

Proposed Participation in Boardman to Hemingway Transmission Project

Customer Comments

Posted January 12, 2012

Proposed Participation in Boardman to Hemingway Transmission Project

The following comments were submitted in response to the open comment period described below.

BPA is examining alternatives to provide service to its southeast Idaho customers following the end of deliveries under the South Idaho Exchange in June 2016. One alternative is participation in the Boardman to Hemingway line proposed by Idaho Power Company. The 500 kilovolt line would run from a new substation near Boardman, Ore., to the Hemingway Substation near Melba, Idaho, southwest of Boise. Idaho Power says the line would increase system reliability, increase overall transfer capability and allow Idaho Power to import hydro, thermal and wind generation from the Boardman area.

BPA is evaluating the merits of entering into a proposed joint permitting agreement and a joint Memorandum of Understanding with Idaho Power and PacifiCorp. The proposed permitting agreement would commit BPA to fund a portion of the permitting and environmental review costs of the project. The joint MOU is a non-binding agreement that states the parties' intent to have a plan in place for service beyond the Boardman to Hemingway line by Sept. 30, 2012. For BPA this would mean having a plan in place addressing service from the end of the line at Hemingway Substation in Southwest Idaho to the Southeast Idaho loads. The plan is necessary because the Boardman to Hemingway line, by itself, does not solve the Southeast Idaho service issues.

The draft agreement and draft MOU are posted for review at the Web site provided. BPA also will hold a public meeting from 9 a.m. to 11 a.m., Thursday, Dec. 15, 2011, in its Rates Hearing Room in Portland, Ore.

For More Information:

<http://transmission.bpa.gov/PlanProj/default.cfm>

Comments are numbered consecutively as they are received. Breaks in the number sequence result when comments are deleted because they were submitted in error or have inappropriate content (such as SPAM). If you do not see your comment two business days after you submit it, please contact (800) 622-4519.

[B2H11 0001](#) - Tracy Rolstad/Avista
tracy.rolstad@avistacorp.com

BPA should first use the available transmission capacity from the Northwest into Idaho. BPA is proposing to spend \$11.68 million on various permitting work, etc...this seems rather ill advised when transmission capacity is presently available from the Northwest to Idaho. BPA should evaluate purchasing said capacity BEFORE it entertains any sort of investment in the B2H line. BPA's investment in the B2H line would add unneeded upward rate pressure on its rate base...if BPA needs more capacity into or out of Idaho then all they need to do is purchase it. The need for infrastructure additions within Idaho remain mostly the same regardless of how BPA moves power into or out of Idaho. BPA investing in the B2H line is premature as long as available transmission capacity remains from the NW to Idaho.

[B2H11 0002](#) - Jake Eimers/Idaho County Light and Power
P.O. Box 300
Grangeville, ID 83530
208-983-1610, jeimers@iclp.coop

Idaho County Light & Power Cooperative's Board of Directors and Staff support the BPA pursuing viable alternative's for the South Idaho Exchange customers in general and specifically would like to voice it's support for BPA to participate in the Boardman to Hemingway project. Thank you, Jake Eimers, Mgr. ICLP

[B2H11 0003](#) - Bear Prairie/Idaho Falls Power
208-612-8429, bprairie@ifpower.org

view attached comment letter



A Division of the City of Idaho Falls

B2H11 0003

"A community with its own kind of energy"



December 20, 2011

Open Comments
Bonneville Power Administration
PO Box 3621
Portland, OR 97208-3621

Re: Comments on the Proposed Boardman to Hemingway Project

Comments submitted via: www.bpa.gov comment list

To whom it may concern:

Idaho Falls Power would like to commend BPA for their due diligence in looking at all possible options for energy deliveries to South Idaho loads. With the termination by PacifiCorp of the General Transfer Agreement it has placed BPA under the time crunch of finding a solution to the contractual obligation of delivering load service to their customers. The Eastern Idaho customers are certainly more exposed due to no long term firm transmission service across the Northwest to Idaho path.

