

## **Exhibit D Organizational Expertise**

### **Boardman to Hemingway Transmission Line Project**



*1221 West Idaho Street  
Boise, Idaho 83702*

Mark Stokes, Project Leader  
(208) 388-2483  
[mstokes@idahopower.com](mailto:mstokes@idahopower.com)

Zach Funkhouser, Permitting  
(208) 388-5375  
[zfunkhouse@idahopower.com](mailto:zfunkhouse@idahopower.com)

*Application for Site Certificate*

*September 2018*

## TABLE OF CONTENTS

1.0	INTRODUCTION .....	D-1
2.0	APPLICABLE RULES AND SECOND AMENDED PROJECT ORDER PROVISIONS.....	D-1
2.1	General Standards for Siting Facilities.....	D-1
2.2	Site Certificate Application Requirements .....	D-2
2.3	Second Amended Project Order Provisions.....	D-2
3.0	ANALYSIS .....	D-3
3.1	Idaho Power's Experience Constructing and Maintaining Transmission Lines and Stations.....	D-3
3.1.1	Overview of Idaho Power and Its Transmission System .....	D-3
3.1.2	Experience Constructing Transmission Lines .....	D-3
3.1.3	Experience Maintaining Transmission Lines .....	D-4
3.1.4	Experience Constructing Stations .....	D-5
3.1.5	Experience Maintaining Stations .....	D-6
3.1.6	Idaho Power's Energy Facility Permitting Experience .....	D-6
3.2	Idaho Power's Access to Technical Expertise.....	D-13
3.2.1	Qualifications of Idaho Power's Personnel .....	D-13
3.2.2	Qualification of the Project Contractors .....	D-16
3.3	Idaho Power's Past Performance Constructing or Operating Energy Facilities Similar to the Project.....	D-18
3.3.1	Compliance with Federal Reliability Standards .....	D-18
3.3.2	Compliance with Oregon Reliability Standards .....	D-19
3.3.3	Other Regulatory Compliance .....	D-20
3.3.4	Non-Compliance Responsibility.....	D-20
3.3.5	Warranty.....	D-20
3.4	Idaho Power's Mitigation Experience .....	D-20
3.4.1	Overview of Mitigation Projects for Hydroelectric Facilities .....	D-21
3.4.2	Mitigation Project Examples .....	D-21
3.4.3	Adaptive Management.....	D-23
3.5	ISO Certification .....	D-24
3.6	Third-Party Permits .....	D-24
3.6.1	Identification of State or Local Third-Party Permits .....	D-24
3.6.2	Likelihood Idaho Power Company Will Be Able to Enter into an Agreement with the Local Service Provider.....	D-25
3.6.3	Likelihood the Local Service Provider Will Be Able to Obtain Necessary Permits .....	D-26
3.6.4	Impact of Third-Party Permits on Council Standard Compliance .....	D-26
4.0	IDAHO POWER'S PROPOSED SITE CERTIFICATE CONDITIONS .....	D-26
5.0	CONCLUSIONS.....	D-27
6.0	COMPLIANCE CROSS-REFERENCES.....	D-27

**LIST OF TABLES**

Table D-1. Idaho Power’s Recent 230-kV Transmission Line Projects..... D-3  
Table D-2. Transmission Station Construction Projects ..... D-5  
Table D-3. Reliability Centered Maintenance Schedules..... D-6  
Table D-4. Representative Federal Permitting Experience..... D-7  
Table D-5. Representative Idaho Administrative Agency Permitting Experience ..... D-10  
Table D-6. Representative Idaho Local Government Permitting Experience ..... D-11  
Table D-7. Oregon Department of Environmental Quality Permits ..... D-13  
Table D-8. Compliance Requirements and Relevant Cross-References..... D-27

**LIST OF ATTACHMENTS**

Attachment D-1. Overview of Idaho Energy Facility Siting Process

## ACRONYMS AND ABBREVIATIONS

BLM	Bureau of Land Management
CIP	critical infrastructure protection
EFSC or Council	Energy Facility Siting Council
EPA	Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
FWS	Fish and Wildlife Service
Gateway West	Gateway West Transmission Line Project
HMA	Habitat Management Area
HMP	Habitat Mitigation Plan
IDEQ	Idaho Department of Environmental Quality
IPC	Idaho Power Company
ISO	Internal Organization for Standardization
kV	kilovolt
NEPA	National Environmental Policy Act of 1969
NERC	North American Electric Reliability Corporation
NESC	National Electrical Safety Code
NMFS	National Marine Fisheries Services
NOV	Notice of Violation
NPDES	National Pollutant Discharge Elimination System
OAR	Oregon Administrative Rule
ODEQ	Oregon Department of Environmental Quality
OPUC	Public Utility Commission of Oregon
OSHA	Occupational Safety and Health Administration
PGP	Pesticide General Permit
PME	protection, mitigation, and enhancement
Project	Boardman to Hemingway Transmission Line Project
RFP	request for proposal
ROW	right-of-way
Second Amended Project Order	Second Amended Project Order, Regarding Statutes, Administrative Rules, and Other Requirements Applicable to the Proposed BOARDMAN TO HEMINGWAY TRANSMISSION LINE (July 26, 2018)
USFS	United States Forest Service
WECC	Western Electricity Coordinating Council

## Exhibit D Organizational Expertise

### 1.0 INTRODUCTION

Exhibit D provides information regarding Idaho Power Company's (IPC) organizational expertise to construct, operate, and retire the Boardman to Hemingway Transmission Line Project (Project).

### 2.0 APPLICABLE RULES AND SECOND AMENDED PROJECT ORDER PROVISIONS

#### 2.1 General Standards for Siting Facilities

The Organizational Expertise Standard under Oregon Administrative Rule (OAR) 345-022-0010 provides IPC must demonstrate it has the organizational expertise to construct, operate, and retire the Project as follows:

*(1) To issue a site certificate, the Council must find that the applicant has the organizational expertise to construct, operate and retire the proposed facility in compliance with Council standards and conditions of the site certificate. To conclude that the applicant has this expertise, the Council must find that the applicant has demonstrated the ability to design, construct and operate the proposed facility in compliance with site certificate conditions and in a manner that protects public health and safety and has demonstrated the ability to restore the site to a useful, non-hazardous condition. The Council may consider the applicant's experience, the applicant's access to technical expertise and the applicant's past performance in constructing, operating and retiring other facilities, including, but not limited to, the number and severity of regulatory citations issued to the applicant.*

*(2) The Council may base its findings under section (1) on a rebuttable presumption that an applicant has organizational, managerial and technical expertise, if the applicant has an ISO 9000 or ISO 14000 certified program and proposes to design, construct and operate the facility according to that program.*

*(3) If the applicant does not itself obtain a state or local government permit or approval for which the Council would ordinarily determine compliance but instead relies on a permit or approval issued to a third party, the Council, to issue a site certificate, must find that the third party has, or has a reasonable likelihood of obtaining, the necessary permit or approval, and that the applicant has, or has a reasonable likelihood of entering into, a contractual or other arrangement with the third party for access to the resource or service secured by that permit or approval.*

*(4) If the applicant relies on a permit or approval issued to a third party and the third party does not have the necessary permit or approval at the time the Council issues the site certificate, the Council may issue the site certificate subject to the condition that the certificate holder shall not commence construction or operation as appropriate until the third party has obtained the necessary permit or approval and the applicant has a contract or other arrangement for access to the resource or service secured by that permit or approval.*

## 2.2 Site Certificate Application Requirements

OAR 345-021-0010(1)(d) provides Exhibit D must include the following Information regarding IPC's organizational expertise:

*(A) The applicant's previous experience, if any, in constructing and operating similar facilities.*

*(B) The qualifications of the applicant's personnel who will be responsible for constructing and operating the facility, to the extent that the identities of such personnel are known when the application is submitted.*

*(C) The qualifications of any architect, engineer, major component vendor, or prime contractor upon whom the applicant will rely in constructing and operating the facility, to the extent that the identities of such persons are known when the application is submitted.*

*(D) The past performance of the applicant, including but not limited to the number and severity of any regulatory citations in constructing or operating a facility, type of equipment, or process similar to the proposed facility.*

*(E) If the applicant has no previous experience in constructing or operating similar facilities and has not identified a prime contractor for construction or operation of the proposed facility, other evidence that the applicant can successfully construct and operate the proposed facility. The applicant may include, as evidence, a warranty that it will, through contracts, secure the necessary expertise.*

*(F) If the applicant has an ISO 9000 or ISO 14000 certified program and proposes to design, construct and operate the facility according to that program, a description of the program.*

*(G) If the applicant relies on mitigation to demonstrate compliance with any standards of Division 22 or 24 of this chapter, evidence that the applicant can successfully complete such proposed mitigation, including past experience with other projects and the qualifications and experience of personnel upon whom the applicant will rely, to the extent that the identities of such persons are known at the date of submittal.*

## 2.3 Second Amended Project Order Provisions

The Second Amended Project Order states that the site certificate application must include all of the information provided for in OAR 345-021-0010(1)(d). Additionally, the Second Amended Project Order includes the following discussion:

*Regarding the ability to successfully construct the project "in accordance with site certificate conditions," the Council's review is not limited to IPC's ability to construct a transmission line. The application must also demonstrate that IPC can honor all commitments and conditions regarding minimization and mitigation of impacts on the resources protected by Council standards and applicable regulations of other agencies.*

*Exhibit D shall include a safety and environmental regulatory compliance history for the last three years that is focused on similar facilities owned or operated by the applicant, such as transmission lines and substations. Evidence of successful completion of mitigation projects shall also be provided.*

(Second Amended Project Order, Section III(d)).

### 3.0 ANALYSIS

#### 3.1 Idaho Power's Experience Constructing and Maintaining Transmission Lines and Stations

OAR 345-022-0010(1): To issue a site certificate, the Council must find that the applicant has the organizational expertise to construct, operate and retire the proposed facility in compliance with Council standards and conditions of the site certificate. To conclude that the applicant has this expertise, the Council must find that the applicant has demonstrated the ability to design, construct and operate the proposed facility in compliance with site certificate conditions and in a manner that protects public health and safety and has demonstrated the ability to restore the site to a useful, non-hazardous condition. The Council may consider the applicant's experience, . . . .

OAR 345-021-0010(1)(d)(A): The applicant's previous experience, if any, in constructing and operating similar facilities.

##### 3.1.1 Overview of Idaho Power and Its Transmission System

IPC's core business is the generation, transmission, distribution, sale, and purchase of electric energy. The company has approximately 2,000 employees and serves over 530,000 customers within a service territory covering approximately 24,000 square miles in southern Idaho and eastern Oregon. IPC's power supply system includes 4,858 miles of transmission lines, including 692 miles in Oregon. IPC operates 305 transmission and other stations. IPC also operates and maintains 27,072 miles of distribution lines, 2,212 miles of which are in Oregon. The company is responsible for the continued operation and maintenance of its transmission and distribution systems and for ensuring that the company's work is performed in a manner that protects public health and safety through compliance with applicable regulatory requirements. IPC is subject to regulatory oversight by, among other entities, the Federal Energy Regulatory Commission (FERC), Idaho Public Utilities Commission, and the Public Utility Commission of Oregon (OPUC).

