Exhibit M
Applicant's Financial Capability

Boardman to Hemingway Transmission Line Project

1221 West Idaho Street
Boise, Idaho 83702

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

Zach Funkhouser, Permitting
(208) 388-5375
zfunkhouser@idahopower.com

Amended Preliminary Application for Site Certificate

June 2017

TABLE OF CONTENTS

LIST OF TABLES

LIST OF ATTACHMENTS

ACRONYMS AND ABBREVIATIONS

Amended Project Order	First Amended Project Order, Regarding Statutes, Administrative Rules and Other Requirements Applicable to the Proposed Boardman to Hemingway Transmission Line (December 22, 2014)
EFSC or Council	Energy Facility Siting Council
IPC	Idaho Power Company
IPUC	Idaho Public Utilities Commission
OAR	Oregon Administrative Rules
OPUC	Public Utility Commission of Oregon
Project	Boardman to Hemingway Transmission Line Project

Exhibit M
Applicant's Financial Capability

1.0 INTRODUCTION

Exhibit M provides evidence demonstrating Idaho Power Company (IPC) has the financial capability to obtain a bond or letter of credit in an amount sufficient to restore the Boardman to Hemingway Transmission Line Project (Project) site to a useful, non-hazardous condition.

2.0 APPLICABLE RULES AND AMENDED PROJECT ORDER PROVISIONS

2.1 General Standards for Siting Facilities

The Financial Assurance Standard at Oregon Administrative Rules (OAR) 345-022-0050(2)[1] requires that, to issue a site certificate, the Energy Facility Siting Council (EFSC or Council) must find:

> *The applicant has a reasonable likelihood of obtaining a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition.*

2.2 Site Certificate Application Requirements

OAR 345-021-0010(1)(m) provides that Exhibit M must include the following information regarding IPC's financial capability:

> *(A) An opinion or opinions from legal counsel stating that, to counsel's best knowledge, the applicant has the legal authority to construct and operate the facility without violating its bond indenture provisions, articles of incorporation, common stock covenants, or similar agreements.*
>
> *(B) The type and amount of the applicant's proposed bond or letter of credit to meet the requirements of OAR 345-022-0050.*
>
> *(C) Evidence that the applicant has a reasonable likelihood of obtaining the proposed bond or letter of credit in the amount proposed in paragraph (B), before beginning construction of the facility.*

2.3 Amended Project Order Provisions

The Amended Project Order states that all paragraphs of OAR 345-021-0010(1)(m) apply. Additionally, the Amended Project Order includes the following discussion:

> *To find that the proposed transmission line satisfies the Financial Assurance Standard (OAR 345-022-0050(2)), the Council must find that the applicant has a reasonable likelihood of obtaining a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition. The application shall include the type and amount of the applicant's proposed bond or letter of credit to satisfy the requirements of OAR 345-022-0050.*

[1] OAR 345-022-0050(1) relates to retirement of the Project and is addressed in Exhibit W.

> *The applicant shall propose a bond or letter of credit in a form and amount adequate to restore the site to a useful, non-hazardous condition in the event construction of the transmission line is not completed or if the transmission line were to be retired. Recognizing that the permanence of the transmission line can be less certain as circumstances change and technology evolves over time, the applicant should submit a proposal that recognizes the increased risks associated with changing circumstances and/or an aging facility, and proposes a bonding mechanism commensurate with that risk.*
>
> *The application should include a proposed a [sic] mechanism by which the certificate holder can keep the Council apprised of the condition of the transmission line, evolving transmission technology, and the line's performance in the context of the larger northwest power grid; an age at which a bond would become warranted to provide adequate restoration assurance in the event the transmission line were to be retired or decommissioned; and the amount, or graduated amount, of that bond.*

(Amended Project Order, Section III(m)).

3.0 ANALYSIS

3.1 Opinion of Legal Counsel

> OAR 345-021-0010(1)(m)(A): An opinion or opinions from legal counsel stating that, to the counsel's best knowledge, the applicant has the legal authority to construct and operate the facility without violating its bond indenture provisions, articles of incorporation, common stock covenants, or similar agreements.