While the GTA was certainly a cost effective and mutually beneficial solution for many years there was always the risk in its permanency. While the GTA did have its positive cost benefits for BPA there were some drawbacks for East Idaho network transmission customers in not allowing non-federal generation to flow on the agreement. This is certainly one area that Idaho Falls is hopeful with whatever new option is pursued will be addressed. We look forward to having the same network benefits as all other network customers. It has always been a point of concern paying NT rates based upon peak load when we do not have access to transmission service for meeting our peak monthly load. This situation has resulted in overpaying BPA for transmission deliveries for many years.

There are multiple avenues in which BPA can take to fulfill their contractual obligations for load service including a wires solution like the B2H project being one while generation near the loads possibly another. The full spectrum of options is endless but when vetted against permanency and operational functionality that is needed to produce a network transmission product the list quickly shortens. I would request that BPA staff when they are trying to find that balance between a long term solution, costs, time deadlines and operational functionality that you stay focused on delivering to the South Idaho customers a transmission service that is comparable to other NT customers in relation to pricing and service.

Concerning the expenditure of \$7.2 million on exploring the potential of B2H being able to economically and operationally fulfill BPA's needs I would request that the monies be spent in a prudent manner that addresses the problem that BPA has and not Idaho Power or PacifiCorp's. I

commend BPA for reaching out to the region to explore large scale projects that address multiple problems for different counterparties. BPA, PAC and IPC have very different needs and motivations in a project of this scale and scope. I believe Exhibit A of the MOU has stepped in the right direction as to lay out the framework of what BPA needs out of this expenditure of capital. I encourage BPA staff within the construct of the MOU to work to provide as much certainly as possible that PAC and IPC are willing to come to the table with a solution that provides delivery not to just Hemingway but to the discrete loads prior to committing to the capital outlay for these studies.

A secondary benefit that a project of this type would provide is spring export capacity out of Mid-C during run-off. I would hope that BPA would pursue retaining the firm west to east capacity in the spring in order help mitigate the oversupply of generation in high water and high wind events. This would allow Bonneville hydro generation to access markets with much more favorable pricing than NW Hub or Mid-C.

Idaho Falls Power appreciates the work that BPA staff has put into finding a permanent delivery solution to date and encourage them be creative as they move forward in finding cost effective long term solutions. Infrastructure projects always come at a higher price than customers would like, but they generally prove to be solid investments in the future as costs and regulatory hurdles only continue to escalate as you move through time.

Regards,

A handwritten signature in blue ink that reads "Bear Prairie". The signature is written in a cursive, flowing style.

Bear Prairie
Assistant General Manager

[B2H11 0004](#) – John D. Saven/Northwest Requirements Utilities
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Portland, OR 97232
503-233-5823, jsaven@pacifier.com

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December 21, 2011

Brian Silverstein, Senior Vice President, Transmission Services
Greg Delwiche, Senior Vice President Power Services
Bonneville Power Administration
PO Box 3621
Portland, Or 97232

Re: Boardman to Hemingway Transmission Project

Comments submitted via: www.bpa.gov

The staff of Northwest Requirements Utilities offers the following comments regarding BPA's "Proposed Participation in Boardman to Hemingway Transmission Project (B2H)." NRU is a trade association of 50 BPA load following customers that rely on the Agency for Network Transmission Service for power deliveries to serve load. The NRU members account for about 25% of BPA's Tier 1 energy sales covering a broad geographic area including 7 states. Our membership includes both utilities currently served via the SE Idaho Exchange, as well as other Municipals and Coops in the greater Southeast Idaho area.

Those members of NRU that receive BPA NT service involving the SE Idaho Exchange have been notified that PacifiCorp has provided 5 year termination notice to BPA regarding this Exchange agreement. A fundamental interest of these members (and hopefully all of public power) is that these customers continue to receive firm long term transmission service from BPA, as they are indeed NT customers. Only if they are guaranteed transmission service can they operate under their new Regional Dialogue wholesale power contracts, and any successor contracts.

