

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR ) CASE NO. IPC-E-24-07  
AUTHORITY TO INCREASE RATES FOR )  
ELECTRIC SERVICE TO RECOVER )  
COSTS ASSOCIATED WITH )  
INCREMENTAL CAPITAL INVESTMENTS )  
AND CERTAIN ONGOING OPERATIONS )  
AND MAINTENANCE EXPENSES. )

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ERIC HACKETT

1 Q. Please state your name, business address, and  
2 present position with Idaho Power Company ("Idaho Power" or  
3 "Company").

4 A. My name is Eric Hackett. My business address  
5 is 1221 West Idaho Street, Boise, Idaho 83702. I am  
6 employed by Idaho Power as the Projects and Resource  
7 Development Director.

8 Q. Please describe your educational background.

9 A. I graduated in 2003 from Boise State  
10 University in Boise, Idaho, receiving a Bachelor of Science  
11 degree in Civil Engineering. I am a registered professional  
12 engineer in the state of Idaho. In 2010, I earned a Master  
13 of Business Administration from Boise State University.

14 Q. Please describe your work experience with  
15 Idaho Power.

16 A. From 2005 to 2007, I was employed as an  
17 engineer in Idaho Power's Transmission Engineering  
18 group. In 2007, I became a Project Manager leading  
19 transmission and distribution line and station  
20 infrastructure projects. In 2012, I was promoted to  
21 Engineering Leader where I managed the Cost and Controls  
22 group supporting project management. In 2015, I changed  
23 leadership roles and managed the Stations Engineering and  
24 Design group as an Engineering Leader. In 2018, I was  
25 promoted to Senior Manager of Projects overseeing Project

1 Management and Cost and Controls, which later became  
2 Manager of Projects and Design in 2021, adding Power  
3 Production Design and Project Management. I was promoted to  
4 my current role, Projects and Resource Development Director  
5 in 2024. In addition, I am currently leading a team of  
6 internal employees and consultants in development and  
7 evaluation of Idaho Power's Request for Proposals for Peak  
8 Capacity and Energy Resources.

9 Q. What is the purpose of your testimony in this  
10 matter?

11 A. The purpose of my testimony is to discuss the  
12 Company's generation-related major projects, expected to be  
13 complete in 2024 and included in the Company's request in  
14 this case. In my testimony I will discuss the prudent  
15 nature of these investments, detailing why they are needed  
16 to ensure Idaho Power's generation fleet is robust and  
17 well-positioned to provide continued safe, reliable service  
18 to customers.

19 Q. How is your testimony organized?

20 A. My testimony begins with a background of the  
21 Company's generation fleet and the factors that have led to  
22 additional generation-related investments required since  
23 conclusion of Idaho Power's last general rate case in 2023,  
24 Case No. IPC-E-23-11. I will then discuss the large capital  
25 projects expected to be complete in 2024, detailing the

1 Company's investment associated with the addition of  
2 utility-scale battery projects and explain why Idaho  
3 Power's investment in these facilities reflects the least-  
4 cost, least-risk option to ensure sufficient capacity to  
5 meet customer demand in 2024 and beyond. My testimony will  
6 conclude with a discussion detailing the renovation of one  
7 of the Company's aging fish hatcheries necessary for  
8 licensing of one of Idaho Power's hydro facilities to  
9 ensure it is able to continue to provide safe, clean and  
10 reliable energy to customers.

11 **I. BACKGROUND**

12 Q. Please describe Idaho Power's current  
13 generation fleet.

14 A. The backbone of Idaho Power's current  
15 generation fleet consists of the Company's 17 hydroelectric  
16 projects on the Snake River and its tributaries. Together,  
17 these projects comprise the Company's largest generation  
18 source at approximately 1,800 megawatts ("MW") of nameplate  
19 capacity. Additionally, the Company is the sole owner of  
20 three gas-fired generation facilities: the Danskin and  
21 Bennett Mountain simple-cycle power plants located near  
22 Mountain Home, Idaho, and the Langley Gulch combined-cycle  
23 power plant located near New Plymouth, Idaho, which  
24 collectively provide approximately 762 MW of combined  
25 capacity.