##### 3.1.2 Experience Constructing Transmission Lines

IPC constructed or oversaw the construction of nearly the entirety of its 4,858-mile transmission system, including the portion of the system in Oregon. With respect to the company's most recent experience with constructing high-voltage transmission lines similar to those proposed as part of the Project, Table D-1 identifies eight 230-kilovolt (kV) transmission projects, totaling approximately 240 miles that IPC constructed or oversaw the construction of since 2000.<sup>1</sup>

**Table D-1. Idaho Power's Recent 230-kV Transmission Line Projects**

Line No.	Line Name	Circuit	Mileage	Constructing Entity	Year
707	Brownlee-to-Ontario	Single	72.7	Mustang Construction	2000
710	Locust-to-Caldwell	Single	18.6	Wilson Construction	2003
711	Nampa Tap	Double	3.2	Wasatch Electric	2006
714	Brownlee-to-Oxbow	Single	11.0	Great Southwestern	2004
715	Langley Gulch	Double	2.8	IPC (lines); TBH & Assoc. (foundations)	2011
716	Bennett Mountain-to-Rattlesnake	Single	4.4	Wasatch Electric	2008

<sup>1</sup> Each of the 230-kV transmission lines constructed by IPC since 2000 is located in Idaho. In Oregon, IPC has built approximately 27 miles of 69-kV transmission line since 2009 (see Section 3.1.6.3).

Line No.	Line Name	Circuit	Mileage	Constructing Entity	Year
722	Borah-to-Hunt	Single	68.2	Anderson & Wood Construction	2007
723	Danskin-to-Hubbard	Single	39.5	Probst Electric	2008
724	Bennett Mountain-to-Danskin	Single	5.4	Probst Electric	2008
725	Hemingway-to-Bowmont	Single	13.0	IPC (lines), TBH & Assoc. (foundations)	2010

The process for constructing 230-kV lines is essentially the same as that for constructing 500-kV lines. In particular, 230-kV and 500-kV lines both involve the same design process and similar considerations for selecting components, structures, and structure locations. Both types of lines include similar construction techniques and materials. In fact, IPC sometimes insulates lower voltage lines at 500-kV levels.

In 1981, IPC constructed a 345/500-kV transmission line, the Borah to Midpoint line, which is 84.4 miles in length. The line was constructed to 500-kV standards, but was initially energized and is currently operated at 345-kV. It is proposed to be energized at 500-kV as Segment 6 of the Gateway West Transmission Line Project (Gateway West).

None of the 230-kV or 345/500-kV transmission line construction projects discussed above resulted in material cost overruns. Each of the projects was completed substantially within its post-permitting time schedule. IPC's experience building 230-kV and 345/500-kV lines is a clear indicator that it has the expertise required for constructing the proposed 500-kV structures and lines related to the Project.

To the extent there are differences in the construction of 230-kV and 500-kV lines, IPC has the expertise to address the same. The primary differences in the construction of 230-kV and 500-kV lines are the required ground clearances, conductor spacing, and operational clearances. The National Electric Safety Code (NESC) requirements for ground clearances and conductor spacing increase as the voltage of the lines increase. Thus, structures that are required for 500-kV lines are typically taller than those required for 230-kV lines. Conductor spacing requirements for 500-kV lines also are greater for 230-kV circuits. Additionally, 500-kV insulator strings are generally longer than those for 230-kV lines. While there are certain differences between 230-kV and 500-kV line construction, IPC's experience constructing 230-kV transmission structures and lines to meet ground clearance, conductor spacing, and operational clearance requirements that are similar to those for 500-kV projects strongly indicates that IPC has the expertise to construct the Project structures and lines.

### **3.1.3 Experience Maintaining Transmission Lines**

IPC developed and implements a comprehensive maintenance program for its transmission line facilities to ensure compliance with applicable safety and reliability standards, including NESC, FERC, North American Electric Reliability Corporation (NERC), and Western Electricity Coordinating Council (WECC) standards. IPC's maintenance program is also designed to achieve compliance with all applicable OPUC rules.<sup>2</sup>

IPC's maintenance program includes implementation of its Transmission Maintenance and Inspection Plan (TMIP), which was developed by IPC and is reviewed annually by IPC. Every 3 years, WECC audits IPC's compliance with applicable NERC reliability standards. The most

<sup>2</sup> See, e.g., OAR 860-024-0011 (inspection requirements for electric supply facilities).

recent WECC audit in 2015, which addressed in part the company's TMIP, did not result in any notices of alleged violations or penalties regarding the TMIP.

Pursuant to the TMIP, IPC conducts three types of line patrols: routine line patrols/inspections, unscheduled emergency line patrols, and aerial vegetation patrols. First, the routine line patrols include a detailed visual inspection of the entire line and are conducted at a minimum of once per year on all lines included in a WECC transfer path in the bulk electric system. These inspections are conducted from either the ground or air and are designed to ensure the integrity of the system by identifying obvious line-threatening defects. Ground patrol/inspections are made with the use of four-wheel-drive vehicles or all-terrain vehicles, or on foot. The patrols/inspections are done by full-time transmission line patrolmen. Second, the unscheduled emergency line patrols are performed in response to any unexplained system outage or interruption, or whenever requested by a dispatcher, to identify any major structural failures or issues. These typically do not involve a patrol or inspection of the entire line, but rather a patrol of a particular portion of the line where there is an indication or report of a possible problem. Third, the aerial vegetation patrol is conducted by a transmission utility arborist to identify and manage vegetation encroachments that threaten the transmission lines, as outlined in the Transmission Vegetation Management Program. The arborist normally completes the aerial vegetation patrol alongside the line patrolman during routine line patrols/inspections.

In addition to routine line patrols, IPC completes a comprehensive 10-year maintenance inspection, as described in the TMIP, on all of its transmission lines. The 10-year inspection includes detailed visual inspection of all transmission line components. The data collected from these inspections are compiled and evaluated, and identified defects are addressed through general maintenance.

The inspection and maintenance procedures required for IPC's transmission system, including its 230-kV and 345/500-kV transmission lines, are substantially the same as those required for the Project. Indeed, IPC would apply its existing transmission maintenance program, including implementation of the TMIP and Transmission Vegetation Management Program, to the Project. IPC's experience maintaining its existing transmission system is a clear indicator that it has the expertise required for maintaining the Project transmission lines.

### 3.1.4 Experience Constructing Stations

Since the company's inception in 1916, IPC has constructed, or oversaw the construction of, nearly all of its 305 transmission and other electrical stations. Since 2000, IPC has constructed the seven transmission stations listed in Table D-2, each of which is located in Idaho.

**Table D-2. Transmission Station Construction Projects**

Transmission Station	Voltage (kV)	Constructing Entity	Year
Justice	230/138	IPC	2013
Hubbard	230	IPC (auxiliary power/communications/ control), Paradise Construction (structural)	2011
Langley Gulch	230	IPC (auxiliary power/communications/ control), Anderson & Wood Construction (structural)	2011
Hemingway	500/230	IPC (auxiliary power/communications/ control), Energy Erectors, Inc. (structural)	2010
Starkey	138/69	IPC (auxiliary power/communications/ control), Paradise Construction (structural)	2007
Rattlesnake	230	IPC (auxiliary power/communications/ control), Paradise Construction (structural)	2005
Bennett Mountain	230	IPC	2005

The Hemingway Station is a 500/230-kV station similar in capacity and design to the proposed Longhorn Station. The remaining stations set forth in Table D-2, while not 500-kV stations, are similar in design and contain similar components to the proposed Longhorn Station (see Exhibit B, Section 3.2.2.2). IPC's successful construction of these stations demonstrates that IPC possesses the expertise required for the construction of the proposed Longhorn Station.

### **3.1.5 Experience Maintaining Stations**

IPC's stations are subject to a rigorous maintenance program, seeking to ensure the continued safe and reliable operation of IPC's transmission system. The Station Maintenance Program provides for monthly inspections, including visual inspection of buildings, fencing, and electrical equipment, and detailed monitoring of all protective relays, gauges, counters, meters, and communications devices. If a problem is identified during an inspection, the problem is corrected immediately or scheduled for future maintenance, as required by the nature of the problem. IPC also performs annual infrared assessments of all current carrying busses and operating equipment to identify hot spots that would indicate a pending problem.

In addition to monthly inspections, IPC has a reliability-based maintenance schedule for each type of equipment. IPC uses a process known as Reliability Centered Maintenance, which analyzes the usage rates for the different types of station equipment and determines when maintenance should be completed to avoid emergency repairs. The resulting model depicts the probability of failure, using an assessment that categorizes the probability and effects of a failure for three distinct groups: (1) IPC's transmission generation system; (2) the physical apparatus or adjacent equipment found in the station; and (3) IPC's customers. The Reliability Centered Maintenance model is used to develop a maintenance program for each type of equipment, as set forth in Table D-3.

**Table D-3. Reliability Centered Maintenance Schedules**

<b>Equipment</b>	<b>Maintenance Interval</b>
Transformers	6 years
Transformer Load Tap Changers	6 years
Circuit Breakers	10-18 years
Relays	3 years
Regulators	6 years

IPC's experience maintaining its 305 stations shows it has the expertise required for maintaining the proposed Longhorn Station.

### **3.1.6 Idaho Power's Energy Facility Permitting Experience**

The energy facility siting process in Idaho differs from the process in Oregon in that the State of Idaho does not have state statutes or regulations specific to the siting of energy facilities (see Attachment D-1, Overview of Idaho Energy Facility Siting Process). Moreover, Idaho does not have a state-level energy facility permitting or siting agency similar to the Energy Facility Siting Council (EFSC or Council). Instead, siting authorization in Idaho is performed by local jurisdictions, including cities and counties.

Although there is no equivalent in Idaho to EFSC or EFSC's state-level energy-specific siting standards, energy facilities in Idaho are subject to generally applicable environmental and land use laws and regulations, many of which are the same as or similar to those that apply to the Project in Oregon (compare Tables D-4, D-5, and D-6 [representing IPC's federal and Idaho permitting experience] with Exhibit E, Sections 3.1 through 3.4 [describing permits necessary for the Project]). Additionally, IPC's energy facility siting process in Idaho has generally addressed—in order to comply with federal, state, or local land use requirements or as a matter

of practice—resource impacts similar to those at issue in EFSC’s siting standards, including potential impacts to public health and safety, soils and water resources (floodplains and wetlands), traffic, noise, visual, and compatibility with surrounding land uses. Therefore, while the energy facility siting process in Idaho is different than that in Oregon, IPC’s experience constructing and operating electrical transmission line and station projects in compliance with federal, state, and local requirements in Idaho that are similar to the Oregon requirements provides substantial evidence that IPC has the organizational expertise to complete the Project in compliance with EFSC standards and site certificate conditions.

### 3.1.6.1 Federal Permitting Experience

IPC has an extensive record of obtaining and complying with the types of federal permits that are required for the Project. Table D-4 provides a representative list of IPC’s federal permits or authorizations related to transmission and energy facility projects that are the same or similar to the permitting requirements for the Project.