Attachment M-1 to Exhibit M is an opinion from IPC's legal counsel, Brian Buckham, stating that, to counsel's best knowledge, IPC has the legal authority to construct and operate the Project without violating its bond indenture provisions, as supplemented; articles of incorporation; bylaws (which together with the articles of incorporation contain all applicable covenants pertaining to common stock); credit agreement; or similar agreements.

3.2 Proposed Type and Amount of Bond or Comparable Security

> OAR 345-021-0010(1)(m)(B): The type and amount of the applicant's proposed bond or letter of credit to satisfy the requirements of OAR 345-022-0050.

3.2.1 Factors Supporting Idaho Power's Financial Assurance Proposal

Due to the high demand for transmission services, the high cost of building new transmission lines, and the intrinsic value of transmission rights-of-way, IPC designs, constructs, and operates its transmission lines and stations with the objective that the facility will be in service indefinitely (see Exhibit W, Section 3.1). IPC has never retired any high-voltage transmission line facilities. Industry-wide, transmission line retirements are extremely rare, occurring only when a line is re-routed. In the unlikely event the Project would need to be retired, IPC has the financial capability to cover the costs of the same. Notwithstanding this information, IPC acknowledges that there is a minor risk the Project could be abandoned or retired during the construction phase and that after the Project is in service for 50 years, and increasingly thereafter, it becomes slightly more probable that an unforeseen disruptive event could occur that would result in the retirement of the Project. Accordingly, IPC proposes that it obtain and maintain a bond or letter of credit during the construction phase of the Project and after the

Project has been in service for 50 years. The amount of the bond or letter of credit would be set at a level that reasonably corresponds to the level of risk that the Project would be abandoned or retired.

IPC's proposed approach to satisfying the Financial Assurances Standard is informed by the following factors:

There is virtually no risk that the Project will ever be retired.

- 500-kV transmission lines, including the structures and rights-of-way, are designed, constructed, and operated to be in service in perpetuity. IPC has been unable to identify one instance of a 500-kV transmission line being taken out of service permanently.
- In this case, the purpose of the Project is to support a reliable local and regional electric delivery network interconnecting consumer load to new and existing generating resources. IPC's objective and intent for the Project are that it will be in service in perpetuity. As necessary, IPC will repair or replace the Project features to ensure that the line continues to provide safe and reliable electric service to IPC's customers.
- The Public Utility Commission of Oregon (OPUC) has acknowledged the need for the Project through IPC's Integrated Resource Plan. The Project is a part of the Western Electric Coordinating Council regional foundational transmission projects and is identified as one of seven nationally significant transmission projects by the federal Interagency Rapid Response Team for Transmission.
- Even in the highly unlikely event that IPC were to cease to exist, the Project would remain a valuable resource necessary to serve the region and would therefore remain in service under the ownership of another entity—most likely another utility.

In the highly unlikely event that the Project were to be retired, there is virtually no risk that IPC would be without the financial ability to restore the site to a useful and non-hazardous condition.

- IPC is a vertically integrated, regulated utility that operates a large fleet of assets, including generation, transmission, and distribution facilities. IPC has remained in business without interruption or default for nearly 100 years. IPC provides an essential service, and thus in the unlikely event of a bankruptcy-related event involving IPC, either IPC would recapitalize and continue operating or a third party would assume control of IPC's business and the Project.
- IPC is a rate-regulated utility under the jurisdiction of the Idaho Public Utilities Commission (IPUC) and the OPUC. Both the IPUC and OPUC are required to set rates that include the reasonable costs of providing service to its customers, plus a return on the property used to provide service. The rates set by both state commissions include the costs associated with retiring facilities that are taken out of service.
- The capability of IPC to successfully finance the construction of the Project is significant evidence of IPC's financial strength, including its financial capability to retire and remove the Project, if necessary.
- IPC has provided a letter from Wells Fargo Bank providing assurance that, if required, IPC will be able to secure a letter of credit in an amount sufficient to retire the Project and restore the site to a useful and non-hazardous condition (see Attachment M-2).