1           The Company also holds a 33 percent ownership share  
2 in the Jim Bridger power plant ("Bridger"), consisting of  
3 two coal-fired units and two recently converted natural  
4 gas-fired units which were placed in service in May 2024.  
5 Idaho Power's share of current operations at Bridger  
6 provides approximately 706 MW of combined net dependable  
7 capacity. In addition, the Company has access to 134 MW of  
8 net dependable capacity at the coal-fired North Valmy power  
9 plant, reflecting 50 percent of the nameplate capacity at  
10 Unit 2 of that facility. Recently, Idaho Power added the  
11 Hemingway Battery Energy Storage System ("BESS") and the  
12 Black Mesa BESS to its generation fleet which together  
13 provide 120 MW of operating capacity. Lastly, the Company  
14 owns and operates an 8 MW diesel facility near Salmon,  
15 Idaho.

16           Q.       Does Idaho Power's request in this case  
17 include any generation-related additions?

18           A.       Yes. Since 2010, the Company's actual system  
19 peak has grown 1.5 percent per year on average, and over  
20 the next five years Idaho Power is expecting to experience  
21 unprecedented growth with an annual system peak increase of  
22 approximately 3.7 percent per year, necessitating the  
23 addition in 2024 of a BESS providing 60 MW of operating  
24 capacity near Rogerson, Idaho and a BESS providing 36 MW of  
25 operating capacity at Hemingway Station, which I will

1 discuss later in my testimony. In addition to growth, Idaho  
2 Power continues to replace or refurbish existing  
3 infrastructure to maintain safe, reliable operation of the  
4 electrical grid, taking a proactive approach to ensuring a  
5 robust and reliable generation fleet. In total, the  
6 incremental generation-related investments expected to be  
7 placed in service in 2024 total approximately \$374.2  
8 million and represent 43 percent of the incremental  
9 investments included in the Company's request in this case.

10 Q. How have the generation-related investments  
11 grown since the completion of the last general rate case in  
12 2023, Case No. IPC-E-23-11 ("2023 GRC")?

13 A. Of the \$860 million in infrastructure placed  
14 in service over this period, the \$374.2 million reflects  
15 growth of 20.4 percent in generation-related investments in  
16 the Company's system since the Company's 2023 GRC.

17 Q. Does the Company have a general procurement  
18 policy for which it follows to ensure that all investments  
19 Idaho Power makes are the procured in a least cost, least  
20 risk manner?

21 A. Yes. The Company has a Procurement Policy and  
22 Procurement Standard in place to provide guidance for  
23 procurement activities, including competitive bidding  
24 practices as well as for the purchase of many minor and  
25 ancillary materials and services, and to help ensure that

1 procurement decisions are made based on the best overall  
2 value to Idaho Power and its customers. In addition, many  
3 goods are stock items in Idaho Power warehouses and are not  
4 bid through a Request for Proposal ("RFP") on a project  
5 basis, but rather as wholesale purchases. The Company's  
6 efforts ensure *all* projects are completed in a least-cost,  
7 least-risk manner, including all generation-related  
8 investments as well as the transmission and distribution-  
9 related investments Mr. Colburn discusses in his testimony.

10 **II. 2024 BATTERIES**

11 Q. What drove the need for the addition of the  
12 utility-scale battery projects for which the Company is  
13 seeking a prudence determination in this case?

14 A. As mentioned earlier in my testimony, Idaho  
15 Power has experienced and expects sustained load growth  
16 thereby requiring the addition of new dispatchable  
17 resources to meet system needs. As a result of this growth,  
18 as well as limited third-party transmission capacity and a  
19 decline in the peak serving effectiveness of certain  
20 supply-side and demand-side resources, Idaho Power rapidly  
21 moved to a near-term capacity deficiency identifying a  
22 near-term capacity deficit in summer 2024. To meet its  
23 obligation to reliably serve customer load and fill the  
24 2024 capacity deficiency, as soon as practicable, the  
25 Company commenced a competitive solicitation with the

1 issuance of an RFP, seeking to acquire energy and capacity  
2 to help meet Idaho Power's previously identified capacity  
3 needs of 85 MW to be online by June of 2024 and an  
4 incremental 115 MW in 2025 ("2022 RFP"). This robust  
5 competitive bidding process resulted in the procurement of  
6 a 100 MW solar photovoltaic ("PV") plus 60 MW energy  
7 storage project, consisting of a 25-year Power Purchase  
8 Agreement ("PPA") for a 100 MW solar PV facility that  
9 supplies energy to the Company's system combined with an  
10 Idaho Power-owned BESS providing 60 MW of operating  
11 capacity ("Franklin BESS"). In addition, Idaho Power  
12 procured a second BESS providing 36 MW of operating  
13 capacity at the Hemingway station ("Hemingway BESS"). The  
14 combined projects were necessary to adequately address 2024  
15 capacity deficits.