**Table D-4. Representative Federal Permitting Experience**

<b>Federal Agency</b>	<b>Permit Type</b>	<b>Number of Relevant Idaho Power Active Authorizations</b>	<b>Example of Relevant Idaho Power Projects</b>
Bureau of Land Management (BLM)	Right-of-Way (ROW) Grant	673 active authorizations	Hemingway-to-Bowmont 230-kV transmission line; Owyhee County, Idaho; permit no. IDI-36383; permit term 09/25/2009 to 12/31/2058
BLM	Cultural Resource Use Permit	5 authorizations (Oregon); 20 authorizations (Idaho)	Oregon Cultural Resource Use Permit for Vale and Burns Districts; permit no. OR-50860; permit term 05/01/2012 to 05/01/2018  Idaho Statewide Cultural Resource Use Permit; permit no. ID-I-37254; permit term 03/30/2015 to 03/29/2018
Beaverhead National Forest, United States Forest Service (USFS)	Special Use Permit for ROW	1 active authorization	Peterson-to-Tendoy 230-kV transmission line; Beaverhead County, Montana and Lemhi County, Idaho; permit no. IDI-36383; permit term 09/25/2009 to 12/31/2058
Boise National Forest, USFS	Special Use Permit for ROW	15 active authorizations	Emmett-to-Stibnite 69-kV transmission line; Gem County, Idaho and Valley County, Idaho; permit no. CAS4001-27; permit term 09/02/1993 to 12/31/2013
Caribou-Targhee National Forest, USFS	Special Use Permit for ROW	3 active authorizations	Anaconda-to-Grace and Goshen-to-Jefferson 161-kV transmission line; Clark County, Idaho; permit no. DUB4001-01; permit term 08/29/1997 to 07/31/2017

<b>Federal Agency</b>	<b>Permit Type</b>	<b>Number of Relevant Idaho Power Active Authorizations</b>	<b>Example of Relevant Idaho Power Projects</b>
Payette National Forest, USFS	Special Use Permit for ROW	19 active authorizations	Brownlee-to-Paddock 230-kV transmission line; Washington County, Idaho; permit no. WEI-001; permit term 06/07/2000 to 04/20/2030
Salmon Challis National Forest, USFS	Special Use Permit for ROW	13 active authorizations	Bannock-to-Salmon 69-kV transmission line; Lemhi County, Idaho; permit no. LDR-14; permit term 12/31/2003 to 12/31/2032
United States Sheep Experiment Station, United States Department of Agriculture	Special Use Permit for ROW	1 active authorization	Anaconda-to-Grace 161-kV transmission line; Clark County, Idaho; permit no. 57-91-H2-7-706; permit term 06/16/1997 to 12/17/2046
USFS	Special Use Permit for Archaeological Investigations	2 active authorizations	Boardman to Hemingway Transmission Line Project; Wallowa-Whitman National Forest; permit no. LAG200802; issued 10/28/2008 and modified 09/29/2011  Forestwide Permit; Boise National Forest; permit no. BOI499010; permit term 05/18/2012 to 12/31/2016
Bureau of Reclamation	ROW Easement or Crossing Agreement	632 active authorizations	Langlely Gulch 230-kV transmission line; Canyon County, Idaho; permit no. 1-07-10-L0489; permit term 01/11/2012 to 01/11/2037
United States Army Corps of Engineers (USACE)	Clean Water Act Section 404 Nationwide Permit 12 (Utility Line Activities)	29 active authorizations	Happy Valley-to-Bowmont transmission line; Canyon County, Idaho; authorization no. IDI-12DH37; permit term 2014-2015
USACE	Clean Water Act Section 404 Nationwide Permit 13 (Bank Stabilization)		Pahsimeroi Bank Stabilization Project; Lemhi County, Idaho; permit no. NWW-2014-174; permit term 7/9/2014 to 3/18/2017

<b>Federal Agency</b>	<b>Permit Type</b>	<b>Number of Relevant Idaho Power Active Authorizations</b>	<b>Example of Relevant Idaho Power Projects</b>
United State Fish and Wildlife Service (FWS)	Incidental Take Statement for Bliss Rapids Snail and Snake River Physa		Lower Salmon Falls (No. 2061-004), and Bliss (Project No. 1975-014) hydroelectric projects; biological opinion and incidental take stamen (dated 11/09/2012)
FWS  National Oceanic and Atmospheric Administration, National Marine Fisheries Services (NMFS)	Endangered Species Act Section 7 Consultation		Pahsimeroi Bank Stabilization Project; Lemhi County, Idaho; FWS permit no. 14420-2014-F-0632 & NMFS permit no. WCR-2014-847
Federal Aviation Administration	Notice of Proposed Construction or Alteration	>100 approved notifications	Toponis-Pocket 138-kV transmission line, structures 1-66; Gooding County, Idaho; permit no. 2014-ANM-2806-OE; permit term 11/26/2014
United States Environmental Protection Agency (EPA)	National Pollutant Discharge Elimination System (NPDES) Construction General Permit		Happy Valley-to-Bowmont transmission line project; Canyon County, Idaho; permit no. IDI-12DH37; permit term 2014 to 2015
EPA	NPDES Pesticide General Permit (PGP)	3 active PGPs	Oregon PGP covering Hells Canyon complex and management areas near Richland, Oregon; permit no. 2300A, file no. 122112 GEN23, EPA No. ORG87-0042; permit term 06/14/2012 to 09/30/2016  Hemingway-to-Bowmont 230-kV transmission line; Owyhee County, Idaho; permit no. IDI-36383; permit term 09/25/2009 to 12/31/2058
Bureau of Indian Affairs	ROW Easements and Permits	119 active authorizations	Multiple-project authorization covering American Falls-to-Pocatello, Kinport-to-Brady, Kinport-to-Don, Don-to-Goshen, Pocatello-to-Don transmission lines; (ii) Bannock County, Idaho, Power County, Idaho, and Bingham County, Idaho; authorization term 01/01/2005 to 12/31/2027

IPC's permitting history, as described in Table D-4, demonstrates that the company has constructed and operated transmission lines or energy facilities similar to the Project in compliance with the federal permitting requirements relevant to the Project.

Further, IPC and PacifiCorp (doing business as Rocky Mountain Power Company) are nearing completion of the process for obtaining a ROW authorization from the Bureau of Land Management (BLM) for the approximately 1,000-mile-long Gateway West project. In November 2013, the BLM issued its record of decision, approving eight segments of the project and deferring its decision on two segments pending further review. In March 2016, the BLM issued its draft supplemental environmental impact statement on the remaining two segments. IPC expects the BLM will issue its final decision on the remaining two segments in late 2016, and expects the Gateway West project to be completed in phases between 2020 and 2024, pending the BLM's approval.

### 3.1.6.2 Idaho Permitting Experience

#### **Idaho Administrative Agency Permitting Experience**

Energy projects in Idaho must comply with generally applicable statutes or regulations affecting such projects. Table D-5 provides a representative list of permits or authorizations that IPC has obtained from Idaho administrative agencies for the construction and operation of transmission line or energy facility projects in Idaho:

**Table D-5. Representative Idaho Administrative Agency Permitting Experience**

<b>State Agency</b>	<b>Permit Type</b>	<b>Number of Relevant Idaho Power Active Authorizations</b>	<b>Example of Relevant Idaho Power Projects</b>
Idaho Department of Environmental Quality	Clean Water Act Section 401 Certification related to Clean Water Act Section 404 Nationwide Permit 12 (Utility Line Activities)		Happy Valley-to-Bowmont transmission line; Canyon County, Idaho; authorization no. IDI-12DH37; permit term 2014-2015
Idaho Department of Lands	Right-of-Way (ROW) Easements	181 active authorizations	Naughton Junction-to-Goshen 345-kV transmission line; Bear Lake County, Idaho, Bingham County, Idaho, and Caribou County, Idaho; easement no. 4253; perpetual easement effective 05/19/1998
Idaho Department of Parks and Recreation	ROW Easements	14 active authorizations	Massacre Rocks State Park 12.5-kV distribution line; Power County, Idaho; easement no. P5011008; easement term 11/21/2000 to 12/31/2000

State Agency	Permit Type	Number of Relevant Idaho Power Active Authorizations	Example of Relevant Idaho Power Projects
Idaho Department of Fish and Game	Consultation or ROW Easements	6 active authorizations	Hemingway-to-Bowmont 230-kV transmission line; Owyhee County, Idaho; easement no. 269215; perpetual easement effective 09/25/2009
Idaho Department of Water Resources	Permit to Alter Stream Channel		Pahsimeroi Bank Stabilization Project; Lemhi County, Idaho; permit no. S73-20027; permit term 06/16/2014 to 12/31/2016
Idaho Department of Water Resources	Temporary Water Right Permit		Agency Creek Substation Hydroseeding; Lemhi County, Idaho; effective 2014
Idaho Public Utilities Commission	Certificate of Public Convenience and Necessity		Langley Gulch generating plant; Payette County, Idaho; certificate no. 486; dated 02/17/2012

### **Idaho Local Government Permitting Experience**

In Idaho, energy infrastructure permitting is controlled by the relevant city or county. Permitting decisions generally take into account potential impacts to public health and safety, soils and water resources (floodplains and wetlands), traffic, noise, visual, and compatibility to surrounding lands. When seeking local authorization to construct energy-related facilities in Idaho, IPC typically provides to the relevant local government entity a report addressing such impacts. Table D-6 provides a representative list of local government conditional use applications that have recently been approved or are pending approval for IPC energy infrastructure projects.

**Table D-6. Representative Idaho Local Government Permitting Experience**

Local Government(s)	Permit	Project	Year
Canyon County, Payette County	Conditional Use Permit	Langley Gulch 138-kV transmission line	2010, 2009
Canyon County, Owyhee County	Conditional Use Permit	Hemingway-Bowmont 230-kV transmission line	2009
Canyon County	Conditional Use Permit	Happy Valley-Bowmont 230-kV transmission line	2009
Ada County, City of Eagle	Conditional Use Permit	Beacon Light Station	2006
Owyhee County	Conditional Use Permit	Hemingway Station	2008

<b>Local Government(s)</b>	<b>Permit</b>	<b>Project</b>	<b>Year</b>
Gooding County	Conditional Use Permit	Justice Station	2011
Gooding County	Conditional Use Permit	Pocket Station	2014
City of Buhl	Conditional Use Permit	Northview Station	2015
Blaine County	Conditional Use Permit	King- Wood River 138-kV transmission line	2015
Elmore County	Conditional Use Permit	Mountain Home Solar Station	2016
City of Middleton	Conditional Use Permit	Lansing to Willis 138-kV transmission line	2016
City of Star	Conditional Use Permit	Star to Lansing 138-kV transmission line	2016
Canyon County	Conditional Use Permit	Lansing Substation	2016
City of Eagle	Conditional Use Permit	Beacon Light 138-kV transmission line	2017
Bingham County	Conditional Use Permit	Moreland Station	2017
Blaine County	Conditional Use Permit	Ketchum-Wood River 138-kV transmission line	2017 submittal pending
City of Pocatello	Conditional Use Permit	Quinn Station	2017 submittal pending
City of Boise	Conditional Use Permit	Cloverdale Station	2018 submittal pending
Ada County, City of Boise	Conditional Use Permit	Cloverdale-Hubbard (230kV) and Mora (138-kV) transmission lines	2018 submittal pending
Ada County	Conditional Use Permit	Columbia-Hubbard (230kV) and Mora (138-kV) transmission lines	2018 submittal pending
Ada County	Conditional Use Permit	Columbia Station	2018 submittal pending

For each completed facility set forth in Table D-6, IPC has successfully met the conditions of approval and abided by the rules and regulations of the local jurisdictions.

### 3.1.6.3 Oregon Permitting Experience

IPC owns and maintains approximately 692 miles of transmission lines in Oregon.<sup>3</sup> Since 2009, IPC has built approximately 27 miles of 69-kV transmission lines in Oregon. Moreover, as part

<sup>3</sup> IPC's transmission lines located in Oregon represent approximately 7.02 percent of its total transmission system.

of the Sage Station project near Ontario, Oregon, IPC built in 2011 the 16-mile 138-kV transmission line that is currently energized at 69-kV to a junction point called Ontario Junction. In the future, the Ontario Junction will be converted into the Sage Station. IPC received, in connection with construction of the 69/138-kV line, an NPDES permit from the Oregon Department of Environmental Quality (ODEQ) and a Permit to Occupy or Perform Operations upon a State Highway from the Oregon Department of Transportation. The construction work under both permits was successfully completed without any permit violation or compliance issue.

In addition, IPC has obtained the permits set forth in Table D-7 from ODEQ to construct or maintain energy facilities in Oregon and has successfully complied with the terms of the permits.