The costs of maintaining a bond or letter of credit for the costs of decommissioning the Project would be substantial and would be borne by IPC's customers, many of whom are Oregon citizens.

- As demonstrated in Exhibit W, IPC estimates that the costs to decommission the Project would be $140,902,000 (see Exhibit W, Section 3.3). IPC estimates that the cost to maintain a bond or letter of credit sufficient to guarantee that amount would be approximately $880,000 annually, based on current interest rates and market conditions. Any cost incurred by IPC to maintain such a bond would be built into the rates IPC's customers pay to light and heat their homes and businesses, and would be in addition to the decommissioning costs themselves that are normally built into utility rates.

Notwithstanding the above factors, IPC acknowledges the following:

- There is a minor risk the Project could be terminated after construction commences but prior to its placement in service. IPC estimates that construction will take place over a 3-year period. During that 3-year period, IPC projects that it will construct the line in geographic segments. Decommissioning costs for the line will increase over time as additional segments are constructed.
- While transmission lines have potentially indefinite service lives, after the Project is in service for 50 years, and increasingly thereafter, it becomes slightly more probable that an unforeseen disruptive event could occur that would result in the decommissioning of the Project.

3.2.2 Proposal for Financial Assurance

IPC proposes that it obtain and maintain a bond or letter of credit during the construction phase of the Project and after the Project has been in service for 50 years. The amount of the financial assurance would be based on certain factors. Specifically, IPC would provide the following financial assurances:

1. During the construction phase, IPC will cause to be issued by one or more financial institutions a bond or letter of credit to remain in effect until the Project is placed in service. The amount of the bond or letter of credit will be increased on a quarterly basis to correspond with the progress of the Project at the beginning of each quarter, assuming a 3-year construction period comprising twelve quarterly periods. The amount of the bond or letter of credit at the beginning of any such quarterly period will be equal to the product of (a) IPC's estimate of the decommissioning costs for the Project as set forth in Exhibit W and (b) a fraction, the numerator of which is the number of quarters that have passed since commencement of construction, and the denominator of which shall be 12.0, provided that in all cases the number resulting from the calculation shall not exceed 1.0. For example, for the first quarter of the schedule, the bond or letter of credit will be maintained in an amount equal to one-twelfth (1/12) of the estimated decommissioning costs. At the end of the first year of construction—i.e., four quarters—the amount of the bond or letter of credit will be equal to four-twelfths (4/12) or 30 percent of the estimated decommissioning costs.
2. Once the Project is placed in service, IPC's obligation to maintain a bond or letter of credit will terminate and need not be renewed until required under paragraph numbers 3 and 4 below.
3. After the Project has been in service for 50 years, IPC will begin maintaining a bond or letter of credit in an amount that will increase on an annual basis for the next 50 years. In

year 51, the amount of the bond or letter of credit will be set at one-fiftieth (1/50) of the total estimated decommissioning costs. Each year, through the 100th year of service, the bond or letter of credit will be increased by one-fiftieth (1/50) of the estimated decommissioning costs. For instance, in year 75, the bond or letter of credit will be maintained in an amount equal to twenty-five fiftieths (25/50) or 50 percent of the estimated decommissioning costs. Once the bond or letter of credit is in an amount equal to 100 percent of decommissioning costs, it will remain at that level for the life of the Project.

4. On the fifth anniversary of the in-service date, and on each subsequent fifth anniversary thereafter, IPC will report to the Council on the following subjects: (a) the physical condition of the Project; (b) any evolving transmission or electrical technologies that could impact the continued viability of the Project; (c) the Project's performance in the context of the larger Northwest power grid; and (d) IPC's financial condition, including IPC's then-current credit rating. Based on the information provided in such reports, or any other information received by the EFSC, EFSC will consider whether IPC should be required to post a bond or letter of credit—other than the financial assurances set forth in paragraphs 2 and 3 above—and may make any appropriate order to enforce its determination. This shall include the ability of EFSC to extend the date on which IPC would be required to begin posting the financial assurances set forth in paragraph 3.
5. In the unlikely event that the Project will be removed from service, prior to commencing removal of the Project from service, IPC will prepare an EFSC-approved retirement plan, as required by OAR 345-027-0020(9) and OAR 345-027-0110. IPC's plan will include information regarding the availability of adequate funds for completion of retirement activities, which may include a specific decommissioning tariff to be filed with the OPUC to recover the costs of removal of facilities and restoration of the Project site to a useful, non-hazardous condition.[2]

