIS Comments-final.doc; Untitled attachment 02289.htm

To: Bureau of Land Management
From: Snake River Alliance
Re: Boardman to Hemingway Transmission Line

Please accept the attached comments from the Snake River Alliance regarding the B2H DEIS. If you have any questions or if there are issues opening the file, please let us know.

Respectfully,

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**Comments of the Snake River Alliance
On the Draft Environmental Impact Statement
Boardman to Hemingway Transmission Line Project**

**Submitted by
Ken Miller, Clean Energy Program Director, Snake River Alliance**

March 19, 2015

**Electronically Submitted to:
Boardman to Hemingway Transmission Line Project
Bureau of Land Management
100 Oregon Street
Vale, OR 97918**

The Snake River Alliance appreciates this opportunity to comment on the Bureau of Land Management's Draft Environmental Impact Statement (DEIS) for the Boardman to Hemingway Transmission Line Project (B2H Project) proposed by Idaho Power Co. and its anticipated development partners PacifiCorp and Bonneville Power Administration (BPA). The Alliance has participated in proceedings in this proposal for several years, including at public open house meetings and through the scoping processes.

The Snake River Alliance is an Idaho-based non-profit (501(c)(3)) organization, established in 1979 to address Idahoans' concerns about nuclear safety issues. In 2007, the Alliance expanded the scope of its mission by launching its Clean Energy Program. The Alliance's clean energy initiative includes advocacy for renewable energy resources in Idaho; expanded conservation and demand-side management programs offered by Idaho's regulated electric utilities and the Bonneville Power Administration; and development of local, state, regional, and national initiatives to advance sustainable supply-side and transmission policies. The Alliance pursues these programs on behalf of its members, many of whom are customers of Idaho Power, Avista Corp., and PacifiCorp, which does business in Idaho as Rocky Mountain Power and of Idaho's many cooperative and municipal utilities that acquire their electricity from the Bonneville Power Administration.

Alliance Clean Energy Program Director Ken Miller has participated in B2H informational meetings and other events since this project was first proposed in 2007 and is also a member of Idaho Power's Integrated Resource Plan Advisory Council (IRPAC). The Alliance has also participated in meetings and submitted comments regarding the proposed Gateway West transmission line project in Wyoming and Idaho, particularly those parts of the project that, if developed, would connect to Idaho Power's Hemingway substation, which is at issue in both the Gateway West and B2H proposed transmission projects. The Alliance appreciates the patience and dedication of all parties, including BLM, the Proponents, property owners and all other stakeholders as this proposal has undergone prolonged but important public review and amendments.

The Proposal

According to the DEIS, The proposed Boardman to Hemingway project would consist of a 305-mile, 500-kV transmission line and ancillary facilities within a 250-foot right of way, running from near a proposed substation near Boardman, OR, to an Idaho Power substation in Owyhee County, ID, near Melba. The majority of the proposed line would be located in multiple private and state and local government ownership categories, and to a limited degree (fewer than 100 miles of the proposed line's total length) federal lands managed by the U.S. Forest Service, Bureau of Reclamation, and Bureau of Land Management. Due in part to the involvement of federal lands, the project was first subject to a National Environmental Policy Act (NEPA) scoping review conducted in 2008 and again in 2010, since flaws were identified in the initial scoping process.

As proposed and according to the proposed action identified in the DEIS, B2H would traverse federal, state, and private lands in five counties in Oregon and one county in Idaho. (Chapter 2, p. 2-1, lines 17-20). The proposal has encountered varying degrees of support and opposition, particularly regarding land use issues in areas that would be most affected by the alternatives examined in this DEIS.

Oregon conducts an extensive siting review of transmission and generation projects such as B2H. Idaho has no such regulatory mechanism.

Introduction

With reservations explained in more detail below, the Alliance supports BLM approval of the preferred alternative contained in the DEIS. Alliance policies generally support “non-wires” responses to accommodate new electric utility load growth, and we rarely support construction of new, and in cases such as B2H very expensive, transmission infrastructure. The Alliance also supported – again with reservations – Idaho Power’s 2013 IRP, which identified B2H as the preferred alternative in how Idaho Power would satisfy its delivery obligations to serve load going forward. Idaho Power’s leading alternatives to B2H, as identified in the 2013 IRP, would develop new natural gas-fired combustion turbines, which the Alliance would have opposed.

In our Nov. 6, 2013, comments to the Idaho Public Utilities Commission supporting Idaho Power’s 2013 IRP, the Alliance stated, in part:

The Alliance has recognized the potential value of the Boardman-Hemingway transmission proposal for several years and our position continues to evolve along with the electricity landscape and infrastructure in the Pacific Northwest. We believe the project has the potential to allow for a greater flow of renewable energy between markets in the Pacific Northwest, particularly with Idaho Power being summer peaking utility and utilities West of the Cascades generally experiencing their peak demands

during the winter. Idaho Power's 2013 IRP assumes Boardman-Hemingway may be energized in 2018.