**Table D-7. Oregon Department of Environmental Quality Permits**

<b>Name of Facility</b>	<b>Facility No.</b>	<b>Permit Type</b>
Hells Canyon Power Plant	41297	National Pollutant Discharge Elimination System (NPDES)
Oxbow Power Plant	41299	NPDES
Oxbow Village	111911	WPCF-OS
Ontario-to-Ontario Junction Transmission Line	117860	NPDES
Dunnaway-to-Adrian 69-kV Transmission Line	117963	NPDES
Ontario-to-Quartz 138-kV Transmission Line Maintenance	118548	NPDES
Quartz-to-LaGrande Maintenance	118742	NPDES
Neal Hot Spring Transmission Line	120852	NPDES
Ontario Substation	35ML1328	Archeological Excavation Permit; permit no. AP-2029; permit term 03/11/2015 to 03/11/2017

### 3.2 Idaho Power's Access to Technical Expertise

OAR 345-022-0010(1): . . . The Council may consider the applicant's access to technical expertise . . . .

#### 3.2.1 Qualifications of Idaho Power's Personnel

OAR 345-021-0010(1)(d)(B): The qualifications of the applicant's personnel who will be responsible for constructing and operating the facility, to the extent that the identities of such personnel are known when the application is submitted.

IPC has assembled an experienced team of professional, technical, and administrative personnel to manage all phases of the Project. The following provides a brief description of the qualifications and experience of the key members of the Project Team:

- Vern Porter, Vice President of Transmission and Distribution Engineering and Construction, and Chief Safety Officer. Mr. Porter has been in his current position since October 1, 2009, and first joined IPC in 1989 after starting his career in 1986 with Pacific Gas and Electric Company. Before serving as Senior Vice President of Customer Operations, Mr. Porter served as IPC's General Manager of Power Production. With a background in electrical engineering, Mr. Porter has also held numerous engineering positions within IPC, including a position as a high voltage transmission engineer. Mr. Porter is a Registered Professional Engineer in the State of Idaho and is the executive

ultimately responsible for the completion of the Project and as such he will oversee the Project from design, through construction, to in-service.

- Dave Joerger, General Manager of T&D Engineering and Construction. In his current role, Mr. Joerger leads an organization of 350 employees responsible for planning, engineering, maintenance, and construction activities for IPC's transmission, substation, and distribution facilities. Mr. Joerger began his career at IPC in 1989 and has held a variety of positions of increasing responsibility including: Engineer (Transmission, distribution, and hydro generation departments), Project Leader, Engineering Leader, Project Management Manager, Metering Manager, Regional Manager, South-East Region, and General Manager of Customer Service & Regional Operations. Mr. Joerger graduated from the University of Idaho with a Bachelor of Science degree in Civil Engineering and received an Executive Master of Business Administration degree from Boise State University. Mr. Joerger is also a Registered Professional Engineer in the State of Idaho.
- Mitch Colburn, T&D Strategic Projects Manger. Mr. Colburn is responsible for overseeing the permitting and construction of two large multi-state transmission line projects, IPC's interest in jointly owned transmission line facilities, and IPC's transmission and distribution infrastructure strategies. He is directly responsible for interfacing between executive management and the B2H project team and interfacing between IPC and external stakeholders (e.g., PacifiCorp, Bonneville Power Administration, and the Federal Rapid Response Team for Transmission). Mr. Colburn has Bachelor of Science and Master of Engineering degrees in Electrical Engineering from the University of Idaho, a Master of Business Administration degree from Boise State University and is a Registered Professional Engineer in the State of Idaho. He has been employed by IPC since 2007. Prior to accepting his current position, Mr. Colburn worked in the Project Management and Transmission Planning departments within IPC.
- Mark Stokes, Engineering Project Leader. Mr. Stokes is responsible for project management of a variety of projects relating to system capacity, reliability, and financial performance. He executes defined projects, manages project resources including IPC personnel, contract personnel, equipment, budget allocations, forecasts, and scheduling. Mr. Stokes also directs performance of the Project team to ensure completion of the Project on schedule and within budget. Mr. Stokes has been employed by IPC and IdaCorp since 1992 and has held positions that include: Dam Safety Engineer, Principal Engineer, Manager of Power Supply Planning, Integrated Resource and Operations Plan Manager, and President of IdaWest Energy. Mr. Stokes has a Bachelor of Science degree in Civil Engineering from the University of Idaho, a Master of Business Administration degree from Northwest Nazarene University, and is a Registered Professional Engineer in the State of Idaho.
- Zach Funkhouser, Biologist II. As a Biologist, Mr. Funkhouser coordinates with other departmental staff to develop and assist in the preparation and review of environmental documentation pertaining to construction, operation, and maintenance of transmission and distribution lines. Mr. Funkhouser provides technical support, guidance, and direction with regard to environmental issues and permitting for transmission line projects, participates in consultation with agencies and works with transmission planners, engineers and other environmental staff to communicate and implement permitting processes. Mr. Funkhouser also participates in preparing comments to agencies regarding National Environmental Policy Act (NEPA) actions including Environmental Impact Statements, Environmental Assessments, and Categorical Exclusions that relate to transmission and distribution line projects and their ongoing

operation and maintenance. He manages implementation of projects and tasks for which consultants have been acquired to provide work products in support of projects, and participates in site inspections to ensure compliance with permits. Mr. Funkhouser works with federal agencies through the NEPA process and associated authorizations. Mr. Funkhouser has worked for IPC since 2010. Prior to employment with IPC, he spent 12 years as the Senior Environmental Planner for District Two of the Idaho Transportation Department where he was responsible for the preparation of NEPA documents and support including wetland delineations, biological assessments, archaeological and historic inventories, storm water planning, and permit compliance.

- Mike Bracke, Engineering Project Leader. Mr. Bracke is responsible for managing and overseeing the 500-kV projects contracts and financial controls; coordinating joint utility projects, and leading various engineering, design and construction projects. As an Engineering Project Leader, Mr. Bracke was responsible for the engineering, design and construction of IPC's 500-kV Hemingway Station. Prior positions held at IPC include: Engineering Leader, East Region Lines Leader, Stations Structural Design Leader, Southern Region Apparatus Leader, and Apparatus Engineer. Mr. Bracke has a Bachelor of Science degree in Mechanical Engineering and has been employed by IPC since 1996.
- Michael Vaughn, Engineering Project Leader. Mr. Vaughn is responsible for project management of a variety of transmission line and station projects relating to system capacity, reliability, stability, communications and control. He executes defined projects, manages project resources (including IPC personnel, contract personnel, equipment, budget allocations, forecasts, and scheduling), and leads and evaluates project team members to ensure completion of the project on schedule and within budget. Mr. Vaughn has been the project manager for numerous transmission lines, communication station, and transmission station projects for IPC. Mr. Vaughn has a Bachelor of Science degree in Electrical Engineering and is a Registered Professional Engineer in the State of Idaho. He has worked for IPC since 2006 and has 27 years of professional experience.
- Jeffrey Maffuccio, Facility Siting Coordinator. Mr. Maffuccio is responsible for coordination and procurement of local government authorizations for a variety of transmission and facility projects. In addition, he facilitates public meetings on behalf of Idaho Power for operation-related projects. Mr. Maffuccio has a Bachelor of Science degree in Urban Planning and 12 years' experience, with approximately five of those at IPC. Prior experience includes Permit Coordinator for IPC and as an Environmental and Land Use Planner contracted to conduct federal and state analyses, as well as obtain permits for similar transmission line and generating facility projects throughout the United States. As a County Planner, he managed the planning process for several master planned community projects and worked closely with local transportation agencies.
- Dave Valentine, Archaeologist (Biologist II). Mr. Valentine has been in this position with IPC since 2008, and his duties include overseeing cultural resource activities related to licensing, permitting, and constructing utility facilities including hydroelectric generation projects, transmission lines, and stations. He is the main point of contact for federal, state, and tribal related cultural resource issues and assures corporate compliance with the National Historical Preservation Act and other relevant state and federal laws. Mr. Valentine contracts with and oversees cultural consultants including archeologists, historians, and ethnographers and develops studies, proposals, or plans to mitigate impacts to cultural resources resulting from IPC-related activities as required by state

and federal permits. Mr. Valentine obtained a master's degree in anthropology with an emphasis in historic archaeology, and has 26 years of cultural resource management experience. Mr. Valentine developed his cultural resource management experience through working with private consulting firms or university contracting arms, and also with the federal government. He has experience in all phases of cultural resource permitting and archaeological investigations for a wide variety of projects, including linear energy projects such as gas pipelines and electrical transmission lines in Idaho, Oregon, and Nevada.

- Randy Lane, Senior Real Estate Specialist. Mr. Lane is responsible for real estate project management relating to the acquisition of rights-of-way on numerous transmission line projects. He executes defined projects, manages ROW resources (including contract personnel, project ROW budgets, and scheduling) and ensures the acquisition of ROWs is completed on schedule and within budget. Mr. Lane has a BBA Degree with a Real Estate Major and has over 25 years of ROW experience and has worked for IPC since 2008.

### **3.2.2 Qualification of the Project Contractors**

OAR 345-021-0010(1)(d)(C): The qualifications of any architect, engineer, major component vendor, or prime contractor upon whom the applicant will rely in constructing and operating the facility, to the extent that the identities of such persons are known when the application is submitted.

IPC intends to retain an outside contractor to perform the engineering, design, procurement, and construction activities related to the Project. The contractor has not yet been selected; however, IPC is developing its request for proposal (RFP) package that will set forth the criteria it will use to ensure that the firm retained has the requisite skill and experience to engineer, design, procure, and construct the Project.

The RFP process will be overseen by IPC managers who have extensive experience conducting RFPs and overseeing the construction of large projects by third-party contractors. The team responsible for administering the RFP is made up of internal and external experts from the following technical areas:

- Project Management
- Contracting
- Legal
- Engineering
- Design
- Environmental
- Scheduling
- Procurement
- Construction
- Safety
- Quality Control

The RFP package will outline the scope of work, contract requirements, project schedule, design specifications, material and procurement specifications, and construction specifications. The RFP will be sent to potential bidders who are well known and experienced in projects similar to the Project. In order to be considered, all respondents will be required to demonstrate ability to comply with all requirements. The administration team will select the respondent that demonstrates the best ability to accomplish the requested work scope on schedule, while

meeting all safety, environmental, and permit requirements and while providing the best value to IPC.

The following are examples of the criteria that will be used to evaluate the RFP respondents:

#### **Examples of Technical Evaluation Criteria**

- Experience within the last 5 years of successful completion of similar contracts;
- Experience in the design and engineering of large 500-kV transmission line projects;
- Experience with the installation of 500-kV lattice towers and tubular H-frame structures, large diameter drilled pier foundations, and triple-bundle conductors;
- Ability to work well as a complete Engineering, Procurement, and Construction team;
- Experience in compliance with permit conditions, including environmental regulations, mitigation plans, avoidance areas (temporal and spatial restrictions), environmental monitoring, and education/training;
- Experience developing a quality control plan;
- Commitment to safety and excellent safety record; and
- Experience developing a materials procurement and management plan.

#### **Examples of Commercial Evaluation Criteria**

- Bonding capacity and financial stability;
- Credit score;
- Use of Minority and Women-Owned businesses;
- Acceptance of delay and performance liquidated damages; and
- Willingness to accept the RFP terms and conditions.