16 Q. Did the Company file a request for a  
17 Certificate of Public Convenience and Necessity ("CPCN")  
18 for the 2024 BESS procurements?

19 A. Yes. Idaho Power's request for a CPCN  
20 associated with the Franklin BESS and the Hemingway BESS  
21 for a total of 96 MW of operating capacity was presented in  
22 two separate proceedings: (1) Case No. IPC-E-23-05 included  
23 the request for a CPCN for the Franklin BESS with 60 MW of  
24 operating capacity as well as the Hemingway BESS providing  
25 12 MW of operating capacity, and (2) Case No. IPC-E-23-20



1 included the request for a CPCN to acquire an additional 24  
2 MW of operating capacity for the Hemingway BESS. Following  
3 filing of Case No. IPC-E-23-05 in February 2023, Idaho  
4 Power determined that a capacity shortfall still existed in  
5 2024 and therefore in May 2023, the Company filed Case No.  
6 IPC-E-23-20 requesting approval to economically and  
7 efficiently add 24 MW of battery storage to the planned 12  
8 MW BESS at Hemingway. The Commission issued Certificate  
9 Nos. 544<sup>1</sup> and 547<sup>2</sup> granting a CPCN for acquisition of 96 MW  
10 of new dispatchable energy storage to meet the identified  
11 capacity deficiency in 2024.

12 Q. Did Order Nos. 35900 and 36011 impose any  
13 conditions on costs associated with the procurement of the  
14 Company-owned battery storage facilities providing 96 MW of  
15 operating capacity?

16 A. Yes. With respect to the BESS providing 72 MW  
17 of operating capacity approved with Order No. 35900 and the  
18 BESS providing an additional 24 MW of operating capacity  
19 approved with Order No. 36011, the Commission found it was  
20 "fair, just, and reasonable to establish a soft cap"<sup>3</sup> of  
21 \$ [REDACTED] and \$ [REDACTED], respectively. This  
22 equates to a total soft cap of \$ [REDACTED].

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<sup>1</sup> Case No. IPC-E-23-05, issued on October 27, 2023.

<sup>2</sup> IPC-E-23-20, issued on January 4, 2024.

<sup>3</sup> Order No. 35900, page 5 and Order No. 36011, page 6.

1 Q. Why did the Commission impose a soft cap on  
2 the 2024 battery storage investments?

3 A. In both Order No. 35900 and 36011, the  
4 Commission adopted Commission Staff's ("Staff")  
5 recommendation to implement the soft cap due to concerns  
6 about whether least-cost, least-risk resources were  
7 selected. In comments regarding the recommendation for the  
8 soft cap on the BESS providing 72 MW of operating capacity,  
9 Staff expressed concerns about ownership and resource type  
10 restrictions.<sup>4</sup> Similarly, in comments regarding the  
11 recommendation for the soft cap on the BESS providing 24 MW  
12 of operating capacity, Staff indicated they "believed that  
13 due to the issues associated with the resource selection  
14 process, the bid pool could have been larger and there  
15 could have been additional final shortlisted projects with  
16 lower costs."<sup>5</sup> Neither soft cap foreclosed future requests  
17 by Idaho Power for recovery of costs above the soft cap,  
18 but rather indicated the Company would have to provide  
19 justification for any costs above the soft cap when  
20 requesting rate recovery.

21 Q. Was procurement of both the Franklin BESS and  
22 the Hemingway BESS least-cost, least-risk?

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<sup>4</sup> Order No. 35900, page 3.

<sup>5</sup> Order No. 36011, page 3.

1           A.       Yes. The Company's competitive solicitation  
2 process was initiated as soon as practicable once the 2024  
3 capacity deficiency was identified, with an RFP process  
4 that did not restrict bids based on a resource type or  
5 ownership structure, allowing bids for *all* commercially  
6 viable resource types as well as third-party ownership of  
7 those resources.<sup>6</sup> Through the fair and competitive 2022 RFP  
8 process, Idaho Power received 17 eligible project  
9 submittals, comprising 23 different proposals, from 11  
10 developers as potential for meeting the 2024 capacity  
11 deficiency. Through qualitative and quantitative  
12 evaluations, the RFP evaluation team narrowed the project  
13 submittals to a final short list, and ultimately identified  
14 a combination of two projects that resulted in the  
15 acquisition of least-cost, least-risk resources: (1) the  
16 100 MW solar PV facility combined with the Idaho Power-  
17 owned Franklin BESS providing 60 MW of operating capacity,  
18 and (2) the Hemingway BESS providing 36 MW of operating  
19 capacity. The bid pool identified those resources that  
20 could be constructed in the short timeframe and did not  
21 hinder Idaho Power's ability to identify the least-cost,  
22 least-risk resources for meeting the 2024 capacity  
23 deficiency.  
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<sup>6</sup> As detailed in Sections 3.1 and 3.4 of the 2022 RFP.