The Alliance was concerned after reading on P. 58 of IDACORP's 3rd Quarter Form 10-Q filed with the U.S. Securities and Exchange Commission that:

The permitting-related delays and changing environmental requirements will result in increased project costs, with the magnitude of the increase depending largely on the length of the delay and the line route ultimately approved. The regulatory outcomes associated with the siting process can also affect the ultimate feasibility and cost effectiveness of the project.

And on P. 42 of the same Form 10-Q that:

As it relates to the Boardman-to-Hemingway project, of which Idaho Power is the project manager, the environmental requirements for, and application of environmental regulations (particularly relating to sage grouse) to, the siting process have [sic] changed significantly since commencement of the project, increasing permitting costs. In light of the delays and siting impediments that have occurred and are expected to continue, Idaho Power estimates that the in-service date for the Boardman-to-Hemingway line would be in 2020 or beyond. The Boardman-to-Hemingway line remains Idaho Power's preferred resource alternative. Given project delays, however, Idaho Power is conducting an enhanced review of other power supply resource options as it continues progress on the Boardman-to-Hemingway line.

As the Alliance commented to the Idaho PUC in 2013, there remain uncertainties regarding the future of the Boardman-Hemingway project. With regard to the Gateway West transmission line – or at least Idaho Power's anticipated share of it, other utilities (PacifiCorp and Bonneville) have expressed a need for additional transmission capacity, but Idaho Power has not yet demonstrated a compelling reason why its customers should participate in the venture. Gateway West has been fraught with regulatory and other problems since its inception and continues to be. Unless its proposed developers can demonstrate a need for Gateway West that directly benefits Idaho Power customers, and unless siting and similar issues are resolved by the state of Oregon, we recommend that the Commission continue to treat it as an uncommitted resource.

The Boardman to Hemingway transmission project is one of seven transmission "priority projects" across 12 states that were identified by the Obama Administration's Interagency Rapid Response Team for Transmission as priorities in a federal "streamlining" pilot project to advance permitting and construction of high-priority transmission projects.

Chapter 1: Purpose and Need

The Purpose and Need section of the DEIS is at the heart of the Alliance's comments and the Alliance recommends further elaboration in the final EIS.

The Alliance agrees with BLM's analysis summary (Chapter 1, p. 1-1) that, "The project's goal is to provide additional electrical load capacity between the Pacific Northwest region and the Intermountain region of southwestern Idaho. The B2H Project would alleviate existing transmission constraints and ensure sufficient capacity to meet present and forecasted load requirements."

We agree that the existing Idaho-Northwest transmission path has transmission constraints during certain times of the year, as do other existing transmission paths. One of the primary reasons the Alliance supported the B2H portfolio in Idaho Power's 2013 IRP was due to its ability to connect Idaho to other Northwest markets, which among other things would augment Idaho Power's ability to meet its peak demand challenges, which in turn are far greater than its average energy needs. We also believe B2H has the potential to ease renewable energy integration concerns, especially in an era of fast-growing regional Energy Imbalance Markets (EIMs) in our region but also in the California-Nevada markets that are currently being launched.

In addition, Bonneville considered six potential service options in "finding a replacement method of serving BPA's preference customers in southeastern Idaho post-2016. From among the six potential service options BPA is currently considering, BPA has identified the option of Boardman-to-Hemingway with Transmission Asset Swap as its top priority for pursuit in fiscal year 2013 and beyond. This option has the potential to keep BPA costs low relative to the other options considered, to increase reliability of the Northwest transmission system, and was supported by many of the comments received during the August public review of this issue." (Notice to regional customers, stakeholders, and other interested parties, Department of Energy, Bonneville Power Administration, Oct. 2, 2012).

We believe Chapter 1 (Purpose and Need) should be expanded in the final EIS. The crux of this chapter ("Idaho Power Company's Objectives for the Project") (Chapter 1, p. 1-9, lines 12-37 and p. 1-10, lines 1-31) requires a more precise justification for this proposal. This section is also sparse on specifics supporting the sweeping and general statements contained within. Our suggestions for consideration in the final EIS, including what we view as important power planning proposals and related issues, follow.

Existing Idaho Power Supply Side Resources

As mentioned above, we agree that Idaho Power has transmission capacity issues between its balancing authority and the Pacific Northwest region, and we also point out that Idaho Power is not resource-constrained to serve load and barring a dramatic change in circumstances will not be for several years.