Because IPC has not yet selected the contractors, engineers, and manufacturers for the construction of the Project, IPC proposes the following site certificate conditions in order to ensure the major contractors are qualified to design, engineer, and construct the proposed facility and all contractors and subcontractors operate in compliance with the site certificate:

**Organizational Expertise Condition 3:** *Prior to construction, the certificate holder shall notify the department of the identity and qualifications of the major design, engineering, and construction contractor(s) for the facility. The certificate holder shall select contractors that have substantial experience in the design, engineering, and construction of similar facilities. The certificate holder shall report to the department any changes of major contractors.*

**Organizational Expertise Condition 4:** *Prior to construction, the certificate holder shall notify the department of the identity and qualifications of the construction manager to demonstrate that the construction manager is qualified in environmental compliance and has the capability to ensure compliance with all site certificate conditions.*

**Organizational Expertise Condition 5:** *Prior to construction, the certificate holder shall contractually require all construction contractors and subcontractors involved in the construction of the facility to comply with all applicable laws and regulations and with the terms and conditions of the site certificate. Such contractual provisions shall not operate to relieve the certificate holder of responsibility under the site certificate.*

**Organizational Expertise Condition 6:** *Prior to construction, the certificate holder shall notify the department before conducting any work on the site that does not qualify as surveying, exploration, or other activities to define or characterize the site. The notice must include a description of the work and*

*evidence that its value is less than \$250,000 or evidence that the certificate holder has satisfied all conditions that are required prior to construction.*

### **3.3 Idaho Power's Past Performance Constructing or Operating Energy Facilities Similar to the Project**

OCAR 345-022-0010(1): . . . The Council may consider . . . the applicant's past performance in constructing, operating and retiring other facilities, including, but not limited to, the number and severity of regulatory citations issued to the applicant.

OCAR 345-021-0010(1)(d)(D): The past performance of the applicant, including but not limited to the number and severity of any regulatory citations in constructing or operating a facility, type of equipment, or process similar to the proposed facility.

Throughout its history, IPC has a strong record of successfully complying with federal and state safety, reliability, and environmental standards applicable to the construction and maintenance of its transmission network. IPC's past performance constructing and maintaining transmission lines and stations similar to those proposed as part of the Project provides substantial evidence that the company would be able to comply with Council standards and conditions of a site certificate for the proposed Project.

#### **3.3.1 Compliance with Federal Reliability Standards**

The Energy Policy Act of 2005 authorized FERC to oversee the adoption of mandatory reliability standards for the electric grid. FERC delegated to NERC—a non-governmental organization designated by FERC as the nation's electricity reliability organization—the authority to develop and enforce reliability standards. NERC delegated certain enforcement authority to regional entities, including WECC. As a result, IPC's transmission system is subject to three levels of reliability enforcement—FERC, NERC, and WECC.

To determine how the reliability standards apply to each registered entity, such as IPC, NERC outlined 12 functions that a registered entity can perform related to its ownership, operation, and use of the bulk electric system. IPC is registered with NERC to perform 10 of these functions, which obligates IPC to maintain compliance with the reliability standards associated with these functions, including the critical infrastructure protection (CIP) cyber security standards. In all, IPC is subject to over 350 requirements contained within 73 non-CIP reliability standards and 39 requirements contained within 11 CIP cyber security standards.

Since 2007, when the first reliability standards became mandatory and enforceable, IPC has participated in one NERC audit and three WECC audits regarding its compliance with the reliability standards. None of the possible issues identified in the audits were more than minimal risk, in that they did not present a material risk to the bulk electric system, were not associated with a transmission service interruption, nor did they adversely impact distribution customers.

In addition to audits, IPC conducts internal monitoring of its compliance with the reliability standards. Because WECC encourages entities to self-report possible violations of the reliability standards and self-reporting can result in mitigation of penalties resulting from actual violations of the standards, IPC errs on the side of over-reporting potential violations. Thus, while IPC may self-report a number of potential violations, many of these reports do not result in enforcement actions. To date, issues discovered in IPC's internal monitoring processes have not been more than minimal risk.

Prior to 2014, IPC entered into confidential settlement agreements with WECC to resolve issues that WECC confirmed were compliance violations. To date, IPC has mitigated all such

confirmed violations. NERC posts on its website settlement agreements involving issues other than CIP cyber security, which is not publicly posted due to the sensitivity of CIP information.

Beginning in 2014, the industry began trending away from zero-tolerance compliance resulting in monetary penalties and instead began focusing on risk-based compliance. Due to this shift, regulators have trended away from imposing penalties for minimal-risk violations and, instead, issue compliance exceptions or other non-monetary-penalty dispositions. Each of IPC's most recent potential violations have been processed in this manner. NERC's website includes information on potential violations of reliability standards being disposed through the compliance exception process.

### **3.3.2 Compliance with Oregon Reliability Standards**

The OPUC regulates the construction, operation, and maintenance of electrical supply systems in Oregon, ensuring that the same operate "in such a manner as to protect and safeguard the health and safety of all employees, customers, and the public."<sup>4</sup> To this end, the OPUC has adopted specific safety and reporting standards for the construction and operation of energy facilities.<sup>5</sup>

With respect to IPC's transmission and distribution systems in Oregon, the OPUC's safety standards require the construction, operation, and maintenance of the same to be in full compliance with NESC standards.<sup>6</sup> Moreover, IPC must maintain records of all service interruptions.<sup>7</sup> IPC must calculate interruption indices on a system-wide basis for each operating area and circuit.<sup>8</sup> IPC must develop threshold levels for applicable interruption indices based on past reliability data, demographic, geographic, and electrical characteristics, and the relative performance of the circuits to each other.<sup>9</sup> IPC is required on an annual basis to file with the OPUC a report detailing the previous year's reliability information.<sup>10</sup> The report includes a comparison of the year's data to the determined thresholds and provides a summary of the causes of interruptions on IPC's system. The report also includes a summary of all the year's major events. In addition to annual reporting, IPC must report each major outage event to the OPUC within 20 days of the occurrence.<sup>11</sup>

IPC has a strong record of complying with OPUC safety and reporting requirements. For example, IPC filed with the OPUC the company's 2016 Electric Service Reliability Annual Report indicating that, at the end of 2016, IPC served 18,732 customers in Oregon from 61 distribution circuits. The composite performance of the 61 circuits in 2016 included 683 sustained interruptions (i.e., persisting for more than 5 minutes), 19,734 momentary events (lasting 5 minutes or less), 53,858 hours without service, a System Average Interruption Duration Index of 2.88 hours per customer, a System Average Interruption Frequency Index of 1.05 sustained interruptions, and a Momentary Average Interruption Frequency Index of 2.83 momentary interruption events. At the time of filing this Amended Preliminary Application for Site Certificate, the 2016 report is the most recent report filed with the OPUC.

---

<sup>4</sup> Oregon Revised Statute 757.035(1).

<sup>5</sup> OAR 860-024-0010 (electric supply lines must be constructed, operated, and maintained in compliance with NESC standards).

<sup>6</sup> OAR 860-024-0010.

<sup>7</sup> OAR 860-023-0100.

<sup>8</sup> OAR 860-023-0110.

<sup>9</sup> OAR 860-023-0120.

<sup>10</sup> OAR 860-023-0150.

<sup>11</sup> OAR 860-023-0160.

### 3.3.3 Other Regulatory Compliance

IPC has a strong record of compliance with state and federal environmental regulations relevant to the construction and operation of the Project (see Tables D-4, D-5, and D-7). IPC operates its generation, transmission, and distribution facilities in compliance with the requirements of many regulatory agencies including the National Oceanic and Atmospheric Administration, Oregon Department of Fish and Wildlife, Oregon Department of State Lands, Oregon Occupational Safety and Health Administration (OSHA), ODEQ, OPUC, as well as the requirements of numerous Oregon cities and counties. In the past 5 years, IPC has been cited for only one compliance violations related to its generation, transmission, and distribution facilities:

1. On December 1, 2015, OSHA issued two citations related to a forklift accident at IPC's Boise Operations Center. IPC settled the citations with OSHA.

### 3.3.4 Non-Compliance Responsibility

IPC proposes the following site certificate conditions establishing IPC's responsibilities with respect to potential site certificate condition violations:

**Organizational Expertise Condition 1:** *The certificate holder shall be responsible for any matter of non-compliance under the site certificate. Any notice of violation (NOV) issued under the site certificate will be issued to the certificate holder. Any civil penalties under the site certificate will be levied on the certificate holder.*

**Organizational Expertise Condition 2:** *Within 72 hours after discovery of incidents or circumstances that violate the terms or conditions of the site certificate, the certificate holder must report the conditions or circumstances to the department, in addition to the requirements of OAR 345-026-0170.*

### 3.3.5 Warranty

OAR 345-021-0010(1)(d)(E): If the applicant has no previous experience in constructing or operating similar facilities and has not identified a prime contractor for construction or operation of the proposed facility, other evidence that the applicant can successfully construct and operate the proposed facility. The applicant may include, as evidence, a warranty that it will, through contracts, secure the necessary expertise.

IPC has extensive experience constructing and operating electrical transmission facilities similar to the proposed Project; therefore, the provisions of OAR 345-021-0010(1)(d)(E) are not applicable.

## 3.4 Idaho Power's Mitigation Experience

OAR 345-021-0010(1)(d)(G): If the applicant relies on mitigation to demonstrate compliance with any standards of Division 22 or 24 of this chapter, evidence that the applicant can successfully complete such proposed mitigation, including past experience with other projects and the qualifications and experience of personnel upon whom the applicant will rely, to the extent that the identities of such persons are known at the date of submittal.

IPC has extensive experience implementing mitigation projects similar to the mitigation projects proposed for the Project. IPC's project team includes the IPC engineers and biologists, as well as habitat mitigation biologists, wildlife and plant biologists, and cultural resource staff who will assist with any necessary mitigation measures. IPC's in-house mitigation program expertise includes designing, implementing, and maintaining information and education panels, recreational opportunities, fisheries mitigation, and water quality programs as part of mitigation

requirements. Therefore, IPC's mitigation project experience provides substantial evidence that IPC can successfully complete mitigation necessary for the Project.

### **3.4.1 Overview of Mitigation Projects for Hydroelectric Facilities**

The majority of IPC's mitigation experience is related to impacts of hydroelectric facilities. IPC currently owns 17 hydroelectric facilities on the Snake River and its tributaries in southern Idaho and eastern Oregon, operating the facilities under 12 FERC licenses. Some or all of the FERC licenses include management and mitigation requirements to address water quality, recreation, aquatic species, terrestrial species, and land management impacts.

IPC employs nearly 100 full-time staff biologists in its Environmental Affairs Department, who conduct the work necessary to ensure that the company meets the resource management and mitigation requirements of the company's FERC licenses. IPC has a robust license compliance program that includes two full-time staff who track and document all FERC license requirements and compliance with the same. Moreover, pursuant to its license compliance program, IPC conducts an annual audit of each of its FERC-licensed projects, and certifies to senior/executive management that it has and will continue to comply with all requirements contained within the licenses, as well as corporate policies and standards.

At the time of licensing, FERC evaluated IPC's capability to implement the required protection, mitigation, and enhancement (PME) measures. Regarding each of IPC's licenses, FERC concluded that IPC has the ability and resources to fully comply with the PME measures. Furthermore, FERC monitors each licensee's compliance on an ongoing basis and regularly inspects the projects. In the past 3 years, FERC has inspected at least three of IPC's projects, and, with minimal follow-up items, IPC passed each inspection. IPC has not received a letter of non-compliance for any FERC land management, fisheries, or recreational program mitigation requirements.

### **3.4.2 Mitigation Project Examples**

IPC's FERC licenses together include over 300 environmental-related PME measures. IPC is in substantial compliance with its license requirements, including the PME measures.

