

**STATE BOARD OF EQUALIZATION
OPEN MEETING
MINUTES OF MEETING HELD AUGUST 13, 2025**

In attendance: Commissioners Paul Woods, Jeff McCray, Janet Moyle, and Jared Zwygart. Nathan Nielson and Christina Nelson, Deputies Attorney General. This meeting was open to the public and many guests attended online.

Commissioner Woods, Chairman for the State Board of Equalization, reconvened the State Board of Equalization for 2025 (Board) at 9:00 a.m. August 13, 2025. Commissioner Woods opened the meeting.

The first item for consideration today is the Board discussion, deliberation, and recommended decision on **Docket No. 0-847-746-048: PacifiCorp**. The public hearing closed yesterday, and the Board can now discuss and make a recommendation on the case. He began the discussion by thanking PacifiCorp and staff of the Idaho State Tax Commission for their professionalism yesterday during their arguments before the Board. The arguments were well-developed and well-presented. He appreciates both parties. He added that, with respect to the wildfire issues PacifiCorp raised, as this discussion proceeds, it's not meant to negate the service PacifiCorp provides. Wildfire losses, including the loss of property and the loss of life, are tragic issues and won't be trivialized in the discussion today. It's difficult to look at how a loss that occurred may affect a willing buyer's view of the potential for those losses going forward. The Board is tasked with determining the assessed value for PacifiCorp. That assessed value won't change the amounts taxing districts receive, rather it will ensure the apportionment can be disseminated fairly across all tax types. Commissioner Woods reminded everyone that he doesn't have a vote on these issues.

The Board discussed the arguments they heard yesterday. Commissioner Zwygart commented that wildfire seemed to be the biggest argument. He feels the fixed assets are a big part of delivering electricity. The amount of loss for him was the big issue. His opinion is that more of those losses should have been used in determining the value. He suggested using the Operating Property Bureau's (Bureau) assessment. Commissioner Moyle voiced her disagreement with the averaging staff used and that she talked about in the hearing yesterday. She also disagrees with not using the cost approach, because it's a valid approach and should be used to consider value. Staff prepared another appraisal after the first in a good-faith effort to consider PacifiCorp's concerns. Commissioner McCray said he supports the Bureau's assessment of value. His historical review of PacifiCorp shows the last two years were anomalies and the Bureau appropriately addressed it. He doesn't feel PacifiCorp proved the appraisal was incorrect. He's empathetic to wildfire loss and he understands the need for companies to mitigate that risk. Commissioner McCray feels the first value presented by the Bureau is correct, but he understands why the second appraisal was completed and supports it as the final value.

Commissioner Woods called for a motion to direct the value apportioned to Idaho. **Commissioner McCray motioned to direct staff to draft a decision to uphold the second appraisal staff presented to PacifiCorp. Commissioner Zwygart seconded the motion. Ms. Young conducted a roll call vote. Commissioner McCray, aye; Commissioner Moyle, aye; Commissioner Zwygart, aye. The motion to direct staff to draft a decision to uphold staff's second appraisal was approved.**

The next item on the agenda is the **Idaho Hydroelectric Companies** stipulated waiver of hearing. Commissioner Woods asked Nathan Nielson, Lead Deputy Attorney General assigned to the Tax Commission, to advise whether he should read the docket number for each property. Mr. Nielson said he doesn't believe it's necessary, as it isn't material to the outcome. Commissioner Woods asked Matt Shriver, Deputy Attorney General assigned to the Tax Commission, to update the Board on the stipulated waiver of hearing.

Mr. Shriver said there is no update outside what was included in the stipulation. The stipulation allows the Board to decide the question of value based on the existing record for those properties that are projects that had hearings last year. For the properties that did not appeal last year, but requested a hearing this year, the records, as are all others, were made available to the Board, and include the recommended staff appraisal and the issues raised in the requests for hearing.