However, it is important to recognize that Idaho Power currently has about 1,100 megawatts of coal-fired generation that it co-owns at Boardman, OR (10 percent); Jim Bridger, WY (33 percent); and North Valmy, NV (50 percent), with other utilities partners. While Idaho Power is not currently constrained regarding supply side resources due in large part to its considerable hydropower and fossil fuel assets, including coal and natural gas, we envision that its coal-fired generation assets will become less economic to dispatch as existing and proposed health and environmental regulations affecting its coal generation operations begin to take hold.

While we acknowledge that the outcome of the pending EPA Clean Air Act Rule 111(d), affecting greenhouse gas emissions from existing coal plants, may not be known this year or next, we believe it is inevitable that required controls of greenhouse gas and other emissions from existing coal plants will have a significant impact on Idaho Power's resource stack and the costs and timing of dispatching resources currently in its fuel mix. To its credit, Idaho Power has acknowledged as much and we believe is positioning itself to respond to a changing regulatory environment that will likely require early retirement of some thermal generation, most likely the more than 260 megawatts from the North Valmy station in Nevada – making development of B2H at least one viable replacement option inasmuch as it will allow import of additional hydropower or wind generation from points Northwest.

Idaho Power's 2013 Integrated Resource Plan

Idaho's regulated electric utilities are required to prepare IRPs every two years. These plans, while not binding, are reviewed by state utility regulators and serve as a roadmap of how each utility plans to meet its electricity demand for rolling 20-year planning periods. (Chapter 1, P. 1-11, Lines 1-15)

As referenced above, Idaho Power's most recent IRP, filed with the PUC in 2013, identifies B2H as its "preferred alternative" for meeting demand in the 20-year planning period. The 2013 IRP notes the importance of construction of the Boardman to Hemingway project:

- "The Boardman to Hemingway transmission line with associated market purchases is the major resource addition identified in the preferred resource portfolio. A new transmission line connecting Idaho Power to the Pacific Northwest was first mentioned in the 2000 IRP, and the upgrade was specifically identified in the 2006 Idaho Power Resource Plan." (2013 IRP, p. 8-9)
- "Idaho Power's regional transmission interconnections improve reliability by providing the flexibility to move electricity between utilities and also provide economic benefits based on the ability to share operating reserves. Historically, Idaho Power has been a summer peaking utility, while most other utilities in the Pacific Northwest experience system peak loads during the winter. Because of the difference in peak seasons, Idaho Power purchases energy from the Mid-Columbia energy trading market to meet peak summer load, and Idaho Power sells excess energy to Pacific Northwest utilities during the winter and spring... In general, regional transmission allows the region to share

regulation and provides capacity to help integrate intermittent resources, such as wind and solar.” (IRP, p. 71)

- “In January 2012, Idaho Power entered into a joint funding agreement with PacifiCorp and BPA to pursue permitting of the project... Additionally a Memorandum of Understanding (MOU) was executed between Idaho Power, BPA, and PacifiCorp to explore opportunities for BPA to establish eastern Idaho load service from the Hemingway Substation. BPA identified six solutions – including two Boardman to Hemingway options – to meet its load-service obligations in southeast Idaho. On October 2, 2012, BPA publically announced the preferred solution to be the Boardman to Hemingway project.” (IRP, p. 77)
- “Northwest transmission was the lowest-cost resource alternative in all scenarios, and the ranking of the resource alternatives did not change in any scenario... Based on the suggestions of the IRP Advisory Council and the results of the resource alternatives analysis, Idaho Power designed resource portfolios using the lowest-cost resource alternatives – Northwest transmission and generation fired by natural gas.” (IRP, p. 87)
- “The Boardman to Hemingway transmission line with associated market purchases is the major resource addition identified in the preferred resource portfolio.” (IRP, p. 113)
- “The Boardman to Hemingway transmission project has outperformed the other resource portfolios in the 2013 IRP. Idaho Power is currently acquiring the necessary regulatory approvals and permits to begin construction... The 2013 IRP confirms that the Boardman to Hemingway transmission line is a very cost-effective resource. The Resource Alternatives Analysis section of the 2013 IRP indicates that the Boardman to Hemingway line is more cost effective than the other supply-side resources studies.” (IRP, p. 114)

Conclusion

As stated above, the Snake River Alliance would prefer that a project of this magnitude would not be necessary. But given the current state of the transmission infrastructure in the Pacific Northwest and Intermountain West, we believe alternatives to B2H are limited. That is all the more relevant given the likelihood that Idaho Power is on what it describes as a “glide path” toward reduced coal plant operations and the resulting need to meet future power demand operations with non-coal generation resources. Regardless, we believe Chapter 1 (Purpose and Need) requires a more detailed explanation of the need for this proposal, and we propose that the proponents explain in more detail how distributed generation and other load reduction measures might ease pressures on existing and proposed transmission infrastructure.

Again, the Alliance appreciates the hard work and contributions of all parties in this case. We also appreciate the efforts of the utility, governmental, and other stakeholders as all parties work toward resolution.

Respectfully submitted,

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