

Boardman to Hemingway Transmission Line Project

Benefits of the B2H Project

1. What are the economic benefits to Union County?

The B2H project will result in positive economic impacts for communities in Union County, including:

- ✓ Increased tax base from project-specific property tax dollars
- ✓ Increased local spending during construction
- ✓ The B2H project will relieve congestion on existing 230-kV transmission lines serving Union County. This can create opportunities for economic development and new jobs.
- ✓ Additional transmission capacity can create opportunities for new energy resources, which can add to the county tax base and create new jobs.

2. What are the economic benefits to the Pacific Northwest region?

B2H is an investment in the future to ensure customers receive low-cost, low-risk energy that is reliable, resilient, and flexible. The project will provide regional economic benefits, including the:

- ✓ Flexibility to respond to future resource uncertainty, such as intermittent renewables and lower carbon emissions (in accordance with Oregon's Clean Electricity and Coal Transition Plan).
- ✓ Opportunity for increased support of advanced market tools, such as the energy imbalance market (EIM), which provide the ability to reduce power supply costs for customers.

Project need

1. Why is B2H needed?

The B2H project is needed to meet customer energy demands. The existing electric transmission system does not have enough capacity for periods of high demand, or to reliably and economically serve projected future demand.

B2H project funding partners Bonneville Power Administration (BPA), PacifiCorp and Idaho Power continue to express need for the project based on customer loads in the Pacific Northwest and Intermountain West.

As a regulated public utility, Idaho Power is mandated to meet forecasted customer demand. Idaho Power's Integrated Resource Plan (IRP), which is independently reviewed by the Oregon Public Utility Commission (PUC), identifies the lowest cost and lowest risk plan for meeting projected customer demand. The 2009, 2011, 2013, and 2015 IRPs each identified the B2H project as the most cost-effective option to serve projected demand.

2. What will happen to the B2H line as the transmission grid evolves over time?

Transmission lines provide flexibility to balance regional needs, especially with the growing influx of renewable resources. They are designed to handle any type of power generation and provide the ability to economically serve customer demand over large geographic areas.

It is unlikely that the B2H project would ever need to be removed due to the efficiency, flexibility and resiliency of the transmission infrastructure. However, if a transmission line needs to be removed, state permitting requires the owner and operator of the transmission line to obtain a letter of credit (or bonding) for the removal of the project and rehabilitation of the land.

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3. Why is the line being sited across Oregon and Idaho?

The project supports customer needs for low-cost, low-risk, reliable electrical service across the western U.S. Idaho Power and its permitting partners, BPA and PacifiCorp, have proposed the project to provide a connection from the Mid-Columbia energy trading hub near Boardman, Oregon to a location in western Idaho. This allows the project to connect Idaho Power, BPA and PacifiCorp customers across eight western states. Oregon Trail Electric Cooperative is a customer of BPA. Hubs create a common point for commercial energy trading and allow for generation to be used where needed during peak loads.

In the case of B2H, generation from the Pacific Northwest power market can be used to offset summer peak loads in Idaho and the Intermountain West. Conversely, generation from Idaho and the Intermountain West region can offset winter peak loads in the Pacific Northwest (benefitting regional electric customers throughout the West).

4. What other alternatives to B2H were considered?

All options for meeting customer demand through additional utility-scale (including coal, natural gas, hydroelectric dams, wind and solar farms) and distributed generation (such as roof-top solar, biomass or co-generation), transmission and demand-reduction (energy efficiency) are on the table.

5. Are all the transmission lines between the Pacific Northwest and Idaho at capacity?

The Pacific Northwest-Idaho transmission path (a collection of transmission lines) consists of the 500-kV Hemingway-Summer Lake line, three 230-kV lines between the Hells Canyon Complex and the Pacific Northwest, and the 115-kV interconnection at Harney Substation near Burns, Oregon. The west-to-east capacity on the transmission path is fully allocated and is capacity-limited during summer months due to existing service obligations.

6. Will capacity on the transmission system become available when coal plants are shut down?

Like many utilities reviewing the impacts of changing regulations related to coal-fired power production, Idaho Power must find a resource to replace the lost generation capacity. Idaho Power makes future resource decisions through its IRP process and has determined that B2H is the cost-effective method for meeting future customer demand, while accounting for the removal of generation from the Boardman and North Valmy coal fired plants due to their planned retirement.