NRU has received periodic updates regarding the Boardman to Hemingway Transmission Project, participated in the December 15th public meeting, and has reviewed the Project Permitting and Funding Agreement and related Memorandum of Understanding (MOU). The MOU explores alternatives to establish eastern Idaho load service from Hemingway. We highly commend the work the Agency has done to date, and would particularly like to thank Paul Garrett, Joe Rogers and Ravi Aggarwai, as well as other BPA staff that have assisted in this effort.

NRU strongly supports BPA entering into the Project Funding Agreement and the MOU, including the initial \$7 million needed to fund BPA's portion of the work. The Agency, in conjunction with the Investor Owned Utilities, should move forward aggressively with both the process to obtain governmental authorizations (permitting) for B2H and the analysis of service options from Hemingway to eastern Idaho. Please consider the following.

We agree that BPA should explore a variety of options for transmission service into eastern Idaho. However, these options should focus on the best single utility plan of service for the region, where dependable firm long term transmission service is available to these public preference customers.

The B2H line and the Gateway West line have been selected by the Obama administration for a new federal “fast track” permitting program. BPA jointly pursuing a project in conjunction with Idaho Power and PacifiCorp that has the attention of the administration and makes good economic sense is a good idea. Alternatively, the financial and political impact of BPA trying to unilaterally construct its own transmission corridor into eastern Idaho is at best problematic.

It is premature to endorse the particular facets of the B2H project, or the best option for service into eastern Idaho. That can only be determined once the studies and permitting work have been completed. We agree with BPA that a September 2012 date for the Administrator to make a decision as to whether or not to proceed with the project makes sense. It is imperative to keep moving forward, given that PacifiCorp has provided notice for termination of the SE Idaho Exchange. Because this is a joint venture with two large IOUs that have compelling business interests to proceed, all parties must move forward in tandem.

Our understanding is that BPA has secured the necessary funding in FY 2012 to begin participating in the studies, including commitments from both Power Services and Transmission Services of about \$1 million each. NRU supports the reprogramming of funds as needed in FY 2013 and beyond to cover the Agency’s continuing costs for the permitting work and related studies. We will address the issue of project funding in the context of an overall decision by the Agency to proceed at the conclusion of the studies.

The BPA December 15th materials included an estimate of total project costs for B2H of \$820 million, and a current in-service date in 2016. The cost of the project would be shared by the three sponsoring participants that decide to move forward. In BPA’s Strategic Capital Discussions of September 19, 2011, the Transmission handout included the following statement: *“No current funding for Southeast Idaho load service.”* This statement needs to be considered in the context of BPA showing a 10% reduction in the current overall capital program and a projection that by FY 2016 the Agency will be below the level of borrowing authority needed to assure access to the \$750 million “liquidity facility,” and that by FY 2017 remaining borrowing authority will be exhausted with currently available financial tools. This raises the question of future financing for the B2H project.

We appreciate that the Administrator will hold a January 31st meeting with public power to discuss alternative financing tools and related capital funding needs in advance of the Integrated Program Review (IPR) formally beginning in the spring of 2012. As part of this discussion BPA needs to include consideration of possible financing options for B2H and related service into southeast Idaho. While decisions regarding B2H will not be made until September of 2012, the IPR process establishes the general framework for the size of the BPA capital program in the

years ahead and the types of projects that would be included, based on the financial tools available, including projected remaining borrowing authority.

NRU and the utilities in eastern Idaho are anxious to work with BPA and third parties as needed to forge a plan to provide firm long term transmission service to the area. There is a long history regarding BPA transmission service into eastern Idaho that we will not repeat here, and that the members of ICUA are prepared to address as needed. We will also be looking to the ARTS agreement and Exhibit G of the Regional Dialogue Load Following Contracts to provide guidance regarding cost allocation. In accordance with long standing BPA policy, our expectation is that costs for future transmission service to eastern Idaho and Wyoming will be broadly recovered through rates rather than in whole or in part directly assigned to customers in that geographic area.