The proposed framework is consistent with, and provides financial assurances in addition to, the Financial Assurance Standard. Moreover, by adopting the Proposal above, the Council can avoid burdening IPC's customers with unnecessary costs while nevertheless protecting Oregon residents from the very minor risks that the Project might be retired or that IPC might lack the financial stability to pay those costs when required.

Based on the above information, EFSC can reasonably find as follows:

1. During construction, it is reasonable for IPC to maintain a bond or letter of credit to cover the retirement costs as they increase commensurate to that portion of the line on which construction is completed.
2. After construction and during the first 50 years the Project is in service, it is reasonable that the amount of the bond or letter of credit required will be zero given that there is no reasonable likelihood that the line will be retired; and
3. After the Project has been in service for 50 years, it is reasonable for the Council to require a bond or letter of credit that increases to the full costs to decommission the line over the next 50 years.

[2] For example, in connection with the decommissioning Portland General Electric's Boardman coal plant (of which IPC owns a 10 percent share), the OPUC approved a decommissioning tariff for IPC's cost of retirement and removal of the plant and related facilities. See OPUC Order No. 12-235.

To ensure compliance with the proposed financial assurance approach, IPC proposes the following site certificate conditions:

> ***Retirement and Financial Assurances Condition 2****: During construction, the site certificate holder shall submit to the State of Oregon, through the Council, a bond or letter of credit naming the State of Oregon, acting by and through the Council, as beneficiary or payee. The bond or letter of credit, which may be issued by one or more financial institutions, shall remain in effect during the Construction Phase.*
>
> *a. For purposes of this condition, the "Construction Phase" is defined as the period commencing at the time work is performed on the site the cost of which exceeds $250,000—excluding surveying, exploration, or other activities to define or characterize the site—and ending when the facility is placed in service.*
>
> *b. The amount of the bond or letter of credit will be increased on a quarterly basis to correspond with the progress of the construction of the facility at the beginning of each quarter. The amount of the bond or letter of credit at the beginning of any such quarterly period will be equal to the product of (i) the site certificate holder's estimate of the total decommissioning costs for the facility, which is $140,902,000; and (ii) a fraction, the numerator of which is the number of quarters that have passed since commencement of construction, and the denominator of which will be the number of quarters the site certificate holder estimates to complete the Construction Phase; provided that in all cases the number resulting from the calculation shall not exceed 1.0.*
>
> *c. To begin with, the site certificate holder and the department shall assume a 3-year Construction Phase period comprising twelve quarterly periods. Therefore, for the first quarter of the Construction Phase, the bond or letter of credit will be maintained in an amount equal to one-twelfth (1/12) of the total estimated decommissioning costs. At the end of the first year of construction—i.e., four quarters—the amount of the bond or letter of credit will be equal to four-twelfths (4/12) or 33 percent of the total estimated decommissioning costs.*
>
> *d. The amount of the bond or letter of credit may be amended from time to time by agreement of the site certificate holder and the department to account for adjustments in the construction schedule. Such amendments may be made without amendment to the site certificate. The Council authorizes the department to agree to amendments of the amount; however, the Council retains the authority to approve, reject, or modify any amendment of the plan agreed to by the department.*