#### **3.4.2.1 Mitigation Project Examples from the C.J. Strike, Shoshone Falls, and Mid-Snake Projects**

The FERC licenses for IPC's C.J. Strike Project (Project No. 2055-010), Shoshone Falls Project (Project No. 2778-005), Upper Salmon Falls Project (Project No. 2777-007), Lower Salmon Falls Project (No. 2061-004), and Bliss Project (Project No. 1975-014) together include 77 articles providing for water quality, recreation, aquatic species, terrestrial species, or land management protection or mitigation projects. The following resource management plans provide examples of the resource protection or mitigation projects that IPC is implementing pursuant to its FERC licensing requirements:

- Riparian Habitat Acquisition Plan (C.J. Strike License Article 412) (filed 7/27/2005) provides for the acquisition and management of at least 170 acres of riparian, wetland, and/or spring habitat to mitigate the effects of flow fluctuations on riparian habitat. Pursuant to the plan, IPC purchased the approximately 360-acre Turner Ranch property on the Bruneau River upstream of the project reservoir and has been managing the area for riparian and wetland habitat;
- Fish and Wildlife Management Plan for IPC Company Project Lands Within the C.J. Strike Wildlife Management Area (C.J. Strike License Article 413) (filed 12/5/2005) addresses IPC's assumption of management of 3,000 acres of the C.J. Strike Wildlife

Management Area to provide high quality wildlife habitat and a high-quality experience for those who choose to hunt, fish, or otherwise recreate on the lands;

- Bliss Rapids Snail Protection Plan (C.J. Strike License Article 411; Lower Salmon Falls License Article 403; Bliss License Article 403) (filed 3/30/2010) provides for the protection of the Bliss Rapids snail through potential operations alternatives and/or other mitigation actions;
- Snake River White Sturgeon Conservation Plan (C.J. Strike License Article 408; Shoshone Falls License Article 405; Upper Salmon Falls License Article 407; Lower Salmon Falls License Article 407; Bliss License Article 407) (filed 8/1/2005) describes measures and strategies to protect and mitigate damages to Snake River white sturgeon;
- Visual Resource Management Plan (C.J. Strike License Article 414) (filed 8/3/2005) provides for improved viewing opportunities at four viewpoints as part of IPC's obligation to provide visual resources protection, mitigation, and enhancement measures;
- Historic Properties Management Plan (Shoshone Falls License Article 415) (filed 3/24/2006) implements an agreement among IPC, the State of Idaho, federal agencies, and tribal entities to identify and protect cultural resources;
- Recreation Management Plan (C.J. Strike License Article 417) (filed 8/2/2005) provides for enhancements to existing recreation facilities and development of new facilities for public use;
- Fish Stocking Plan (C.J. Strike License Article 409) (filed 8/4/2005) provides measures to enhance rainbow trout and channel catfish sport fisheries;
- Water Temperature and Dissolved Oxygen Monitoring Plan (C.J. Strike License Article 405; Shoshone Falls License Article 404; Upper Salmon Falls License Article 404; Lower Salmon Falls License Article 405; Bliss License Article 405) (filed 2/4/2005) establishes water discharge monitoring requirements to ensure compliance with certain water temperature and dissolved oxygen standards; and
- Total Dissolved Gas Monitoring Plan (C.J. Strike License Article 406) (filed 2/4/2005) establishes monitoring requirements for total dissolved gas in water discharges.

Each of the plans was developed in consultation with local, state, and federal entities and non-governmental organizations and was subject to FERC approval. IPC initiated the projects set forth in the plans and has been actively engaged in the ongoing operations and maintenance and annual reporting to all parties involved.

FERC has conducted two environmental inspections and one site visit since the licenses for the C.J. Strike, Shoshone Falls, and Mid-Snake Projects were issued in 2004. In each case, FERC's follow-up letters indicated that the projects were fully in compliance or only minor remedies were needed to correct deficiencies. IPC has complied with all requests for such remedies and is in compliance with the license requirements. For the most-recent site visit in 2012, IPC submitted revised Land Management Plans for FERC approval, and FERC completed a follow-up visit to confirm the proposed changes had been implemented. FERC's follow-up letter indicated IPC's changes corrected the previously identified deficiencies and was very complimentary of IPC's land management activities and land management staff.

IPC is in substantial compliance with each of the resource management plans described above as well as the other FERC licensing requirements.

### **3.4.2.2 Bliss Project Habitat Management and Mitigation Project**

As part of the Bliss Project, IPC developed a Habitat Management Plan (HMP) for the Bancroft Springs and Tuana Gulch Habitat Management Areas (HMA). The overall objective of the Bliss HMP was to restore and enhance upland and riparian vegetation to more natural conditions. The Bliss HMP was developed in consultation with the BLM, Idaho Department of Fish and Game, and United States Fish and Wildlife Service. It was filed on February 1, 2005, and FERC approved it on September 14, 2005. Because significant cultural resources were present at certain of the HMAs, IPC consulted with the Idaho State Historic Preservation Officer prior to conducting ground disturbing activities under the Bliss HMP.

#### **Mitigation Actions**

Between 2006 and 2013, IPC reestablished perennial shrubs and herbaceous species on approximately 156 acres of the Tuana Gulch HMA by controlling livestock grazing, repairing fences, treating weeds, prepping the soil for planting (i.e., through burning tilling, or both), and reseeding the areas with native grasses and shrubs. Thousands of native shrub plugs were hand-planted. To protect the reestablished areas from noxious weeds, IPC employs an integrated management system that uses all appropriate, available control methods to attempt to eliminate existing noxious weeds and to prevent the introduction of new noxious weeds onto the property.

At the Bancroft Springs HMA, IPC re-established perennial shrubs and herbaceous species on approximately 40 acres in 2007-2013. Eight hundred shrub plugs were hand-planted in 2013. IPC also planted hundreds of riparian shrubs along the shoreline of the Snake River to restore and enhance riparian vegetation. To control noxious weeds, IPC employs a weed control program similar to the one used at the Tuana Gulch HMA.

#### **Success Criteria and Monitoring**

IPC monitors vegetation enhancement pursuant to qualitative and quantitative measures. Upland revegetation is considered successful if, after the 10th growing season: (1) average cover of seeded herbaceous species is at least 75 percent of average herbaceous cover of the chosen reference sites; (2) average cover of seeded shrub species is at least 75 percent of average shrub cover on the reference sites; and (3) average density of seeded shrubs is at least 75 percent of shrub density of the reference sites. Riparian enhancement will be deemed successful if 30 percent of the plantings survive the fourth growing season. If success criteria are not met, remedial actions will be developed with consulting agencies.

IPC monitored upland reseeding projects in 2007-2010 and riparian enhancement projects in 2007-2012. Monitoring results indicated additional restoration measures would further enhance the areas. IPC reseeded, increased weed control activities, and planted and watered shrubs in 2010-2014. Subsequent monitoring indicates native grasses and shrubs are establishing and noxious weeds are controlled.

#### **Compliance Actions and Reporting**

Pursuant to the Bliss HMP, IPC submitted compliance reports to FERC in 2006, 2008, and 2010 and will complete reports from 2010-2030 at 5-year intervals. IPC also hosts meetings to update consulting agencies on the Bliss Project, including on the Bliss HMP, which allow for agency comments regarding activities associated with the Bliss HMP.

### **3.4.3 Adaptive Management**

Over the course of a 30-year license, resource and management conditions may change, impacting the objectives or effectiveness of a mitigation project. For this reason, a FERC licensee may propose to change the license mitigation requirements to address new information

or changes in circumstances. This process is referred to as adaptive management. The licensee may meet with the relevant resource agencies to discuss the new information or changes in circumstances, to develop remedies that are agreeable to all parties, and to develop an amendment application for FERC's consideration. Amendments can be as minor as changing a monitoring schedule or can involve a request to eliminate a license requirement entirely. IPC has two proposed FERC license amendments pending before FERC at this time.

### 3.5 ISO Certification

OAR 345-022-0010(2): The Council may base its findings under section (1) on a rebuttable presumption that an applicant has organizational, managerial and technical expertise, if the applicant has an ISO 9000 or ISO 14000 certified program and proposes to design, construct and operate the facility according to that program.

OAR 345-021-0010(1)(d)(F): If the applicant has an ISO 9000 or ISO 14000 certified program and proposes to design, construct and operate the facility according to that program, a description of the program.

IPC does not propose to design, construct, and operate the Project in accordance with an International Organization for Standardization (ISO) 9000 or ISO 14000 certified program. Therefore, OAR 345-022-0010(2) and OAR 345-021-0010(1)(d)(F) are not applicable.

### 3.6 Third-Party Permits

OAR 345-022-0010(3): If the applicant does not itself obtain a state or local government permit or approval for which the Council would ordinarily determine compliance but instead relies on a permit or approval issued to a third party, the Council, to issue a site certificate, must find that the third party has, or has a reasonable likelihood of obtaining, the necessary permit or approval, and that the applicant has, or has a reasonable likelihood of entering into, a contractual or other arrangement with the third party for access to the resource or service secured by that permit or approval.

OAR 345-022-0010(4): If the applicant relies on a permit or approval issued to a third party and the third party does not have the necessary permit or approval at the time the Council issues the site certificate, the Council may issue the site certificate subject to the condition that the certificate holder shall not commence construction or operation as appropriate until the third party has obtained the necessary permit or approval and the applicant has a contract or other arrangement for access to the resource or service secured by that permit or approval.

#### 3.6.1 Identification of State or Local Third-Party Permits

IPC will rely on Umatilla Electric Co-Op, Pacific Power, and Oregon Trail Electric Cooperative to install the distribution lines serving the communication stations (see Exhibit A). The distribution lines may require the following local permits or approvals depending on the final design and alignment of the distribution lines:

- **Communication Station MO-01, Morrow County, Utility Crossing Permit**

A Utility Crossing Permit is required any time a utility is constructed within or across a public ROW in Morrow County. The distribution lines serving Communication Station MO-01 will likely be cross a public ROW in Morrow County. The third-party local service provider will obtain any necessary Utility Crossing Permit from the Morrow County Public Works Department.

- **Communication Station UM-01, Umatilla County, Installation of Utilities on County and Public Roads Permit (Utilities Permit)**

Umatilla County requires a Utilities Permit for any activity that involves having the utility cross a county or state road, pipelines, or installations adjacent to roadway and requiring traffic control. The distribution lines serving Communication Station UM-01 will likely be located within a public ROW in Umatilla County. The third-party local service provider will obtain any necessary Utilities Permit from Umatilla County.

- **Communication Station UN-02, Union County, Land Use Decision (Timber-Grazing Zone)**

The distribution lines serving Communication Station UN-01 likely will be located within an Agricultural-Grazing Zone in Union County. Union County Development Code § 3.03.7 provides utility facilities may be established in an Agricultural-Grazing Zone subject to a review process (Planning Director Land Use Decision). If after final design and alignment the distribution lines are located within the Agricultural-Grazing Zone, the third-party distribution service provider may need to obtain a land use decision from Union County.

- **Communication Station UN-02, Union County, Work in County Right-of-Way Permit**

If any activity takes place in a county road ROW within Union County, an application must be submitted for approval by the county prior to the activity being conducted. The distribution lines serving Communication Station UN-02 will likely be located within a public ROW in Union County. The third-party local service provider will obtain any necessary Work in County Right-of-Way Permit from Union County.

- **Communication Station BA-01, Baker County, Right Of Way Activities Permit**

If any activity takes place in a ROW within Baker County, an application must be submitted for approval by the county prior to the activity being conducted. The distribution lines serving Communication Station BA-01 will likely be located within a public ROW in Baker County. If after final design and alignment the distribution lines are located within a public ROW, the third-party distribution service provider may need to obtain a Right of Way Activities Permit from Baker County.