In conclusion the December 15th meeting was well attended by Idaho and Wyoming General Managers, staff and elected officials, all of whom travelled a long distance because of the importance of this issue to their customers. We all appreciate that the BPA staff are working hard and in collaboration with other key transmission entities to craft long term durable transmission solutions that will in part address long standing transmission service issues for eastern Idaho. In order to expedite the process, we do not see a need for further meetings with BPA regarding execution of the above referenced documents. However, we would request an opportunity to periodically meet with BPA as the studies/permitting advance to various major milestones, and before the projected September 2012 decision by the Administrator. Perhaps future meetings could be held in Boise.

Respectfully,

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

John D. Saven, CEO

CC: NRU Members
Scott Corwin, Public Power Council
John Prescott, PNGC Power
Will Hart, ICUA

[B2H11 0005](#) - Jo Elg/United Electric Co-op Inc
1330 21st St.
Heyburn, ID 83336
2086792222, jelg@unitedelectric.coop

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UNITED ELECTRIC
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B2H11 0005

1330 21ST Street – Heyburn, ID 83336 - Office (208) 679-2222 - Fax (208) 679-3333 – www.unitedelectric.coop

December 21, 2011

Mark Gendron, Vice President, Requirements Marketing
Cathy Ehli, Vice President Transmission Marketing and Sales
Bonneville Power Administration
PO Box 3621
Portland, OR 97232

Re: Boardman to Hemingway Transmission Project

Thank you for the opportunity to comment on Bonneville Power Administration's (BPA) proposed participation in the Boardman to Hemingway transmission project. United Electric Co-op, Inc. supports BPA entering into the Joint Funding Agreement and the Memorandum of Understanding with Idaho Power and PacifiCorp. United Electric supports comments submitted by Northwest Requirements Utilities.

The termination notice of the South Idaho Exchange by PacifiCorp has pushed to the forefront long time concerns of Idaho transfer service customers, concerns we have expressed to BPA on numerous occasions. The concern is not only one of equality with customers directly connected to the FCRTS, but far more elementary; reliable firm transmission service to our consumers.

It is too preliminary in the process to rule out any options. However, a 'short-term fix' is not a solution to reliable transmission service to Idaho consumers. United Electric encourages BPA to seek a long term solution and to consider all southern Idaho customers in its analysis of network obligation for native load in Idaho.

United Electric acknowledges and commends BPA's commitment to this issue and appreciates the effort of BPA staff to keep Idaho utilities apprised and engaged in the process.

Sincerely,

Jo Elg
General Manager

[B2H11 0006](#) - Aleka Scott/PNGC Power
711 NE Halsey
Portland, OR 97232
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view attached comment letter



B2H11 0006

December 21, 2011

Ms. Cathy Elhi, Vice President, Transmission Marketing and Sales
Mr. Mark Gendron, Vice President, Requirements Marketing
Bonneville Power Administration
PO Box 3621
Portland, OR 97232

Re: Boardman to Hemingway Proposal

We are extremely encouraged that BPA is working diligently to find a replacement for the South Idaho Exchange (SIE) and the related GTAs which will terminate in June 2016 as a result of PacifiCorp's cancellation of the SIE and related agreements. Those agreements serve one of PNGC's members, Fall River Rural Electric Cooperative, as well as five other BPA preference customers: Salmon River, Lost River, City of Soda Springs, City of Idaho Falls, and Lower Valley. These utilities have long depended on BPA to provide transmission and power service on the same basis that BPA provides power and transmission to other preference customers. An important principle in the replacement of the SIE is that these customers should not be treated any differently, from either a rates approach or a contractual approach, than preference customers directly connected to the Federal Columbia River Transmission System (FCRTS). These SIE customers should not be penalized financially or otherwise for decisions made previously by BPA which have financially benefited all of BPA's customers for decades.

