

Please accept this attachment as my up-dated response to the B2H DEIS.
If this is not acceptable, please let me know. Nice meeting last Monday in Boardman.

best to you all
Gail Carbiener

**Comments by Gail Carbiener
On the Draft Environmental Impact Statement
Boardman to Hemingway Transmission Line Project**

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I appreciate the opportunity to provide comments relating to the Bureau of Land Management's draft environmental impact statement (DEIS) for the Boardman to Hemingway Transmission Line Project (B2H). Although an active member of the Oregon-California Trails Association (OCTA), I am commenting as an individual. I expect that I will make additional comments prior to the March 19, 2015 end of 90 day public comment period.

Since the first SF-299, (Application for Transportation and Utility Systems and Facilities on Federal Lands), in December 2007, Idaho Power and the BLM have worked to secure public approvals, changed routes, and worked diligently to bring this project to this point in early 2015. During these seven years, considerable funds and time have been spent, but both the BLM and Idaho Power and all the contracted consultants have failed to sufficiently justify the **need for the project**.

I recognize that the BLM has a legal obligation to not grant, grant with modifications, or deny Idaho Power Company's (IPC) application for a right of way (ROW) on public lands as stated in DEIS 1.2.1) and amend any Resource Management Plans (RMP) that stand in the way. That is exactly what the BLM proposes to do!

The BLM makes no effort to determine if the project itself is in the best interest of the public. The BLM accepts the multitude of organizations that encourage redundancy in infrastructure as reason enough to proceed.

BLM implies that Idaho Power is "required" by Federal Energy Regulatory Commission (FERC) to build this transmission line to comply with Federal Laws (1.4.1). As quoted in the DEIS (1.4.1) *Under FERC tariff requirement, public utilities, such as IPC, must plan, design, construct, operate, and maintain an adequate electric transmission system that not only meets the customer's energy demands but also meets the customer's peak load demands.* IPC in their current Integrated Resource Plan (IRP) has stated they do not need this transmission for either situations.

In DEIS 1.4.2 the BLM states that IPC must prepare an Integrated Resource Plan (IRP) for both Oregon and Idaho Public Utility Commissions, which they have done. The IRP (prepared for 2013) states; *the B2H Project – or a general resource similar to it – has served as a critical component of every acknowledged IPC IRP since 2000.*

The applicants Interest and Objectives on DEIS page S-2, states:

“The B2H Project is neither required to support any particular new power generation project nor justified by any particular existing power generation project. Rather, the B2H Project would meet IPC’s obligations to meet Federal Energy Regulatory Commission, Oregon Public Utility Commission, and the Idaho Public Utility Commission requirements. IPC would meet these requirements by providing a high- capacity connection between two key points in the existing bulk electric system, adding capacity to transmit electricity during periods of high demand and accommodate third-party transmission requests.”

This statement certainly does not support the NEED for the B2H project. None of the “obligations” referred to in the statement above, require Idaho Power to build this transmission line.

IPC filed with the Securities and Exchange Commission (SEC) a Form 8-K dated January 20, 2011 that estimated the total cost of the B2H project to be \$820 million, and be in service by 2015. Needless to say the cost has gone up and they now estimate service to begin in 2020. The rate payers will pay for this cost in their electric rates. The BLM has an obligation to determine if this transmission line is in the public’s best interest.

Idaho Power’s 2011 Integrated Resource Plan Update and the 2013 Integrated Resource Plan (IRP) acknowledges several points that will eliminate the need for additional power via the B2H transmission line.

Examples:

- “Special” contract customers did not materialize resulting in 128 average MW of power not being needed in the future.
- IPC forecasts average system load “lower” than was forecasted in the 2011 IRP.
- Economic recovery is occurring at a slower pace than was forecasted.
- Forecasted Natural Gas prices were nearly five times current price and no analysis was done to determine benefits of new gas powered generation plants.
- The Gateway West Transmission line should supply sufficient power to the IPC.

The Idaho Power Company partners (Bonneville Power and Pacific Corp) have made significant decisions recently that the BLM should consider in determining the need for the B2H project.