1 Q. How do the Franklin BESS and Hemingway BESS  
2 costs compare to the Commission's soft cap?

3 A. The total Franklin BESS and Hemingway BESS  
4 costs included in the Company's request in this case are  
5 \$194.3 million compared to the Commission-established soft  
6 cap for the combined Franklin BESS and Hemingway BESS  
7 projects of \$ [REDACTED].

8 Q. Should the Commission find project costs above  
9 the soft cap are prudent?

10 A. Yes. The Franklin BESS and Hemingway BESS  
11 projects represent the least-cost, least-risk resources to  
12 meet the Company's 2024 capacity deficits, and therefore  
13 should be considered prudent investments. However, should  
14 the Commission wish to evaluate the costs of those projects  
15 in relation to the soft cap, it is important to consider  
16 several necessary methodological adjustments to the soft  
17 cap to make it a reasonable cost-effectiveness threshold.

18 First, I will address the soft cap established by  
19 the Commission in Order No. 35900, with respect to the BESS  
20 with 72 MW of operating capacity for which a CPCN was  
21 granted in Case No. IPC-E-23-05. In comments supporting its  
22 position, Staff indicated they believed it was reasonable  
23 to cap the proposed Franklin BESS and Hemingway BESS costs  
24 based on the lowest unit price of the BESS facilities bid  
25 into the 2022 RFP. However, the BESS that Staff selected as

1 the basis for the soft cap computation was not the most  
2 cost-effective project identified to meet the 2024 capacity  
3 deficit. Rather the most cost-effective project is the  
4 project selected, the combined 100 MW solar PV plus 60 MW  
5 energy storage facility. Staff's analysis of the final  
6 short list projects only captured the unit price associated  
7 with the BESS and failed to account for the benefit  
8 associated with the low PPA costs.

9 Q. Please explain how the low PPA costs  
10 associated with the combined 100 MW solar PV plus 60 MW  
11 energy storage facility result in a more cost-effective  
12 project than the standalone energy storage project.

13 A. As part of the evaluation of the 2022 RFP  
14 bids, Idaho Power used Energy Exemplar's AURORA's Long-Term  
15 Capacity Expansion ("LTCE") modeling platform to develop  
16 portfolios, through the selection of a variety of supply-  
17 and demand-side resource options, that are least-cost,  
18 least-risk for a variety of alternative future scenarios  
19 while meeting reliability criteria. As a resource addition,  
20 AURORA continually selected the combined solar PV and  
21 battery storage in the LTCE analysis, indicating the low  
22 solar PPA price is contributing to the value the project  
23 provides as compared to the other final short list  
24 projects. In addition to being a lower cost resource, when  
25 compared to standalone battery storage systems, the

1 combined solar PV plus energy storage better meets the  
2 Company's capacity needs, resulting in a higher Effective  
3 Load Carrying Capability than would exist as a standalone  
4 energy storage system.

5 This was further evidenced in the additional AURORA  
6 modeling scenario runs performed, which included a low  
7 carbon/low gas scenario, a planning carbon/planning gas  
8 scenario, and a high carbon/high gas scenario. In each of  
9 these three futures, the same 2024 resources were selected,  
10 confirming the 2024 resources selected reflect the least-  
11 cost, least-risk option under a wide range of future  
12 assumptions. As such, when computing a soft cap, it is more  
13 appropriate to holistically consider the value of the 100  
14 MW solar PV plus 60 MW energy storage facility and base the  
15 soft cap of the 60 MW BESS on the unit price associated  
16 with that project, as it was the least-cost resource  
17 selected.

18 Q. How does the holistic evaluation you described  
19 impact Staff's soft cap calculation?

20 A. Under the holistic evaluation, which uses the  
21 unit price of the least-cost resource, the soft cap  
22 associated with the Franklin BESS would be approximately  
23 \$ [REDACTED], as opposed to Staff's \$ [REDACTED].