The Boardman to Hemingway (B2H) project which BPA described at its December 16th meeting appears to hold promise for post-SIE service to the SIE customers. **PNGC Power supports BPA entering into the Project Funding Agreement and the MOU, including payment of the initial \$7 million needed to fund BPA's portion of the work.** We believe that BPA should take this step as a way to preserve this service option. Additionally, if B2H is a project in which BPA chooses to participate, as part of its participation, BPA should secure transmission rights from the FCRTS all the way to the SIE customers' wholesale Points of Delivery (POD). BPA should not participate in a joint ownership of new transmission and still be subject to OATT rates from PacifiCorp and potentially Idaho Power to get power from Hemingway to the SIE customers PODs.

BPA should amend its base case planning assumptions to incorporate the most viable option for service to the SIE loads. If B2H is the most viable option at this point, BPA should revise its base cases to assume that federal power needed for the SIE customers is delivered to Boardman starting in June 2016. As other viable options appear, base case planning can be updated. We also urge BPA to look carefully at the potential load growth of the SIE customers and preserve the option of obtaining sufficient capacity on B2H to serve those loads over at least a 20 year horizon.

We hope to fully participate with BPA as it moves forward with evaluation of the B2H and other options to replace the SIE. B2H may or may not be the answer but getting a transmission path into the SIE customers is certainly much needed. We also hope that work on B2H will not distract BPA from developing other options to serving the SIE customers.

Sincerely,



Aleka Scott
PNGC's Vice President of Transmission and Contracts

Copy to:
Scott Corwin, PPC
Will Hart, ICUA
John Saven, NRU
Ken Dizes, Salmon River
Richard Reynolds, Lost River

[B2H11 0007](#) – Bryan L. Case/Fall River Rural Electric Cooperative
1150 N. 3400 E.
Ashton, ID 83420
208-709-1263, bryan.case@fallriverelectric.com

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B2H11 0007



A Touchstone Energy® Cooperative 

December 22, 2011

Brian Silverstein, Senior Vice President, Transmission Services
Greg Delwiche, Senior Vice President Power Services
Bonneville Power Administration
BPA Public Affairs Office – DKE-7
P.O. Box 14428
Portland, Or 97293-4428

Re: Boardman to Hemingway Transmission Project

Comments submitted at: www.bpa.gov

Fall River Rural Electric Cooperative (FRREC) has been interested in the development of a long term transmission plan for the Southern Idaho public utilities and has worked with the Bonneville Power Administration (BPA) since 1963 to evaluate options. FRREC has also worked with and supported BPA's transmission solutions for our SE Idaho utilities even when those solutions did not provide long term certainty but instead were the least cost option.

With PacifiCorp's notice of termination for the Southeast Idaho Exchange (SEI), Fall River feels that now is the time to develop and deploy a long term solution which guarantees transmission capacity for the current and future loads of the Southern Idaho public utilities. We appreciate and applaud BPA's approach to this opportunity, and your commitment to explore multiple options seeking the lowest cost, but also evaluating and placing a value on solutions which provide long term certainty. Fall River looks forward to BPA's report on the available options.

Fall River is in favor of BPA's participation in the Boardman to Hemmingway (B2H) project. Fall River also supports BPA entering into the Project Funding Agreement and the MOU, including the initial \$7.17 million needed to fund BPA's portion of the work. The Agency, in conjunction with the Investor Owned Utilities, should move forward aggressively with both the process to obtain governmental authorizations (permitting) for B2H, and the analysis of service options from Hemingway to Eastern Idaho.

While it is premature for FRREC to endorse specific details of any proposed solution, or to determine on our own best option for service into Eastern Idaho, we reiterate our support for the current plan outlined in BPA's letter to Public utilities dated November 23, 2011.

FRREC looks forward to our continued work with BPA to find a long-term solution for transmission service to all Southern Idaho customers.