Examples:

- Portland General Electric (PGE) and BPA have cancelled the Cascade Crossing project which would have included either the Grassland or Longhorn substations. The President of PGE is quoted; *“As a result of changes in demand on the BPA transmission grid, as a result of less renewables trying to get to California and just demands for transmission, Bonneville has no longer what we viewed as a constraint on the transmission grid.”* (6/4/2013: Oregon Public Broadcasting Web site, Earthfix.opb.org)

- Portland General Electric started building the Carty Generating Station a natural gas plant. This plant will produce 440 MW enough to power 300,000 homes. How will this new generation effect the need for the B2H project?
- Bonneville Power Administration (BPA) has not yet determined to build the BLM's preferred northern substation, Longhorn.

PacifiCorp, one of Idaho Power's partners, gave BPA notice in June 2011 that it will terminate its contractual arrangement with BPA, in June 2016. The PacifiCorp arrangement allowed BPA to service six preference customers in southeastern Idaho. BPA is currently looking at options to serve these customers.

In a SEC form 8-K filing by Idaho Power on January 12, 2012, the three parties to the B2H project (Idaho Power, PacifiCorp, and Bonneville Power) agreed to a MOU that helps Bonneville Power serve the six preference customers in southern Idaho. It reads:

Memorandum of Understanding, dated January 12, 2012, among Idaho Power, PacifiCorp, and BPA (2012 MOU):

The 2012 MOU provides that the parties will negotiate in good faith the terms of mutually satisfactory definitive agreements that would allow BPA to meet its load service obligations in southeast Idaho. It provides that the parties will explore opportunities to establish eastern Idaho load service from the Hemingway substation in exchange for similar service from the Federal Columbia River Transmission System (FCRTS), and will consider whether to replace certain transmission arrangements involving existing assets with joint ownership transmission or other arrangements.

The 2012 MOU outlines at least two potential alternatives for further negotiation, as follows:

- *Alternative 1: BPA would obtain a network service option from the Hemingway substation to the existing BPA service points in eastern Idaho. Idaho Power would sell and PacifiCorp would acquire Idaho Power's existing assets necessary to provide BPA's long-term load service. BPA would also work to plan an amount of FCRTS capacity sufficient to enable PacifiCorp and Idaho Power to utilize their capacity shares (up to 650 MW in total) of the Boardman to Hemingway transmission project pursuant to standard open access transmission tariff terms and conditions.*
- *Alternative 2: Idaho Power and PacifiCorp would together provide BPA with 600 MW of firm eastbound ownership rights of assets, or other terms and conditions associated with the combined systems of Idaho Power and PacifiCorp in southern Idaho, for the primary purpose of serving BPA service points in eastern Idaho. BPA would provide to PacifiCorp and Idaho Power an equivalent value of capacity rights, ownership rights of assets, or other terms and conditions associated with the FCRTS to the western terminus of the Boardman to Hemingway transmission project, or other interconnection points determined by the parties. The parties would evaluate and consider a number of strategies to effect the proposed transactions, including, but not limited to, joint ownership of portions of the Gateway West project.*

The 2012 MOU is a non-binding statement of intent to explore a larger coordinated solution for all parties to meet the parties' respective service needs. Any party may terminate the 2012 MOU at any time, without penalty, and the 2012 MOU automatically expires on December 31, 2014.

I have not been able to determine what has happened since the expiration date, but it is interesting to know that these three power providers can find alternative means to supply electric power to the BPA's six preference customers.

Bonneville Power Oversupply Management: Mr. Mainzer, Administrator at BPA on March 25, 2014 before the Subcommittee on Water and Power, US House of Representatives, described how BPA proposes to recover these costs. The Oversupply Management occurs when Bonneville displaces wind generation in certain oversupply conditions and compensates (wind) generators for lost production tax credits, renewable energy credits, and losses under certain power sales agreements. BPA proposes to allocate oversupply costs to generators in Bonneville's balancing authority area, proportional to their scheduled use of the transmission system during oversupply events. Multiple parties have challenged BPA's right to curtail wind during oversupply situations.

In summary, even though the BLM has over 2000 pages of analysis to comply with environmental concerns, it has skipped over the fundamental question – is the B2H needed at all.

I believe that the BLM limited their approval of this project to the Right-of-Way and then relies upon consultants to provide the necessary study and documentation to support their preferred alternative. The BLM has not determined if alternatives such as natural gas plant generation, conservation or other transmission line construction are options. These options, if feasible, would eliminate degradation of both public and private lands, while reducing significant costs to Oregon and Idaho ratepayers.

The Boardman to Hemingway transmission line warrants further examination by the BLM and its consultants to provide to the public a more complete needs analysis.

Respectfully submitted



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