Transmission capacity that could become available from closing existing coal-fired plants in Wyoming or Nevada would likely not be very helpful because coal generation facilities in these areas are in remote locations, and not robust market hubs.

Additionally, the service needs and geographic service areas of all project partners must be considered.

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Working with landowners

1. How is Idaho Power working with landowners across the project area?

Idaho Power is committed to working with landowners during the environmental review process and during the eventual construction and maintenance of the line. Acquiring easements within the project's final right of way (ROW) is required for both public and private lands. Idaho Power will work with impacted landowners along the project route to discuss easements, which can be a lengthy process.

Idaho Power has worked with local stakeholders and through federal and state permitting processes to site a route that minimizes impacts to land uses, production areas, roads, natural terrain and structures, and will continue to work with landowners as much as possible in locating the facilities to ensure landowners have continued access and use of their land.

The environmental review and permitting process requires consideration of a much larger area than the final ROW, and landowners across this area have been and will continue to be involved in the process. Across the project area, Idaho Power continues to willingly work with communities and landowners to minimize impacts to landowners and their neighbors. Additionally, the federal environmental review process under the National Environmental Policy Act (NEPA) provided the opportunity for landowners and stakeholders to provide input on routing alternatives. Public input will also be independently collected and considered through the Oregon Energy Facility Siting Council (EFSC) process.

2. Is Idaho Power able to use eminent domain to acquire ROW?

The Oregon PUC can allow a public-regulated utility the option for eminent domain. However, it must be proven through a legal process that no agreement between the landowner and utility was possible. Idaho Power prefers to work collaboratively with landowners to establish easements that minimize impacts to the landowner while providing fair compensation.

3. Will Idaho Power work with Union County and the City of La Grande to assess local impacts?

Idaho Power will work with the Public Works departments of any jurisdiction crossed by the project or public roads and facilities used during construction. The Oregon EFSC process requires that we document and report compliance with existing jurisdictional standards. Additionally, we have consulted with the Road or Public Works departments of each county and some cities, including La Grande, on how to plan for, mitigate and repair construction impacts.

4. What impact will the project have on public and private forested lands?

Based on the current proposed routes, the project is expected to remove a small amount of forested land in Union and Umatilla Counties. Compensation for timber on private land will be part of the easement negotiation with property owners.

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Federal environmental review process

1. What is the status of the federal environmental review process?

The Bureau of Land Management (BLM) published its Final Environmental Impact Statement (FEIS) for the project on Nov. 25, 2016. The BLM has not yet issued a Record of Decision (ROD) for B2H, but Idaho Power expects the ROD soon.

2. Is Idaho Power's preferred route different than BLM's preferred alternative?

Idaho Power's originally proposed route was altered based on solutions brought to Idaho Power in Malheur County, Baker County (specifically Durkee and Baker City), Umatilla County and Morrow County. Idaho Power supports Union County's proposed route from January 2016.

Idaho Power does not intend to challenge the BLM's agency preferred alternative.

Routing and design

1. Why not use the existing transmission line corridor through central Oregon?

The existing corridor through central Oregon runs generally east-to-west and does not terminate at a location that meets the project's objectives. B2H needs to connect to the Mid-Columbia trading hub near Boardman, Oregon to provide access to the Pacific Northwest regional power market.

2. How much of the line can go on existing transmission line ROWs?

Existing ROWs are generally wide enough to allow for an additional transmission line. However, we have attempted to co-locate as close to existing infrastructure as possible and where practical.

3. How will the B2H project affect the development of wind and solar facilities across the area?

Idaho Power is not actively seeking new generation sources. In fact, this line is being proposed in part to better utilize and transfer an excess of energy found seasonally across the west.

4. What considerations have been made regarding tower design?

A variety of transmission line structure designs may be used for the project. The structures may be a combination of single and double circuit towers and steel lattice and tubular steel towers. Idaho Power seeks to minimize visual impacts while weighing reliability and financial impacts for customers. The priority for B2H has been and will continue to be building the most reliable and cost-effective project, while maximizing the benefit for all involved and minimizing the cost for customers.