As you move forward with your analysis of transmission options available to serve your south Idaho Public Utilities, we would encourage you to consider the following:

1. BPA should, as part of any B2H involvement, also secure rights across Idaho Power and PAC's system, as needed, to deliver power for load service to the preference customers' points of delivery in the BPA Regional Dialogue Power Sales contract and the BPA NT transmission contract. BPA should not participate in the B2H line and then also pay OATT rates across Idaho and PAC to serve the SIE loads.
2. We want BPA's efforts on B2H and other SIE replacement mechanisms to be fully transparent to us, and for the customers to have ample opportunity for input in a timely manner.
3. FRREC feels Idaho Power and PacifiCorp have a great deal to gain by BPA participation in the B2H line. FRREC would expect and knows BPA will negotiate aggressively to ensure the lowest cost and obtain the most value to participate.
4. The notice of termination, the listing of B2H and Gateway West transmission lines as priority projects at FERC, and the participation of PacifiCorp and Idaho Power all enhance the opportunity to have needed transmission capacity committed for South Idaho utilities.
5. An important principle in the replacement of the SIE is the South Idaho customers should not be treated any differently from either a rates approach or a contractual approach than directly connected customers. These customers should not be penalized financially or otherwise for decisions made previously by BPA which have been financially beneficial to BPA and all BPA customers for decades. The SIE, entered into in the late 1980s as an alternative to renewing a wheeling contract with Idaho Power, resulted in this financial gain to all BPA customers but left the utilities served by the SIE without a long term firm transmission path to the Bonneville system. Whatever course BPA chooses to get federal and non-federal power to these utilities, they should be no worse off than a preference customer directly connected to the BPA transmission network.
6. Since 1963, almost 50 years, the South Idaho utilities have paid a transmission fee which in part, has paid for BPA's transmission facilities located in Washington and Oregon that have no direct benefit to Idaho utilities. FRREC supports BPA preserving this viable transmission option and believe the price of \$7.17 million is appropriate to maintain the option to participate in the B2H project. This cost should be allocated across all transmission customers just as any other cost of new BPA network transmission would be.

Sincerely



Bryan L. Case
General Manager/CEO
Fall River Rural Electric Cooperative

[B2H11 0008](#) - Ken Dizes/Salmon River Electric Cooperative
PO Box 384
Challis, ID 83226
208-879-2283, ken@srec.org

December 22, 2011 Re: Boardman to Hemingway (B2H) Transmission Project Salmon River Electric Cooperative (SREC) appreciates this opportunity to comment on the Bonneville Power Administration's participation in the B2H Transmission Project. SREC supports the BPA entering into the agreements with Idaho Power and PacifiCorp that facilitate BPA's participation in the permitting and siting phase of this project and also commits the parties to work on a solution for providing network transmission service to replace the South Idaho Exchange (SIE) which terminates in 2016. SREC believes all of BPA customers have paid lower transmission rates because of BPA's decision to provide network transmission service to southeast Idaho via the SIE. Electric utilities served by the SIE continue to pay transmission rates to BPA that not only support the SIE but also the whole BPA transmission system. We believe this has served all of BPA's customers well. SREC has every expectation that this type of arrangement will continue whereby all BPA customers will participate in all the transmission expenses for network transmission service including those incurred to serve southeast Idaho in the future. The SIE and General Transfer Agreements have worked fairly well in past years but could be problematic looking forward as non-federal power needs to be transmitted to southeast Idaho. Also the current arrangement does not provide enough certainty to make long term investments in generation resources that could be used to serve above rate period high water mark loads. Once again SREC supports the BPA in their decision to participate in the permitting and siting of the B2H Project and appreciate the BPA's willingness to aggressively look for options to provide network transmission service to southeast Idaho. SREC understands that the B2H project is just one option being looked at to facilitate network transmission service to southeast Idaho. SREC strongly encourages the BPA to choose long term durable transmission solutions that allow southeast Idaho utilities to fully utilize their new Regional Dialogue wholesale power contracts, and any successor contracts. Sincerely, Ken Dizes General Manager, Salmon River Electric Cooperative

[B2H11 0009](#) - William Hart/Idaho Consumer-Owned Utilities Association
PO Box 1898
Boise, ID 83701
2083443873, whart@icua.coop

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December 18, 2011

Brian Silverstein, Senior Vice President, Transmission Services
Greg Delwiche, Senior Vice President Power Services
Bonneville Power Administration
PO Box 3621
Portland, Or 97232

Re: Boardman to Hemingway Transmission Project

Comments submitted at: www.bpa.gov

The Idaho Consumer-Owned Utilities Association (ICUA) has consistently worked with the Bonneville Power Administration (BPA) over the last twenty years to help find a long-term transmission solution for our Southeast Idaho utilities.