> ***Retirement and Financial Assurances Condition 3****: During operation, the site certificate holder shall submit to the State of Oregon, through the Council, a bond or letter of credit naming the State of Oregon, acting by and through the Council, as beneficiary or payee. The timing and amount of the bond or letter of credit, which may be issued by one or more financial institutions, shall be based on certain factors, as described in sub-paragraphs (a) through (c) of this condition.*
>
> *a. On the date that the facility is placed in service (the "In-Service Date"), the site certificate holder's obligation under Financial Assurance Condition 1 to maintain a bond or letter of credit will terminate and need not be renewed until required under sub-paragraphs (b) and (c) of this condition.*
>
> *b. On the fiftieth anniversary of the In-Service Date, the certificate holder shall obtain and begin maintaining a bond or letter of credit in an amount that will increase on an annual basis for the next 50 years. In year 51, the amount of the*

bond or letter of credit will be set at one-fiftieth (1/50) of the total estimated decommissioning costs. Each year, through the 100th year of service, the bond or letter of credit will be increased by one-fiftieth (1/50) of the estimated decommissioning costs. For instance, in year 75, the bond or letter of credit will be maintained in an amount equal to twenty-five fiftieths (25/50) or 50 percent of the estimated decommissioning costs. Once the bond or letter of credit is in an amount equal to 100 percent of decommissioning costs, it will remain at that level for the life of the facility.

c. On the fifth anniversary of the In-Service Date, and on each subsequent quinquennial thereafter, the certificate holder will report to the Council on the following subjects: (i) the physical condition of the facility; (ii) any evolving transmission or electrical technologies that could impact the continued viability of the facility; (iii) the facility's performance in the context of the larger power grid; and (iv) the certificate holder's general financial condition, including the certificate holder's then-current credit rating. Based on the information provided in such reports, or any other information received by the Council, EFSC will consider whether the certificate holder should be required to post a bond or letter of credit—other than the financial assurances set forth in sub-paragraph (b) of this condition—and may make any appropriate order to enforce its determination. This shall include the ability of EFSC to extend the date on which the certificate holder would be required to begin posting the financial assurances set forth in sub-paragraph (b) of this condition.

3.3 Evidence of Reasonable Likelihood of Obtaining Security

OAR 345-021-0010(1)(m)(C): Evidence that applicant has a reasonable likelihood of obtaining a bond or other security before beginning construction of the facility.

IPC submits Attachment M-2, a letter from Wells Fargo Bank, as evidence that IPC has the financial capability to obtain a letter of credit in the amount of the retirement and decommissioning costs estimated for the Project in Exhibit W. The letter states the bank's willingness to furnish or arrange a letter of credit to cover the full costs of retiring the Project and returning the site to a useful and non-hazardous condition.

In addition, IPC provides the following information as evidence that it has the capability to meet all requirements for retirement and restoration of the Project site, and if necessary, obtain a bond, letter of credit, or other form of financial assurance acceptable to EFSC:

- IPC is a vertically integrated, regulated utility that operates a large fleet of assets, including generation, transmission, and distribution facilities. IPC has remained in business without interruption or default for nearly 100 years.
- IPC is a rate-regulated utility under the jurisdiction of the IPUC and the OPUC. Both the IPUC and OPUC are required to set rates that include the reasonable costs of providing service to its customers, plus a return on the property used to provide service. The rates set by both state commissions include the costs associated with retiring facilities that are taken out of service.
- IPC maintains credit ratings that have historically enabled it to access secured and unsecured debt at reasonable rates and under acceptable terms. Historically, IPC has maintained a shelf registration statement with the U.S. Securities and Exchange Commission for the issuance of medium-term secured notes, which has provided IPC with a relatively liquid market for the sale of debt securities.

- IPC has in place a $300 million credit facility with a syndicate of large financial institutions, with a termination date of October 2022.
- IPC may, when necessary, obtain capital contributions from IDACORP, Inc., IPC's parent entity. IDACORP has access to debt and equity markets, and has on file a registration statement with the U.S. Securities and Exchange Commission for the issuance of unsecured debt or equity securities. This provides IPC with access to equity capital.
- The capability of IPC to successfully finance the construction of the Project is significant evidence of IPC's financial strength, including its financial capability to retire and remove the Project, if necessary.