Other than the local or state permits or authorizations set forth above, IPC will not rely on any state or local permits issued to a third-party.<sup>12</sup>

### **3.6.2 Likelihood Idaho Power Company Will Be Able to Enter into an Agreement with the Local Service Provider**

Under Oregon law, a local electrical service provider generally must provide service to requesting customers within the utility's service territory (see *In re Columbia Basin Elec. Coop., Inc. v. PacifiCorp et al.*, Docket No. UM 1670, Order No. 15-110 at 6 (April 10, 2015) ("When an entire load is located within the service territory of a single utility, that utility has the right and obligation to serve that load.")). Because Umatilla Electric Co-Op, Pacific Power, and Oregon Trail Electric Cooperative are required to provide electrical service to IPC for use at the

<sup>12</sup> In some circumstances, IPC's construction contractor may obtain permits on behalf of IPC. However, because the construction contractor will obtain these permits as an agent of IPC under IPC's control and direction, such permits are not considered third-party permits for purposes of OAR 345-021-0010(1)(e)(E) or (F).

communication stations, IPC has a reasonable likelihood of entering into a contract or agreement with each of them for the installation of the distribution lines.

### **3.6.3 Likelihood the Local Service Provider Will Be Able to Obtain Necessary Permits**

The Morrow, Umatilla, Union, and Baker County planning departments have indicated to IPC that there is a high likelihood that the local service providers will be able to obtain any necessary authorizations to install the Project's communication station distribution lines in those counties. To ensure the necessary third-party permits or approvals are in place at the time of construction, IPC proposes the following site certificate condition:

**Organizational Expertise Condition 7:** *Prior to construction on a communication station requiring third-party electrical distribution service, the certificate holder shall provide evidence to the department that the relevant third-party electrical distribution service provider that will construct, own, and operate the distribution line has obtained all necessary approvals and permits for the distribution line and that the certificate holder has a contract with the third-party provider for use of the distribution line.*

### **3.6.4 Impact of Third-Party Permits on Council Standard Compliance**

At this time, no third party has obtained any permits related to the Project. Further, IPC will not rely on any third-party permits to comply with any applicable Council standard.

## **4.0 IDAHO POWER'S PROPOSED SITE CERTIFICATE CONDITIONS**

IPC proposes the following site certificate conditions to ensure compliance with the Organizational Expertise Standard.

### **Generally Applicable**

**Organizational Expertise Condition 1:** *The certificate holder shall be responsible for any matter of non-compliance under the site certificate. Any notice of violation (NOV) issued under the site certificate will be issued to the certificate holder. Any civil penalties under the site certificate will be levied on the certificate holder.*

**Organizational Expertise Condition 2:** *Within 72 hours after discovery of incidents or circumstances that violate the terms or conditions of the site certificate, the certificate holder must report the conditions or circumstances to the department, in addition to the requirements of OAR 345-026-0170.*

### **Prior to Construction**

**Organizational Expertise Condition 3:** *Prior to construction, the certificate holder shall notify the department of the identity and qualifications of the major design, engineering, and construction contractor(s) for the facility. The certificate holder shall select contractors that have substantial experience in the design, engineering, and construction of similar facilities. The certificate holder shall report to the department any changes of major contractors.*

**Organizational Expertise Condition 4:** *Prior to construction, the certificate holder shall notify the department of the identity and qualifications of the construction manager to demonstrate that the construction manager is qualified in environmental compliance and has the capability to ensure compliance with all site certificate conditions.*

**Organizational Expertise Condition 5:** *Prior to construction, the certificate holder shall contractually require all construction contractors and subcontractors involved in the construction of the facility to comply with all applicable laws and regulations and with the terms and conditions of the site certificate. Such contractual provisions shall not operate to relieve the certificate holder of responsibility under the site certificate.*

**Organizational Expertise Condition 6:** *Prior to construction, the certificate holder shall notify the department before conducting any work on the site that does not qualify as surveying, exploration, or other activities to define or characterize the site. The notice must include a description of the work and evidence that its value is less than \$250,000 or evidence that the certificate holder has satisfied all conditions that are required prior to construction.*

**Prior to Construction on a Communication Station Requiring Third-Party Electrical Distribution Service**

**Organizational Expertise Condition 7:** *Prior to construction on a communication station requiring third-party electrical distribution service, the certificate holder shall provide evidence to the department that the relevant third-party electrical distribution service provider that will construct, own, and operate the distribution line has obtained all necessary approvals and permits for the distribution line and that the certificate holder has a contract with the third-party provider for use of the distribution line.*

## 5.0 CONCLUSIONS

Exhibit D establishes that IPC has the organizational expertise to construct, operate, and retire the Project in compliance with Council standards and site certificate conditions pursuant to the Organizational Expertise standard at OAR 345-022-0010, and includes the application information provided for in OAR 345-021-0010(1)(d).

## 6.0 COMPLIANCE CROSS-REFERENCES

Table D-8 identifies the location within the application for site certificate of the information responsive to the Organizational Expertise Standard at OAR 345-022-0010, the application submittal requirements in OAR 345-021-0010(1)(d), and the relevant Second Amended Project Order provisions.

**Table D-8. Compliance Requirements and Relevant Cross-References**

Requirement	Location
<b>OAR 345-021-0010(1)(d)</b>	
Exhibit D. Information about the organizational expertise of the applicant to construct and operate the proposed facility, providing evidence to support a finding by the Council as required by OAR 345-022-0010, including:	
(A) The applicant's previous experience, if any, in constructing and operating similar facilities.	Exhibit D, Section 3.1
(B) The qualifications of the applicant's personnel who will be responsible for constructing and operating the facility, to the extent that the identities of such personnel are known when the application is submitted.	Exhibit D, Section 3.2.1
(C) The qualifications of any architect, engineer, major component vendor, or prime contractor upon whom the applicant will rely in constructing and operating the facility, to the extent that the identities of such persons are known when the application is submitted.	Exhibit D, Section 3.2.2

Requirement	Location
(D) The past performance of the applicant, including but not limited to the number and severity of any regulatory citations in constructing or operating a facility, type of equipment, or process similar to the proposed facility.	Exhibit D, Section 3.3
(E) If the applicant has no previous experience in constructing or operating similar facilities and has not identified a prime contractor for construction or operation of the proposed facility, other evidence that the applicant can successfully construct and operate the proposed facility. The applicant may include, as evidence, a warranty that it will, through contracts, secure the necessary expertise.	Exhibit D, Section 3.3.5
(F) If the applicant has an ISO 9000 or ISO 14000 certified program and proposes to design, construct and operate the facility according to that program, a description of the program.	Exhibit D, Section 3.5
(G) If the applicant relies on mitigation to demonstrate compliance with any standards of Division 22 or 24 of this chapter, evidence that the applicant can successfully complete such proposed mitigation, including past experience with other projects and the qualifications and experience of personnel upon whom the applicant will rely, to the extent that the identities of such persons are known at the date of submittal.	Exhibit D, Section 3.4
<b>OAR 345-022-0010</b>	
(1) To issue a site certificate, the Council must find that the applicant has the organizational expertise to construct, operate and retire the proposed facility in compliance with Council standards and conditions of the site certificate. To conclude that the applicant has this expertise, the Council must find that the applicant has demonstrated the ability to design, construct and operate the proposed facility in compliance with site certificate conditions and in a manner that protects public health and safety and has demonstrated the ability to restore the site to a useful, non-hazardous condition. The Council may consider the applicant's experience, the applicant's access to technical expertise and the applicant's past performance in constructing, operating and retiring other facilities, including, but not limited to, the number and severity of regulatory citations issued to the applicant.	Throughout Exhibit D
(2) The Council may base its findings under section (1) on a rebuttable presumption that an applicant has organizational, managerial and technical expertise, if the applicant has an ISO 9000 or ISO 14000 certified program and proposes to design, construct and operate the facility according to that program.	Exhibit D, Section 3.1 and Section 3.5
(3) If the applicant does not itself obtain a state or local government permit or approval for which the Council would ordinarily determine compliance but instead relies on a permit or approval issued to a third party, the Council, to issue a site certificate, must find that the third party has, or has a reasonable likelihood of obtaining, the necessary permit or approval, and that the applicant has, or has a reasonable likelihood of entering into a contractual or other arrangement with the third party for access to the resource or service secured by that permit or approval.	Exhibit D, Section 3.6

<b>Requirement</b>	<b>Location</b>
(4) If the applicant relies on a permit or approval issued to a third party and the third party does not have the necessary permit or approval at the time the Council issues the site certificate, the Council may issue the site certificate subject to the condition that the certificate holder shall not commence construction or operation as appropriate until the third party has obtained the necessary permit or approval and the applicant has a contract or other arrangement for access to the resource or service secured by that permit or approval.	Exhibit D, Section 3.6
<b>Second Amended Project Order</b>	
Regarding the ability to successfully construct the project “in accordance with site certificate conditions,” the Council’s review is not limited to IPC’s ability to construct a transmission line. The application must also demonstrate that IPC can honor all commitments and conditions regarding minimization and mitigation of impacts on the resources protected by Council standards and applicable regulations of other agencies.	Exhibit D, Section 3.4
Exhibit D shall include a safety and environmental regulatory compliance history for the last three years that is focused on similar facilities owned or operated by the applicant, such as transmission lines and substations. Evidence of successful completion of mitigation projects shall also be provided.	Exhibit D, Section 3.3, Section 3.4

**ATTACHMENT D-1**  
**OVERVIEW OF IDAHO ENERGY FACILITY SITING PROCESS**

---

Search

## Governor's Office of Energy Resources

Utilities

Renewable Energy

Energy Efficiency

Financial Resources

Information  
Resources

Transmission

Idaho Strategic  
Energy Alliance

Stimulus

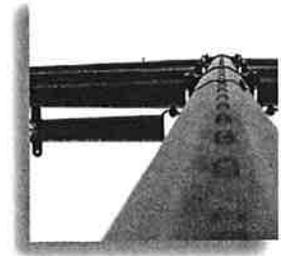
Energy Events


[Home](#)   [Transmission](#)

### Permitting & Siting Roles

#### Federal Role – Transmission Permitting & Siting

Federal agencies such as the Federal Energy Regulatory Commission (FERC) and the Bureau of Land Management (BLM) create and enforce regulations and standards for energy transmission based upon reliability and safety. BLM, for example manages federal land, ensuring the energy needs of the country are met with both renewable and non-renewable resources. BLM specifically reviews and approves permits for companies to explore and develop energy opportunities on federal and tribal lands. BLM is also responsible for the inspection and enforcement of development and use of energy wells, as well as other developments. FERC plays more of a role in the transmission of the energy, rather than the development and extrapolation. FERC approves the siting, desertion, reliability and safe operation of natural gas pipelines. They are also involved in environmental and financial matters, along with much of the transmission of energy and electricity.



#### State Role – Transmission Permitting & Siting

The State's role regarding transmission siting is limited. The state only has direct siting authority when proposed transmission projects seek to use state property. Various state agencies have limited authority related to associated permits and application matters and a catalogue of agency involvement has been prepared by the OER. Some very specific siting authority has been granted to the Idaho Public Utilities Commission (IPUC). This IPUC's role is largely confined to limited backstop authority tied to a federal designation of a National Interest Corridor. Additionally, transmission developers can obtain priority status through the IPUC. However, this designation does not address the siting of transmission lines and instead focuses on the need for additional capacity and reliability associated with a project. When projects involve federal land the OER serves as the lead agency for the state in relationship to Idaho's Cooperating Agency Status. The OER does not have the authority to determine transmission line siting or compensation for transmission lines. OER is basically a hub for all the different agencies, coordinating the dance between the different agencies and the utilities to ensure the present and future of Idaho's energy generation and consumption. Other state agencies involved include the Idaho Department of Lands, the Idaho Department of Fish and Game, the Idaho Bureau of Homeland Security, the Idaho Department of Water Resources, the Idaho Department of Parks and Recreation, the Idaho Transportation Department, the Department of Environmental Quality, and the Idaho State Historical Society.