ICUA represents fourteen rural electric cooperatives and nine municipalities that provide power in the State of Idaho. ICUA member utilities serve over 126,000 customers throughout Idaho; making ICUA 'collectively' the second largest utility in the state on a per-customer basis.

Our member utilities have engaged on this issue in person with BPA officials, letters to the Administrator, customer meetings, and most recently our participation and input at the December 15 public meeting regarding the Boardman to Hemingway Transmission Project held in Portland, Oregon.

ICUA commends the staff of BPA for listening to our input and working with us in a transparent manner.

ICUA strongly supports BPA entering into the Project Funding Agreement and the MOU, including the initial \$7 million needed to fund BPA's portion of the work. The Agency, in conjunction with the Investor Owned Utilities, should move forward aggressively with both the process to obtain governmental authorizations (permitting) for Boardman to Hemingway and the analysis of service options from Hemingway to eastern Idaho.

While it is premature for ICUA to endorse specific details of any proposed solution or determine our own best option for service into eastern Idaho, we reiterate our support for the current plan outlined in BPA's letter to our utilities dated November 23, 2011.

ICUA looks forward to our continued work with BPA to find a long-term solution for transmission service to our Southeast Idaho members.

Sincerely

Idaho Consumer-Owned Utilities



Will Hart, Executive Director

[B2H11 0010](#) – Nancy Baker/Public Power Council
825 NE Multnomah, Suite 1225
Portland, OR 97232
nbaker@ppcpdx.org

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December 22, 2011

B2H11 0010

VIA BPA WEB PORTAL

Robert A. (Joe) Rogers
Manager, Transfer Service
Paul Garrett
SILS Project Manager
Bonneville Power Administration
905 NE 11th Avenue
Portland, Oregon 97232

Re: Proposed Execution of Memorandum of Agreement and Funding Agreement
Pertaining to the Proposed Boardman-to-Hemingway Transmission Project

Dear Mr. Rogers and Mr. Garrett:

The Public Power Council supports BPA's efforts to develop a plan of service for serving the southeast Idaho loads currently served through the South Idaho Exchange agreement, which will terminate in June 2016. Delivery of federal power to preference customers is the core function of BPA and it is BPA's responsibility to replace the terminating SIE agreement with a plan of service for delivery of federal power that secures delivery over the long-term in a cost-effective manner.

To that end, PPC agrees that BPA should enter into the Memorandum of Agreement and Funding Agreement with PacifiCorp and Idaho Power Company. BPA has proposed investigating and evaluating a range of options. It is important at this stage to keep all potentially feasible options on the table. We look forward to continuing to work with you on these issues in the coming months.

Sincerely,

/s/

Nancy Baker
Senior Policy Analyst

cc: Brian Silverstein, Sr. Vice-President, Transmission Services
Greg Delwiche, Sr. Vice-President, Power Services

[B2H11 0011](#) - Jimmy Lindsay/Renewable Northwest Project
421 SW Sixth Avenue, Suite 600
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RNP Members

3Degrees
American Wind Energy Assoc.
Blattner Energy
Bonneville Environmental
Foundation
BP Wind Energy
Calpine
Center for Energy Efficiency &
Renewable Technologies
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Citizens' Utility Board
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Water Enterprises
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Western Resource Advocates

B2H11 0011



Renewable
Northwest
Project

December 23rd, 2010

Brian Silverstein, Senior Vice President, Transmission Services
Bonneville Power Administration
PO Box 3621
Portland, Or 97232

Re: Boardman to Hemingway Transmission Project

Comments submitted via: www.bpa.gov

Renewable Northwest Project (RNP) appreciates the opportunity to comment on Bonneville Power Administration's (BPA or Bonneville) proposed Joint Funding Agreement (JFA) for the Boardman to Hemingway (B2H) transmission project. RNP is a non-profit renewable energy advocacy organization whose diverse membership encourages improvements to the Northwest power system. The efficient expansion of the Northwest transmission system is an important component of this effort.