4.0 IDAHO POWER'S PROPOSED SITE CERTIFICATE CONDITIONS

IPC proposes the following site certificate conditions to ensure compliance with the Financial Assurance Standard:

<u>During Construction</u>

Retirement and Financial Assurance Condition 2: *During construction, the site certificate holder shall submit to the State of Oregon, through the Council, a bond or letter of credit naming the State of Oregon, acting by and through the Council, as beneficiary or payee. The bond or letter of credit, which may be issued by one or more financial institutions, shall remain in effect during the Construction Phase.*

a. For purposes of this condition, the "Construction Phase" is defined as the period commencing at the time work is performed on the site the cost of which exceeds $250,000—excluding surveying, exploration, or other activities to define or characterize the site—and ending when the facility is placed in service.

b. The amount of the bond or letter of credit will be increased on a quarterly basis to correspond with the progress of the construction of the facility at the beginning of each quarter. The amount of the bond or letter of credit at the beginning of any such quarterly period will be equal to the product of (i) the site certificate holder's estimate of the total decommissioning costs for the facility, which is $140,902,000; and (ii) a fraction, the numerator of which is the number of quarters that have passed since commencement of construction, and the denominator of which will be the number of quarters the site certificate holder estimates to complete the Construction Phase; provided that in all cases the number resulting from the calculation shall not exceed 1.0.

c. To begin with, the site certificate holder and the department shall assume a 3-year Construction Phase period comprising twelve quarterly periods. Therefore, for the first quarter of the Construction Phase, the bond or letter of credit will be maintained in an amount equal to one-twelfth (1/12) of the total estimated decommissioning costs. At the end of the first year of construction—i.e., four quarters—the amount of the bond or letter of credit will be equal to four-twelfths (4/12) or 33 percent of the total estimated decommissioning costs.

d. The amount of the bond or letter of credit may be amended from time to time by agreement of the site certificate holder and the department to account for adjustments in the construction schedule. Such amendments may be made without amendment to the site certificate. The Council authorizes the department to agree to amendments of the amount; however, the Council retains the *authority to approve, reject, or modify any amendment of the plan agreed to by the department.*

During Operation

Retirement and Financial Assurance Condition 3: *During operation, the site certificate holder shall submit to the State of Oregon, through the Council, a bond or letter of credit naming the State of Oregon, acting by and through the Council, as beneficiary or payee. The timing and amount of the bond or letter of credit, which may be issued by one or more financial institutions, shall be based on certain factors, as described in sub-paragraphs (a) through (c) of this condition.*
a. On the date that the facility is placed in service (the "In-Service Date"), the site certificate holder's obligation under Financial Assurance Condition 1 to maintain a bond or letter of credit will terminate and need not be renewed until required under sub-paragraphs (b) and (c) of this condition.
b. On the fiftieth anniversary of the In-Service Date, the certificate holder shall obtain and begin maintaining a bond or letter of credit in an amount that will increase on an annual basis for the next 50 years. In year 51, the amount of the bond or letter of credit will be set at one-fiftieth (1/50) of the total estimated decommissioning costs. Each year, through the 100th year of service, the bond or letter of credit will be increased by one-fiftieth (1/50) of the estimated decommissioning costs. For instance, in year 75, the bond or letter of credit will be maintained in an amount equal to twenty-five fiftieths (25/50) or 50 percent of the estimated decommissioning costs. Once the bond or letter of credit is in an amount equal to 100 percent of decommissioning costs, it will remain at that level for the life of the facility.
c. On the fifth anniversary of the In-Service Date, and on each subsequent quinquennial thereafter, the certificate holder will report to the Council on the following subjects: (i) the physical condition of the facility; (ii) any evolving transmission or electrical technologies that could impact the continued viability of the facility; (iii) the facility's performance in the context of the larger power grid; and (iv) the certificate holder's general financial condition, including the certificate holder's then-current credit rating. Based on the information provided in such reports, or any other information received by the Council, EFSC will consider whether the certificate holder should be required to post a bond or letter of credit—other than the financial assurances set forth in sub-paragraph (b) of this condition—and may make any appropriate order to enforce its determination. This shall include the ability of EFSC to extend the date on which the certificate holder would be required to begin posting the financial assurances set forth in sub-paragraph (b) of this condition.

5.0 CONCLUSION

Exhibit M establishes that IPC has a reasonable likelihood of obtaining a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition, pursuant to the Financial Assurance Standard set forth at OAR 345-022-0050(2).