24 Q. Does the holistic evaluation impact the soft  
25 cap established by the Commission for the Hemingway BESS

1 with 12 MW of operating capacity for which the Company  
2 received a CPCN with Order No. 35900?

3 A. No, because Staff's computation of the soft  
4 cap was based on the unit price of the Hemingway BESS bid  
5 submitted as part of the 2022 RFP, the 12 MW BESS. Idaho  
6 Power believes there was, however, a flaw in Staff's  
7 methodology utilized to calculate the unit price for which  
8 the [REDACTED] soft cap was founded and ultimately  
9 established by the Commission. Because this was the same  
10 methodology for which Staff's soft cap calculation of  
11 \$ [REDACTED] for the BESS providing 24 MW of operating  
12 capacity was based, and established by the Commission with  
13 Order No. 36011, I will discuss the Company's methodology  
14 as it relates to the combined Hemingway BESS providing a  
15 total of 36 MW of operating capacity, as a whole.

16 Q. What is Idaho Power's underlying concern with  
17 Staff's methodology for calculating the soft cap for the  
18 Hemingway BESS?

19 A. The Company's concerns with Staff's  
20 methodology for calculating the soft cap associated with  
21 the Hemingway BESS relate to the exclusion of beginning of  
22 life costs associated with the energy storage facility.  
23 Battery cells within a BESS degrade over time. For example,  
24 for illustrative purposes, a 100 MW BESS installation will  
25 supply 100 MWs to the system on day one; however, assuming

1 a 7 percent degradation rate, that same 100 MW BESS will  
2 only supply 93 MW to the system after one year. The  
3 degradation rate varies and is a function of time and  
4 throughput, or megawatt-hours. To mitigate the degradation,  
5 additional battery segments are added. The Company believes  
6 that when computing the unit price of the Hemingway BESS,  
7 the project costs of the Hemingway BESS should include the  
8 costs associated with day one batteries that mitigate  
9 immediate degradation. By including additional battery  
10 segments at the beginning of life, Idaho Power can ensure  
11 reliable operation at full nameplate capacity (36 MW) for a  
12 minimum of 4 hours through the first five years of  
13 operation before necessitating a decision to augment the  
14 BESS if the then current capacity is below the nameplate  
15 capacity after year five. If the BESS system is not cycled  
16 daily, the longevity and assurance of performing above the  
17 nameplate capacity beyond five years is likely and thus  
18 deferral of future augmentation investments can occur.

19 Q. Does Idaho Power believe the overbuild of the  
20 BESS is necessary for day one operations?

21 A. Yes. The overbuild is necessary as it provides  
22 for the most efficient plant balancing and cell  
23 utilization, extending the guaranteed performance of the  
24 entire system and ensuring the Company has the capacity  
25 necessary to meet customer demand. Absent overbuild,



1 immediately upon the BESS being placed in service, Idaho  
2 Power would instantly be placed in a resource deficit  
3 relative to the required capacity resources of 36 MW,  
4 necessitating additional procurement activities. It is  
5 also consistent with the industry and how many other  
6 utilities procure batteries.

7 Q. Why did Staff exclude the overbuild costs as a  
8 component of their Hemingway BESS unit cost calculation?

9 A. Staff concerns about the overbuild amounts  
10 were twofold: uncertainties related to the cost-  
11 effectiveness of the projects absent the overbuild costs<sup>7</sup>  
12 and when the batteries associated with the overbuild became  
13 used and useful.<sup>8</sup> First, Idaho Power's basis for comparison  
14 of BESS proposals was consistent among all projects during  
15 evaluation through the RFP process. Because some projects  
16 included overbuild in their proposals and some did not, to  
17 ensure a consistent basis for comparison, the Company  
18 adjusted all proposal prices to exclude overbuild costs for  
19 bid evaluation purposes. Because adding battery cells is  
20 linear from a cost perspective, the least cost project at a  
21 0 overbuild is going to be the least cost project with a 5  
22 year overbuild due to the linear nature of adding battery  
23 cells. Therefore, the overbuild was appropriately captured

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<sup>7</sup> Case No. IPC-E-23-05, Staff Comments, pg. 5.

<sup>8</sup> Case No. IPC-E-23-20, Staff Comments, pg. 12.

1 when comparing bids submitted as part of the 2022 RFP; the  
2 selection of the Hemingway BESS was a least-cost resource.