In general, RNP is supportive of all of BPA's efforts to collaborate with regional transmission providers to pursue the efficient expansion of the regional transmission system. BPA's proposed involvement with the B2H project is an excellent opportunity for regional collaboration. While the JFA is limited to shared siting and permitting costs, it may enable BPA to take a partial stake in the B2H transmission line, benefitting BPA's SE Idaho customers and the power system as a whole. By entering into the JFA, Bonneville contributes to the necessary financial support for the B2H project, providing important options for its customers.

Recognizing that the JFA only pertains to shared permitting and siting costs, RNP believes that it is important to now consider the prospective ownership structure of the project. RNP encourages BPA to enter into a JFA, but questions whether the structure of the current Joint Funding Agreement--namely the sole focus on seasonal capacity allocations--could result in stranded capacity. RNP is concerned that seasonally fluctuating capacity allocated amongst three parties creates commercial challenges for third-party merchant customers to subscribe long term unused capacity. RNP believes that maximizing the utilization of this line will benefit all parties' ratepayers and the region as a whole.

We recognize the fundamental importance of serving the NT loads in SE Idaho and are supportive of this effort. We ask that BPA consider taking two additional steps:

1) Without unduly slowing down this effort, we believe that BPA should take the time to conduct a holistic survey of all BPA

customer interests in this line. Doing so will ensure that this investment will be useful for accessing new renewable resources and will maximize benefits to ratepayers.

2) RNP suggests that BPA conduct an analysis to demonstrate that the seasonal capacity approach both meets the needs of the SE Idaho loads and maximizes the opportunity of the total B2H capacity with subscriptions from other customer groups. If BPA's analysis shows that alternative allocations would lead to more efficient line utilization, RNP recommends that BPA entertain other allocation structures.

RNP appreciates the opportunity to comment on this matter, and commends BPA for its willingness to collaborate on the Boardman to Hemmingway transmission project. We encourage BPA to enter into a JFA to share the siting and permitting costs, but want to ensure that the JFA does not lock in inefficient capacity allocation structures. Should the seasonal capacity approach impede the subscription of Point-To-Point (PTP) contracts, we are concerned that this approach would raise some basic fairness and equity issues between NT and PTP customers.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jimmy Lindsay". The signature is fluid and cursive, with the first name "Jimmy" and last name "Lindsay" clearly distinguishable.

Jimmy Lindsay, Power Systems Analyst

[B2H11 0012](#) – Ralph C. Burton, Board Member/Fall River Rural Electric Coop

view attached comment letter

B2H11 0012

December 23, 2011

Brian Silverstein, Sr VP Transmission Service ✓
Greg Delwiche, Sr VP Power Services
Bonneville Power Administration
BPA Public Affairs Office DKE-7
PO Box 14428
Portland, OR 97293-4428

Fax: 503-230-4019

Subject: Boardman to Hemingway Transmission Project

Gentlemen:

On behalf of the Fall River Rural Electric Cooperative and in the capacity of a board member of said cooperative, I take a few minutes to opine on the above suggested transmission project which would provide service to Southeast Idaho now that PacificCorp has effectively terminated their agreement.

Obviously, it is presumptive to totally endorse any plan without knowing all the facts, but I can support the direction BPA seems to be taking and the initial commitment to fund its portion of the work (\$7.17 million) and enter into the various agreements that allow the search for fair, practical and economic solutions and provide the long term assurance that we in Eastern Idaho require.

I understand that there are probably more questions at this time than a thousand wise men can answer, but the fact finding, due diligence investigation and decision making has to begin promptly, if the timeliness are to be met.

Please keep Fall River in the loop as decision points are reached that we may have timely input.

Very truly yours,


Ralph C. Burton
Board member, Fall River Rural Electric Cooperative