#### County Role – Transmission Permitting & Siting

A significant portion of siting authority rests with local units of government. Accordingly, local jurisdictions are responsible for providing venues for public comment and participation as it relates to local siting considerations.

Under provisions of the Land Use Planning Act, the county commissions or governing boards exercise specific functions regarding the siting and permitting of transmission line corridors and infrastructure. Chapter 65, Title 67 of Idaho Code extends authority to the counties to include transmission corridors in their comprehensive plans and provides ordinance authority and processes for granting such permits.

Pursuant to 67-6508 h, o), Idaho Code, it is the duty of the planning and zoning commission to conduct comprehensive planning within their jurisdiction. The plan is to include an analysis of utility transmission corridors and, when notified of a possible federally designated corridor, show the existing location and possible routing of high voltage transmission lines.

Pursuant to 67-6512 h, o), Idaho Code, authorizes county commissioners to adopt special or conditional use permits in accordance with notice and hearing requirements. The ordinance provides for an application process and allows for specially permitted uses, such as transmission lines, with conditions attached. These may include any social, economic, fiscal, and environmental studies that may be required. The use must be in compliance with the comprehensive plan.

Pursuant to 67-6519, Idaho Code, creates a process for governing boards to follow regarding examination and consideration of an application within a reasonable timeframe, determined by the governing body. It also specifies that the governing board state the reasons for approval or denial of an application and inform the applicant of any action available to gain a permit or appeal a decision.

Governor's Office of  
**Energy Resources**

[Utilities](#)[Renewable Energy](#)[Energy Efficiency](#)[Financial Resources](#)[Information Resources](#)[Transmission](#)[Idaho Strategic Energy Alliance](#)[Stimulus](#)[Energy Events](#)[Home](#) [Transmission](#)

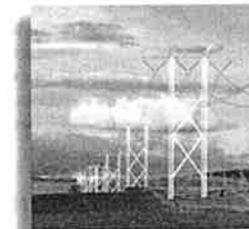
## Permitting & Siting Roles

### Idaho Department of Lands

The Idaho Department of Lands has jurisdiction if proposed transmission lines fall under the rules listed below:

1. If the project encroached on or crossed navigable lakes, IDAPA 20.03.04 (PDF) - Rules for the Regulation of Beds, Waters and Airspace Over Navigable Lakes in the State of Idaho would apply. A permit and/or lease would be required. Easements are possible in some cases.
2. If the project encroached on or crossed navigable rivers, IDAPA 20.03.17 (PDF) - Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands would apply. A permit and/or lease would be required. Easements are possible in some cases.  
In the two above scenarios, if easements were sought, then IDAPA 20.03.09 (PDF) - Rules for Easements on State-Owned Submerged Lands and Formerly Submerged Lands would apply.)
3. If the planned activity required commercial logging to prepare a site for construction, the Forest Practices Act would apply to the actual logging activity. The Rules Pertaining to the Forest Practices Act - IDAPA 20.02.01 (PDF).
4. Any slash created as a result of logging would fall under IDAPA 20.04.02 (PDF) - Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws.
5. Any activities that start a forest fire could fall under IDAPA 20.04.01 (PDF) - Rules Pertaining to Forest Fire Protection.

Any proposal involving state endowment lands would most likely require a lease. The project would have to be formally proposed to the department. Due diligence would include examining the proposal to determine a fit with the highest and best use for the property and if it is in the best interests of the owning endowment(s). Any proposal would also require examination of proforma financial statements, business history, etc. Ultimately, approval of the State Board of Land Commissioners would be needed.



### Idaho Department of Fish and Game

The Idaho Department of Fish and Game has no permitting or siting authority related to transmission projects. Instead, it is entrusted with the responsibility to preserve, protect, perpetuate, and manage the fish and wildlife resources of the State for its citizens. This requires the Department to review and comment on a broad spectrum of development projects throughout the State regarding the potential effects of the development on all fish and wildlife species and their associated habitats. The Department provides comments to the permitting entities and decision makers to assist with decisions related to various proposals. The Department also suggests options to avoid or mitigate a project's potential for detrimental effects. The Department is responsible for issuance of scientific banding, collecting or possession permits for fish and wildlife, pursuant to Idaho Code 36-106 e.5. These may be required for project studies and require four to six weeks for approval and issuance.

Transmission projects could also be impacted by the following:

Idaho Comprehensive Wildlife Conservation Strategy, 2005, Idaho Conservation Data Center, Idaho Department of Fish and Game.  
 Conservation Plan for the Greater Sage-grouse in Idaho, 2006, Idaho Sage-grouse Advisory Committee.

### Idaho Bureau of Homeland Security

The Idaho Bureau of Homeland Security (BHS) has no permitting or siting authority related to transmission projects. However, the BHS maintains emergency situational awareness related to disruptions in the provision of energy resources within the state or to those energy resources transiting the state for use within the Northwest/Intermountain regions. Additionally, the BHS identifies and catalogues critical transmission infrastructure.

### Idaho Department of Water Resources

The Idaho Department of Water Resources (IDWR) has permitting authority over transmission projects that require crossings or construction within a stream channel. Chapter 38, Title 42 of the Idaho Code vests authority in the Director of IDWR to accept applications to alter stream channels and approve the applications, if appropriate. The chapter also grants IDWR the authority to enforce the law against those who alter a stream channel without a permit. IDWR jurisdiction is limited to the area of the stream

## WATER QUALITY

### Electrical Transmission Line Projects

No overall water quality approvals or permits are required for transmission lines or their installation. However, to the extent the project or its components require a Clean Water Act Section 404 permit from the Army Corps of Engineers (ACOE) for the discharge of dredged or fill materials into navigable waters of the United States, the permit applicant must obtain a Clean Water Act Section 401 certification from DEQ that the project or component will not violate applicable water quality requirements. See DEQ's 401 Certification process. Clean Water Act National Pollutant Discharge Elimination System, or NPDES, permits for point or storm water discharges to surface waters are administered in Idaho by the federal Environmental Protection Agency. However if a project requires a NPDES permit, the permit applicant must also obtain a 401 certification from DEQ.

Additional water quality permits and requirements may apply to any wastewater reuse (IDAPA 58.01.17), septic (IDAPA 58.01.03) or drinking water (IDAPA 58.01.02) systems necessary for the construction or operation of a transmission line. Construction activities are subject to best management practices and requirements to control impacts to surface waters (IDAPA 58.01.08).

### Natural Gas Pipeline Projects

Same as above. In addition, the Federal Energy Regulator Commission (FERC) authorizes interstate natural gas pipelines. The FERC authorization, as well as any ACOE 404 dredge and fill permit or EPA NPDES permit, requires a Clean Water Act 401 certification from DEQ.

## WASTE/REMEDIATION

### Electrical Transmission Line Projects

No overall waste management and remediation permits are required for transmission lines or their installation. Solid wastes or hazardous wastes generated by construction or operation activities are subject to handling, storage and disposal requirements. (IDAPA 58.01.05 and 58.01.05).

### Natural Gas Pipeline Projects

Same as above.

## Idaho State Historical Society

The Idaho State Historical Society (ISHS) has no permitting or siting authority related to transmission projects. However, when proposed projects seek access to Federal land or require some level of Federal permitting, the ISHS is involved in a review and consultation basis. This review function is performed by a unit of the ISHS known as the State Historic Preservation Office (SHPO).

The SHPO works with Federal agencies in an effort to meet responsibilities under Section 106 of the National Historic Preservation Act. Section 106 requires Federal agencies to take into account the effects on historic properties, e.g., significant historic buildings and structures, sites, and trails, and archaeological properties. The Section 106 review process is a consultation and planning process that should be initiated early so that a project can be designed in a manner that avoids historic properties.

The role of the SHPO is to provide recommendations and professional opinions and provide agencies with technical assistance on the review process. All decision-making authority remains with the Federal agency.

If a transmission project requires archaeological excavation on state land the SHPO requires a permit. The applicant must be a professional archaeologist and present to the State Archaeologist a research and curation plan.

## Idaho Public Utilities Commission

Generally the Idaho Public Utilities Commission (PUC or Commission) does not exercise permitting or siting authority related to transmission projects. Occasionally as a prelude to seeking cost recovery for a transmission project, a public utility may request that the PUC issue a certificate of public convenience and necessity (CPCN) under Idaho Code § 61-526. The PUC may issue a CPCN if it finds: 1) the present or future public convenience requires or will require the construction of a transmission line; and 2) the utility has the financial ability and good faith to serve its customers. The PUC may also attach reasonable terms and conditions to the CPCN. Idaho Code § 61-528.

The PUC may exercise two forms of "backstop" permitting and siting authority. First, a local land use or permitting decision concerning a public utility may become null and void if such decision is in conflict with a specific order of the PUC, provided that the PUC has given the affected local government an opportunity to appear or consult with the Commission regarding such conflict. Idaho Code § 67-6528. Second, the PUC has authority to issue a route certificate for transmission lines located in National Interest Electric Corridors designated by the U.S. Secretary of Energy. Idaho Code § 61-1701 through 61-1709. The Commission may preempt local government land use or permitting decisions if the local government has: 1) denied a transmission application; 2) failed to timely act on a transmission application; or 3) has imposed unreasonable or uneconomical conditions on a transmission permit. Idaho Code § 61-1703(3).

## Transmission Entities

Transmission entities may have eminent domain authority under Idaho Code § 7-701(11). Using the power of eminent domain for a transmission line in excess of 230 kilovolts on property devoted to agriculture require a public meeting with 10 days' notice. Idaho Code § 7-704(4).

Last Modified: Tuesday, October 9, 2012



## STATE TRANSMISSION SITING PROCESSES

The approach to siting and permitting transmission facilities varies by state. The information that follows outlines the responsibilities and processes for the states that are members of the Northern Tier Transmission Group.

### IDAHO

The siting of electric transmission lines in Idaho is not centralized in one government entity. The Governor's Office is the point of contact for coordinating the siting and review of transmission facilities.

#### Utility Regulation

The Idaho Public Utilities Commission has jurisdiction over transmission lines being built by public utilities, exercised through a certification process. See *Idaho Code* § 61-526. Utilities may not need to obtain a certificate of public convenience and necessity if they are merely extending a transmission line within their authorized service territories so long as the new lines do not interfere with the operation of any other utility line. *Id.*

#### Eminent Domain/Right-of-Ways

State law provides that utilities and others may exercise the right of eminent domain to acquire right-of-ways under *Idaho Code* § 7-701(11). For a transmission line of 230 kV or higher to be constructed over private property actively devoted agriculture, requires a public meeting regarding the transmission line's location. *Idaho Code* § 7-704(4). In addition, Idaho law provides that transmission lines may be constructed along or over any public roads except within incorporated cities so long as such lines do not inconvenience the public use of the roadway. *Idaho Code* § 62-705.

#### Counties/Cities

County and city siting requirements varies. Idaho's Land Use Planning Act requires that county and city planning and zoning commissions adopt a "Comprehensive Plan" that includes an analysis of "utility transmission corridors." *Idaho Code* § 67-6508(h). Persons wishing to construct transmission lines should contact the County/City Planner in the affected areas to discuss the necessary permitting requirements. Compliance with utility right-of-way regulations, subdivision regulations and appropriate use in zoned areas are among the subjects to discuss. Some counties and cities will have additional informational requirements. Cities are also authorized to regulate the construction of transmission lines within city limits. *Idaho Code* § 50-328.

#### Environmental Permitting

Entities constructing transmission lines would seek air, water, and wastewater permits from the Idaho Department of Environmental Quality as appropriate for the specific construction project location.