3 Q. What concerns did Staff express regarding when  
4 the BESS became used and useful?

5 A. Staff suggested the Company did not provide  
6 certainty about when the overbuilt capacity would become  
7 used and useful due to Idaho Power's lack of experience  
8 owning and operating a BESS, and indicated the manufacturer  
9 warranties could be used for the first several years to  
10 mitigate excessive degradation. However, manufacturer  
11 warranties would only cover the failure of a battery cell,  
12 not degradation of the BESS and therefore cannot be relied  
13 upon to ensure reliable operation of the BESS at full  
14 nameplate capacity.

15 Further, Staff did not recognize Idaho Power's  
16 first-hand, recent experience owning and operating an 80 MW  
17 BESS at the Company's Hemingway substation, placed in  
18 service in 2023. The 80 MW BESS includes overbuild, to  
19 ensure reliable operation at full nameplate capacity, that  
20 became used and useful immediately upon being placed in  
21 service. The additional battery cells, which are cycled  
22 along with the rest of the battery cells, result in more  
23 time that the BESS can discharge at its nameplate capacity,  
24 allowing for approximately 4.5 hours of discharging as  
25 opposed to only 4 hours of discharging that would occur

1 absent the overbuild. The overbuild associated with the 36  
2 MW Hemingway BESS will likewise be used, useful, and  
3 provide benefits to customers as soon as it is placed in  
4 service in 2024. As such, Idaho Power believes it is  
5 appropriate to include the overbuild costs as a component  
6 of the unit price calculation of the 36 MW Hemingway BESS.

7 Q. How does the Company's inclusion of beginning  
8 of life costs impact Staff's soft cap calculation?

9 A. Under the adjusted soft cap methodology to  
10 include the beginning of life costs in the unit price  
11 calculation, the soft cap associated with the Hemingway  
12 BESS would be approximately \$ [REDACTED], as opposed to  
13 Staff's \$ [REDACTED] (\$ [REDACTED] associated with the  
14 12 MW BESS from Case No. IPC-E-23-05 and [REDACTED]  
15 associated with the 24 MW BESS from Case No. IPC-E-23-20).

16 Q. In total, how do the Company's combined  
17 Franklin BESS and Hemingway BESS soft cap calculations  
18 compare to the soft cap imposed by the Commission?

19 A. As shown in Table 1 below, the total soft cap  
20 for the combined Franklin BESS and Hemingway BESS providing  
21 96 MW of operating capacity would be \$ [REDACTED] under  
22 Idaho Power's holistic evaluation compared to \$ [REDACTED]  
23 [REDACTED] under Staff's methodology.

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25 //

1 **Table 1.**

2 BESS Soft Cap Computation

	Staff's Proposal	Adjusted Methodology
Franklin BESS	[REDACTED]	[REDACTED]
Hemingway BESS	[REDACTED]	[REDACTED]
<b>Total</b>	[REDACTED]	[REDACTED]

3

4 Q. What is the total investment in the 96 MW of  
5 Company-owned battery storage included in Idaho Power's  
6 request in this case?

7 A. The Company is requesting in this case to  
8 include the revenue requirement associated with an  
9 investment amount of \$194.3 million in rates for the  
10 Franklin BESS and Hemingway BESS, which is less than the  
11 \$ [REDACTED] soft cap under Idaho Power's methodology.

12 Q. Does the information presented in your  
13 testimony support Idaho Power's assertion that the Franklin  
14 BESS and Hemingway BESS providing 96 MW of operating  
15 capacity in total procured by the Company were the least-  
16 cost option to meet the 2024 capacity deficiency?

17 A. Yes. Idaho Power identified a 2024 capacity  
18 deficiency in May 2021 and issued an RFP as soon as  
19 practicable in December 2021. This robust competitive  
20 process ultimately resulted in the procurement of the  
21 Franklin BESS and Hemingway BESS providing 96 MW of  
22 operating capacity in total and included in the Company's  
23 request in this case. The final cost of these batteries is

1 lower than the soft cap computations proposed by Staff when  
2 adjusted for methodological deficiencies. For these  
3 reasons, the batteries providing 96 MW of operating  
4 capacity and included in this case represent the least-  
5 cost, least-risk option for customers.

