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**New agreements mark progress on Boardman-to-Hemingway
partnership options**

***Northwest transmission project in Obama Administration pilot accelerating
responsible and informed permitting of proposed electric transmission lines***

Portland, Ore. - The Bonneville Power Administration, Idaho Power and PacifiCorp have agreed to continue exploring joint participation in the 300-mile, 500-kilovolt Boardman-to-Hemingway Transmission Line Project. Agreements, signed Jan. 12 by the three, provide funding to environmental review and permitting, ensuring continued consideration of the project.

"We continue to look for ways to collaborate with other utilities to cost-effectively serve our southeast Idaho customers," said Brian Silverstein, senior vice president, BPA Transmission Services. "Participation in Boardman-to-Hemingway is one of several options that could help us do this."

The Boardman-to-Hemingway Transmission Project would run from a new substation proposed near Boardman, Ore., to Idaho Power's recently completed Hemingway Substation near Melba, Idaho, southwest of Boise. The line would increase system reliability and overall transfer capability between the three utilities' systems, allowing the parties to capture least-cost resource options and more efficiently direct the output of those resources to serve their customers' energy needs.

"For some time, we've been exploring ways to work with Idaho Power on development of the Boardman-to-Hemingway line," said John Cupparo, senior vice president, transmission, PacifiCorp. "BPA becoming involved adds to the project's viability and makes sense for our customers as we invest to meet their current and future needs,"

Under a joint funding agreement, each utility will pay a portion of permitting costs based on its stated share in the capacity of the proposed line. BPA will pay up to an estimated \$11.7 million toward these costs for a 24.24 percent share in line capacity. PacifiCorp will contribute 54.55 percent to the permitting costs and Idaho Power, acting as the project manager, will contribute 21.21 percent. Payment does not commit BPA to participate in construction of the line.

"This project is a valuable and much-needed addition to the regional transmission grid," said Idaho Power Vice President of Engineering and Operations Vern Porter. "Customers of all three partner organizations would benefit from this joint investment in important infrastructure."

A second agreement among the three parties, a memorandum of understanding signed January 12, will continue discussions on options for BPA to serve its customers in southeast Idaho. BPA currently serves customers in Idaho, western Wyoming and southern Montana through two agreements with PacifiCorp—the South Idaho Exchange Agreement and a General Transfer Agreement. Both agreements terminate in 2016.

These discussions will involve several options that would allow BPA to obtain transmission capacity from Hemingway Substation in southwest Idaho to serve its southeast Idaho customers. These options address service on the existing transmission system and the future Gateway West 500-kV transmission system currently in the permitting process across Wyoming and Idaho. The Gateway West project will connect to the Hemingway Substation, offering a connection that could provide BPA with a path to serve its southeast Idaho customers. In addition to participation in the permitting of the Boardman-to-Hemingway Line, BPA is evaluating various other alternatives to serve its customers affected by the termination.

Administration permitting pilot

Boardman-to-Hemingway is one of seven high-voltage transmission projects identified by an Obama Administration initiative to accelerate permitting and construction of electric transmission lines to speed creation of construction and operations jobs, modernize the nation's electric grid, and integrate renewable energy

"Finding ways to modernize the grid is vital in order to keep the United States competitive in the global economy," said Lauren Azar, Senior Advisor to the Secretary at the U.S. Department of Energy. "Improving the coordination of federal and state permitting will help in completing the review of key transmission projects and secure our energy future by providing additional renewable energy options."

In October 2009, nine Federal entities including the White House Council on Environmental Quality, the Department of the Interior, the Department of Agriculture, the Department of Energy, the Department of Commerce, the Department of Defense, the Environmental Protection Agency, the Federal Energy Regulatory Commission and the Advisory Council on Historic Preservation, signed a Memorandum of Understanding increasing their coordination to expedite and simplify building of transmission lines on Federal lands.

Leveraging this interagency collaboration and expanding the scope of activity beyond Federal lands, the Administration's recently formed Rapid Response Team for Transmission (RRTT), comprised of these same nine agencies, will accelerate responsible and informed permitting of these seven key transmission facilities by improving the overall quality and timeliness of electric transmission permitting, review and consultation by the Federal government.

About BPA

BPA is a non profit federal agency that markets renewable hydropower from federal Columbia River dams, operates three-quarters of high-voltage transmission lines in the Northwest and funds one of the largest wildlife protection and restoration programs in the world. BPA and its partners have saved enough electricity through energy efficiency projects to power four large American cities. For more information, contact us at 503-230-5131 or visit our website at www.bpa.gov.

About PacifiCorp

PacifiCorp is one of the lowest-cost electricity producers in the United States, serving more than 1.7 million customers in the West. PacifiCorp operates as Pacific Power in Oregon, Washington and California, and as Rocky Mountain Power in Utah, Wyoming and Idaho. With a generating capability of more than 10,620 megawatts from coal, hydro, gas-fired combustion turbines and renewable wind and geothermal power, the company works to meet growing energy demand while protecting and enhancing the environment. For more information, visit www.pacificorp.com

About Idaho Power

IDACORP, Inc. (NYSE: IDA), Boise, Idaho-based and formed in 1998, is a holding company comprised of Idaho Power Company, a regulated electric utility; IDACORP Financial, a holder of affordable housing projects and other real estate investments; and Ida-West Energy, an operator of small hydroelectric generation projects that satisfy the requirements of the Public Utility Regulatory Policies Act of 1978. IDACORP's origins lie with Idaho Power and operations beginning in 1916. Today, Idaho Power employs approximately 2,000 people to serve a 24,000 square-mile service area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its generation portfolio, Idaho Power's 492,000 residential, business and agricultural customers pay some of the nation's lowest prices for electricity. To learn more about Idaho Power or IDACORP, visit www.idahopower.com or www.idacorpinc.com.

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