

March 12, 2025

Chair John Lively
House Committee on Climate, Energy, and Environment
Oregon House of Representatives

Subject: House Bill 3681 – Letter of Support

Chairman Lively:

Thank you for the opportunity to provide a letter of support for House Bill 3681. Idaho Power Company ("Idaho Power") is engaged in the purchase, sale, generation, transmission, and distribution of electricity in eastern Oregon and southern Idaho. It provides reliable and affordable service on a nondiscriminatory basis to all those that request it within its certificated service area. Idaho Power employs 2,100 full-time employees and owns 3,486 MW of nameplate generation, serving more than 640,000 customers in a service area spanning an estimated 24,000 square miles. Idaho Power serves its customers under the regulations set forth by the Idaho and Oregon Public Utility Commissions as well as the Federal Energy Regulatory Commission.

Background

Idaho Power has been working on permitting the Boardman to Hemmingway Project ("B2H"), a 500kV transmission line that spans from southwestern Idaho to Boardman Oregon, for the past 18 years, specifically 12 years with the Oregon Department of Energy ("ODOE"). The B2H Project is supported by a partnership of Idaho Power, PacifiCorp, and Bonneville Power Administration and is a critical part of regional transmission planning to achieve Oregon and the Pacific Northwest's clean-energy goals. By alleviating transmission constraints and linking the Intermountain West with the power grid serving the Pacific Northwest, B2H will enable more inter-regional power exchanges and facilitate access to diverse renewable energy resources to meet ever-growing load demands.

Beyond its importance to regional decarbonization goals and essential energy needs, B2H is also a national-level priority to accomplish energy independence and accelerate the transition to a clean-energy future. B2H has received strong support across political lines, with consistent federal recognition of the importance of updating the aging electricity grid to integrate more renewable energy resources and meet energy demands.

B2H has been evaluated at nearly every level of Government and is subject to unique and detailed permitting at all government levels. The project is subject to the National Environmental Policy Act that included several federal stakeholders that are primarily the Bureau of Land Management, United States Forest Service and the Department of Defense. The project is also subject to the state Energy Facility Siting Process ("EFSC") that is led by the ODOE. Idaho Power also worked closely with the Oregon counties of Union, Baker, Umatilla, Malheur, and Morrow to meet individual county obligations.

The involvement of numerous regulators currently results in redundant and inefficient application and documentation processes. Each agency has its own set of requirements and makes decisions sequentially rather than simultaneously, leading to delays and higher project costs.

1. Twelve Month Contested Case Period

Idaho Power supports House Bill 3681 and met with Representative Gamba to discuss ideas to streamline ODOE's Energy Facility Siting Council process during the 2024 interim. Specifically, Idaho Power supports establishing a requirement for EFSC to conclude a contested case and issue a final order within 12 months from the date of a proposed order. The governmental review process for B2H has been robust and lengthy, which is intended to ensure compliance with environmental protection and other standards. In addition to satisfying all federal approval requirements, EFSC issued a site certificate for B2H after more than a decade of in-depth analysis with active community engagement and input from a myriad of diverse stakeholders.

For B2H, Idaho Power filed a preliminary application for site certificate in 2013, which was eventually deemed complete by ODOE in 2018. The Draft Proposed Order was issued in 2019, and the Proposed Order in 2020. After issuance of the Proposed Order, the Contested Case phase lasted **27 months**, and the Final Order on the site certificate was issued in 2022. While Idaho Power recognizes that the EFSC was simply following its processes, requiring that a contested case be resolved in 12 months would provide necessary efficiency for a developer of a major transmission project like B2H in the future in one area of the process.

2. Oregon Supreme Court Jurisdiction over Appeals of any Final Order

Another provision that will streamline projects and ensure a fair and transparent process is directing any appeals of a final order by EFSC to the Oregon Supreme Court. During the B2H process to amend the site certificate, one appellant filed a challenge to EFSC's final order, which included denial of a contested case, at the Union County Circuit Court. Ultimately that case was withdrawn by the appellant, but a clear statement about jurisdiction will aid in planning and ensure judicial efficiency.

The site certificate amendment process is time intensive, despite growing energy needs that highlight the need for faster processes. B2H has filed two Requests for Amendments (RFAs) that were primarily landowner driven changes and access road modifications. RFA 1 was submitted to ODOE in December 2022. It was approved by EFSC in September 2023 then subsequently appealed to the Union County Circuit Court. Ultimately a judgment of dismissal was issued by that court in October 2024, **22 months** after the RFA was submitted to ODOE. RFA 2 was filed in June 2023. ODOE issued a final order granting the amendment in August 2024 which was then appealed to the Oregon Supreme Court. Idaho Power is still awaiting a decision on appeal nearly **21 months** after the RFA was submitted.

3. Modifications to the Requirements for Amendments

Many of the changes included in RFA1 and RFA2 are minor, by their nature. Most are limited to moving access roads or slightly adjusting the transmission line by a few hundred feet outside of the site boundary. However, any modification to the site boundary automatically triggers an amendment,

regardless of the minimal nature of the change and its impact, resulting in a drawn-out amendment approval process. The approval process includes development of a full Request for Amendment by the site certificate holder, a comprehensive ODOE staff review, a 30-day public comment period, a proposed order hearing in front of EFSC, a 30-day review period (which causes the project to miss the next council meeting), followed by another council meeting to hear requests for contested cases, the final order hearing, and then, if successful, the approval and issuance of the final amended order. Removing this burden for minor changes to the site boundaries will prevent unnecessary delays.

Allowing a site certificate holder to file a notice for minor modifications to project site boundaries will improve efficiency and allow for the flexibility that is needed for energy projects, especially on major transmission projects.

EFSC's site certificate process is intended to ensure that only thoroughly developed projects receive approval. While this process provides Oregonians with an opportunity to be heard; however, for projects that have already undergone extensive review, the amendment process becomes a significant deterrent to addressing even the most minor landowner requests for changes to the project features, including location of access roads on their property. Idaho Power has first-hand experience with this and has encountered challenges in discussions with landowners regarding their property concerns. Idaho Power continues to balance the limitations and risks imposed by the amendment process with ability to accommodate minor landowner requests. By streamlining this process, project proponents will be better positioned to engage with and respond to the concerns of those most directly impacted by the project.

Conclusion

In conclusion, Idaho Power supports the provisions in House Bill 3681 that aim to streamline the EFSC site certificate process for energy projects. By establishing a clear 12-month deadline for contested cases and clarifying the process for minor modifications to project site boundaries, the bill promotes efficiency and reduces unnecessary delays. These improvements, and more, are vital for accelerating the development of critical energy infrastructure like B2H, which will play a key role in meeting Oregon's clean energy and transmission goals. We encourage the Oregon State Legislature to pass House Bill 3681, facilitating a more effective and responsive regulatory framework for future energy projects.

Respectfully,



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Idaho Power