6.0 COMPLIANCE CROSS-REFERENCES

Table M-1 identifies the location within the application for site certificate of the information responsive to the application submittal requirements in OAR 345-021-0010(1)(m), the Financial Assurances Standard at OAR 345-022-0050(2), and the relevant Amended Project Order provisions.

Table M-1. Compliance Requirements and Relevant Cross-References

Requirement	Location
OAR 345-021-0010(1)(m)	
(A) An opinion or opinions from legal counsel stating that, to counsel's best knowledge, the applicant has the legal authority to construct and operate the facility without violating its bond indenture provisions, articles of incorporation, common stock covenants, or similar agreements.	Exhibit M, Section 3.1 & Attachment M-1
(B) The type and amount of the applicant's proposed bond or letter of credit to meet the requirements of OAR 345-022-0050.	Exhibit M, Section 3.2 & Attachment M-2; Exhibit W, Sections 3.2
(C) Evidence that the applicant has a reasonable likelihood of obtaining the proposed bond or letter of credit in the amount proposed in paragraph. (B), before beginning construction of the facility.	Exhibit M, Section 3.3 & Attachment M-2
OAR 345-022-0050	
(2) The applicant has a reasonable likelihood of obtaining a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition.	Exhibit M, Section 3.3 & Attachment M-2
Amended Project Order, Section III(m)	
To find that the proposed transmission line satisfies the Financial Assurance Standard (OAR 345-022-0050(2)), the Council must find that the applicant has a reasonable likelihood of obtaining a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition. The application shall include the type and amount of the applicant's proposed bond or letter of credit to satisfy the requirements of OAR 345-022-0050. The applicant shall propose a bond or letter of credit in a form and amount adequate to restore the site to a useful, non-hazardous condition in the event construction of the transmission line is not completed or if the transmission line were to be retired. Recognizing that the permanence of the transmission line can be less certain as circumstances change and technology evolves over time, the applicant should submit a proposal that recognizes the increased risks associated with changing circumstances and/or an aging facility, and proposes a bonding mechanism commensurate with that risk. The application should include a proposed a mechanism by which the certificate holder can keep the Council apprised of the condition of the transmission line, evolving transmission technology, and the line's performance in the context of the larger northwest power grid; an age at which a bond would become warranted to provide adequate restoration assurance in the event the transmission line were to be retired or decommissioned; and the amount, or graduated amount, of that bond.	Exhibit M, Section 3.2 & Attachment M-2

ATTACHMENT M-1
LETTER FROM BRIAN BUCKHAM,
SENIOR VICE PRESIDENT AND GENERAL COUNSEL

IDAHO POWER®
An IDACORP Company

Brian Buckham
Senior Vice President and General Counsel
1221 W. Idaho Street
Boise, Idaho 83702
BBuckham@idahopower.com

June 23, 2017

Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, Oregon 97301

Re: Opinion on Authority
Boardman to Hemingway Transmission Line Project

To Whom It May Concern:

I am the Senior Vice President and General Counsel of Idaho Power Company ("Idaho Power"). In such capacity and in rendering the opinion set forth in this letter, I have reviewed or supervised the review of the following documents: (1) Mortgage and Deed of Trust, dated as of October 1, 1937, between Idaho Power and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "Indenture"); (2) Supplemental Indentures numbered First through Forty-Eighth to the Indenture; (3) the Restated Articles of Incorporation of Idaho Power, and all amendments, designations, and share exchanges related thereto (the "Articles"); (4) Amended Bylaws of Idaho Power, amended on November 15, 2007 and presently in effect (the "Bylaws"), which, together with the Articles, contain all material covenants pertaining to common stock of Idaho Power; (5) Credit Agreement, dated November 6, 2015, among Idaho Power, various lenders, Wells Fargo Bank, National Association, as administrative agent, swingline lender, and LC issuer, JPMorgan Chase Bank, N.A., as syndication agent and LC issuer, KeyBank National Association and Union Bank, N.A., as documentation agents, and Wells Fargo Securities, LLC, J.P. Morgan Securities Inc., Keybanc Capital Markets, and MUFG Union Bank, N.A. as joint lead arrangers and joint book runners; (6) such other similar agreements that are material to Idaho Power and relate to currently outstanding or available financing arrangements for Idaho Power; (7) such minutes, resolutions, and actions by consent of the board of directors of Idaho Power as were related to the foregoing items (1) through (6) and necessary for the rendering of this opinion; (8) and a certificate of existence of Idaho Power, issued by the Secretary of State of the State of Idaho on May 1, 2017.