6 **III. FISH HATCHERY RENOVATION**

7 Q. Which fish hatchery required renovation?

8 A. Idaho Power's Oxbow hatchery, located  
9 downstream from the Oxbow dam powerhouse at the mouth of  
10 Pine Creek, is the holding and spawning facility for adult  
11 steelhead migrating up the Snake River above its confluence  
12 with the Salmon River. Built in 1961, the Oxbow hatchery  
13 was the first hatchery facility constructed by the Company  
14 as part of its hatchery mitigation program and is required  
15 by the Federal Energy Regulatory Commission ("FERC") as  
16 part of Idaho Power's operating license for the Brownlee,  
17 Oxbow, and Hells Canyon dams ("Hells Canyon Complex"). Due  
18 to the aging infrastructure and need for modernization, and  
19 the license requirement that the Company provide the  
20 facility, it was essential the hatchery undergo an  
21 extensive renovation.

22 Q. Please describe the Oxbow hatchery and its  
23 operations.

24 A. The Oxbow hatchery is an Idaho Power facility,  
25 operated by the Idaho Department of Fish and Game, with

1 facilities that formerly consisted of: (1) a small metal  
2 building containing an office and incubation room, (2) two  
3 concrete adult fish holding ponds, (3) two small concrete  
4 fish-rearing raceways, (4) river water intake structure,  
5 (5) a wood-framed hatchery manager's residence, and (6) a  
6 wood-framed bunkhouse.

7           The Oxbow hatchery traps and spawns enough adult  
8 steelhead to provide the Niagara Springs hatchery with  
9 approximately one million eggs annually. A majority of the  
10 steelhead broodstock are trapped in November. These fish  
11 are kept in holding ponds at the hatchery over the winter  
12 to await spawning the following spring. Another small  
13 portion of broodstock is usually collected each spring if  
14 river conditions are conducive to operation of the trap.  
15 This ensures that fish are collected and spawned from all  
16 portions of the run. Spawning of approximately 600 male and  
17 female fish begins in mid-March and concludes by late  
18 April, with each female producing around 5,000 eggs. Eggs  
19 are then incubated at the hatchery until early May when  
20 they are transferred to the Niagara Springs hatchery. In  
21 March of the following year, fish have reached smolt size,  
22 approximately 8 inches, and are hauled in tankers to the  
23 Snake River where they are released below Hells Canyon dam  
24 to begin their 570-mile migration to the Pacific Ocean.  
25 //

1           In addition, hatchery staff operate the trap at the  
2 Hells Canyon dam from May through mid-July to collect  
3 spring Chinook salmon adults for use as broodstock at the  
4 Rapid River hatchery, with the intent of trapping  
5 approximately 250 adult salmon to produce 350,000 smolts  
6 annually. When spawning begins at the Rapid River hatchery  
7 in August, a portion of the eggs collected there are  
8 transferred to Oxbow hatchery for initial incubation.  
9 These eggs are incubated for about one month and then  
10 shipped back to Rapid River hatchery to complete incubation  
11 and rearing.

12           Q.       What were the signs the Oxbow hatchery  
13 infrastructure was aging and needed renovation?

14           A.       The main hatchery building, which contains the  
15 office and an incubation room, had aged to the point where  
16 water was leaking through the wall in the incubation room  
17 and into the office. In addition, the ventilation system  
18 was poor, allowing for chemical smells from the incubation  
19 room to infiltrate the office. Furthermore, the river water  
20 intake structure was severely degraded and at risk of  
21 failure.

22           Q.       You indicated the Oxbow hatchery was required  
23 by FERC to operate the Hells Canyon Complex. What agreement  
24 dictates Idaho Power's requirement to fund the Oxbow  
25 hatchery?

1           A.       While construction of the Oxbow hatchery was  
2 first necessitated by the FERC order of December 11, 1963,  
3 that amended the Hells Canyon Complex license issued by  
4 FERC effective July 31, 1955, a Settlement Agreement  
5 entered into on February 14, 1980, between the National  
6 Marine Fisheries Service, the Idaho Department of Fish and  
7 Game, the Oregon Department of Fish and Wildlife, and the  
8 Washington Department of Game ("1980 Settlement  
9 Agreement"), dictates the current Oxbow hatchery operations  
10 for which the Company is obligated.

11           Q.       The Company has been involved in renewing its  
12 long-term federal licenses for operating the Hells Canyon  
13 Complex since 2003. Does Idaho Power expect when FERC  
14 issues the new license for the Hells Canyon Complex it will  
15 include the requirement that the Company maintain the Oxbow  
16 hatchery?