The documents referenced in (1) through (6) above are referred to as the "Finance Governing Instruments." I have also examined such other documents and have made examination of law as I have deemed necessary to enable the rendering of the opinion expressed below.

Based upon the foregoing and to the best of my knowledge, I am of the opinion that, subject to Idaho Power's meeting all applicable federal, state, and local laws and regulations, Idaho Power has the authority to construct and operate the Boardman-to-Hemingway Transmission Line that Idaho Power proposes in the Application without conflicting with or resulting in the violation of the Finance Governing Instruments.

This opinion is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated. This opinion is rendered pursuant to, and shall be deemed limited in scope to, the matters required by OAR 345-021-001O(l)(m)(A). Accordingly, I express no opinion as to the applicability of any federal, state, or local laws or regulations to construction and operation of the project contemplated by the Application or as to the effect of the foregoing laws on such construction and operation. This opinion is rendered solely as of the date hereof, and I assume no obligation to update or supplement this opinion to reflect any actions or events subsequent to the date hereof.

This opinion is being furnished to you solely for your benefit and only with respect to the transaction contemplated by the Application. Accordingly, it may not be relied upon for any other purpose or by any other person, firm, or entity for any purpose, without, in each instance, my prior written consent.

Sincerely,

Brian Buckham

ATTACHMENT M-2 LETTER FROM WELLS FARGO BANK INDICATING WILLINGNESS TO PROVIDE LETTER OF CREDIT FOR AMOUNT OF ESTIMATED COSTS OF SITE RESTORATION

Corporate Banking Group
Energy Power & Utilities
90 S. 7th Street
Minneapolis, MN 55402

wellsfargo.com

June 9, 2017

Mr. Steven R. Keen
Idaho Power Company
1221 W. Idaho Street
Boise, Idaho 83702

Re: Boardman-to-Hemingway Transmission Project – Financial Assurance Requirements Under EFSC Process

Mr. Keen:

Wells Fargo Bank, National Association ("Wells Fargo Bank" and together with its affiliates, "Wells Fargo") has a long standing business relationship with Idaho Power Company ("Idaho Power"). Wells Fargo has acted as a joint book-runner for Idaho Power in the arrangement of senior secured debt and participated as a lender to Idaho Power under various credit agreements, including Idaho Power's current $300 million syndicated credit agreement, under which Wells Fargo Bank also acts as the administrative agent on behalf of all the lenders under the credit facility.

Based upon Idaho Power's current credit ratings, profile, and information we have as of the date hereof, and subject to acceptable pricing, terms, and requisite internal approvals, and assuming no market disruption, Wells Fargo confirms to you that it would be highly interested in arranging (as administrative agent under the existing credit facility or otherwise), and believes it would be successful at arranging, a syndicated letter of credit in an amount up to $141 million for a period not to exceed three years (the "LC Facility") for the purpose of ensuring Idaho Power's obligation that the site of the Boardman-to-Hemingway transmission project be restored to a useful and non-hazardous condition.

This letter is for informational purposes only. This letter does not constitute or give rise to (i) any legal obligation on the Wells Fargo, or any of its affiliates, to arrange, underwrite or provide, or commit to arrange, underwrite or provide, the LC Facility or any other financings; or (ii) any representation or warranties in respect of any of the foregoing. In addition, such obligation or liabilities would arise only under separate written agreements in form and substance satisfactory to Wells Fargo in its sole discretion.

This letter shall be governed by and construed in accordance with New York law.

We appreciate the opportunity to work with you on this important transaction. Should you have any questions or require any clarification, please do not hesitate to contact any of the Wells Fargo team.

Sincerely,

Wells Fargo Bank, National Association

Wells Fargo Securities, LLC

Together we'll go far