17           A.       Yes. In fact, the renovation of the Oxbow  
18 hatchery is a known requirement of the forthcoming new  
19 license, having been identified as a key feature in the  
20 2003 license application and further indicated as a project  
21 feature by FERC in their 2007 Environmental Impact  
22 Statement. However, due to the continued delay in the  
23 issuance of a new license by FERC, the significant signs of  
24 aging and potential safety issues, and the requirements  
25 under the existing 1980 Settlement Agreement, renovation



1 and modernization of the Oxbow hatchery was imminent. As  
2 such, in an application filed with FERC on October 8, 2021,  
3 Idaho Power proposed to rebuild the Oxbow hatchery while  
4 also proposing to include the hatchery as a project feature  
5 in the existing license, as it inadvertently had not been  
6 recognized as a project feature within the existing license  
7 when constructed. FERC approved and included the renovated  
8 Oxbow hatchery into the FERC license with its Order  
9 Amending License, Approving Exhibit M, and Revising Project  
10 Description issued January 26, 2023. In addition to the  
11 1980 Settlement Agreement and the existing and future Hells  
12 Canyon Complex licenses requiring the Oxbow hatchery, FERC  
13 has approved the rebuild of the Oxbow hatchery.

14 Q. Please detail the renovation and modernization  
15 of the facility.

16 A. The renovation and modernization of the Oxbow  
17 hatchery included the removal of the hatchery building, the  
18 adjacent cooling unit, abandoned raceways in the northeast  
19 corner of the site, the abandoned raceway west of the  
20 existing hatchery building, intake structure, holding  
21 ponds, sorting and spawning equipment, and a garage/storage  
22 building. The Company will add a larger set of holding  
23 ponds with an open-air structure covering them, a masonry  
24 sorting and spawning building, a wood-framed hatchery  
25 building, a wood-framed shop and storage building, a

1 surface water intake structure and aeration tower, and a  
2 new visitor kiosk with interpretive and educational  
3 information. The new intake structure addresses structural  
4 and flood elevation issues that were experienced with the  
5 existing intake structure. The rebuilt hatchery also  
6 incorporated improved stormwater drainage infrastructure  
7 and paved throughways and parking areas, with fill brought  
8 in so that the hatchery meets floodplain requirements.

9 Q. Did the Company have to cease hatchery  
10 operations while the renovation occurred?

11 A. No. The existing facility continued to operate  
12 during construction and met its primary functions as: (1) a  
13 sorting and transfer point for fish captured at the Hells  
14 Canyon trap, (2) spawning, incubation and broodstock  
15 holding for adult steelhead, and (3) incubation of spring  
16 Chinook salmon, and short-term holding for adult spring  
17 Chinook. No changes occurred to the number of fish held  
18 onsite nor any plans to raise fish onsite occurred.

19 Q. Has the Oxbow hatchery renovation been  
20 completed?

21 A. No. However, most of the work has been  
22 completed, with final work expected to be finished in the  
23 fall of 2024. The facilities related to the majority of the  
24 costs are expected to be placed in service in September  
25 2024. The Oxbow hatchery renovation is necessary to

1 maintain operations of the Hells Canyon Complex in  
2 accordance with the FERC license and the 1980 Settlement  
3 Agreement and is necessary for the continued safe, reliable  
4 operation of the facility.

5 **IV. CONCLUSION**

6 Q. Please summarize your testimony.

7 A. Idaho Power experienced unprecedented growth  
8 over the past decade, resulting in the need for the Company  
9 to procure its first utility-scale resources in over a  
10 decade. Idaho Power's investment in the 2024 batteries  
11 reflects the least-cost, least-risk option to meet the  
12 Company's resource need, as identified in the 2024 CPCN  
13 cases and affirmed by Commission Order Nos. 35900 and  
14 36011. In addition, the 2024 renovation of one of the  
15 Company's aging fish hatcheries is necessary for licensing  
16 of one of Idaho Power's hydro facilities, ensuring it is  
17 able to continue to provide safe, clean and reliable energy  
18 to customers.

19 Q. Does this conclude your direct testimony in  
20 this case?

21 A. Yes, it does.

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**DECLARATION OF ERIC HACKETT**

I, Eric Hackett, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Eric Hackett. I am employed by Idaho Power Company as the Projects and Resource Development Director.

2. On behalf of Idaho Power, I present this pre-filed direct testimony in this matter.

3. To the best of my knowledge, my pre-filed direct testimony is true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 31st day of May 2024, at Boise, Idaho.



Signed: \_\_\_\_\_  
ERIC HACKETT