Commissioner Zwygart asked Mr. Shriver to clarify why the Board received the stipulation. Mr. Shriver said the stipulation preserves the companies' rights to appeal. It doesn't say whether they will or won't. The presumption is they will appeal the values to the district court. Commissioner Zwygart asked how close the state's value was last year. Mr. Shriver didn't recall. There was a compromised value last year. Commissioner Woods said the Board certified a value last year. The Hydroelectric companies have appealed that to the district court and that decision has not yet been made. Last year's certified values were put on the rolls, and the state is in the same situation this year. Staff derived values, and since the companies have made the same argument, they've waived their hearing before the Board. Mr. Shriver added that the stipulation provides that either the case will be consolidated, or this year's series of values will be held in abeyance pending a resolution of the 2024 valuations. Either they will hold off doing anything with the 2025 case or they will want the cases to be consolidated with 2024. Commissioner McCray said the Board of Equalization's job is to establish this year's values for the non-utility generators and their stipulation agreement is stating that the Board should consider their presentation last year when establishing the values for this year. They have no additional arguments to make. Mr. Shriver said they are waiving their right to present additional arguments. The Board still has the duty to establish the values for these individual dockets.

Commissioner Moyle voiced her disapproval of stipulated agreements saying she's voted no on every stipulation presented. The Board still must certify a value, so why not just hear them and if they want to take it to court, that's their right. Why add the extra step of a stipulated value that leaves everything open-ended. In this case, with the way this stipulated order is written, it's a non-necessity. Commissioner Zwygart asked if we're binding ourselves by doing a stipulation. Mr. Shriver said there are some things the Tax Commission agreed to in the stipulation. For instance, the Commission agrees that if the Hydroelectric companies choose to consolidate the cases, the state will not oppose. The Commission also agreed not to use the waiver of the hearing as argument that they failed to pursue administrative remedies. As far as the value is concerned, the only thing the Tax Commission is bound to is the record before the Board, as the stipulation specifies: the proceedings from last year, the request for notice and the request for hearing, and the Bureau's appraisals. Commissioner Zwygart said if the Board doesn't accept the stipulation, everything still stays the same, correct? Mr. Shriver said the administrative rule provides that the taxpayer can request a hearing waiver, but it doesn't provide that it must be accepted. That said, he doesn't see any substantive difference in the outcome if instead the board rejects the stipulation and the companies either present or don't show up; it doesn't change the Board's obligation to set the values based on the information they have available. Commissioner Zwygart noted the courts have said the Hydroelectric companies must be separate. Mr. Shriver said there has been some legal advice to Commissioner Woods regarding that. With respect to the legal basis for breaking up the cases into individual projects because, Commissioner Zwygart

is correct, there was some commentary from Judge Medema in the original decision that indicated these cases were really separate claims and separate issues, and implied that he would have preferred they be presented to him as separate specific cases. For instance, if there were 17 hydroelectric projects that appealed their values in a given year, Justice [Jonathan] Medema opined that really there are 17 separate claims and ideally, they'd be considered separately from each other because the facts specific to one project are not the same as others, while acknowledging there is some overlap of some of the issues because of the industry and that they have consolidated representation. The decision was made not to pursue the potential legal remedies available to the Commission to try to break those up because of the lack of likelihood of succeeding on the merits in that endeavor. That's why the Bureau felt, in this context, that it would be appropriate to agree to consolidation of those cases. On the merits of the issue, if they were trying to fight it, it would be wasted effort.

Commissioner Woods said staff derived values for 2025 that are not the same values as 2024 using the methodology used in 2024 and updated to the current operator's statements and other factors in play to establish a value. There are new values for 2025 and in stipulating, they're not continuing the values from 2024. The new values will be certified unless the Board chooses to investigate any of those cases and change the value. The Board will not hear the same arguments they heard last year. The companies are choosing to pursue this to district court. He said these are still individual cases. Mr. Shriver said there was some portion of the hearing last year that was heard collectively because of industry-wide issues. To be neutral in the presentation of the stipulation, he doesn't think their intent was to be disrespectful to the Board in any way, rather the opposite. The arguments would be the same as they were last year, and they didn't want to waste the Board's time, or their time, going through those issues again to end up with a similar result. He thinks it's a judicial economy decision point.

Commissioner Woods said there are individual dockets, and this will continue to be individual decisions as it proceeds through the legal process. The hearings may be consolidated due to commonality. Mr. Shriver agreed. They've had discussions with the counsel for the Hydroelectric projects regarding how the cases will be presented. Some of the same issues that resulted in the less-than-desirable decision (everyone agreed they didn't get a final result in those cases) they discussed presenting the case better to avoid that happening again should it go to trial.

Commissioner Woods said if the Board would like to raise issue with any of the valuations staff put together, now would be the time to discuss those concerns.

Commissioner McCray was recognized for a motion. He moved that they direct staff to write decisions upholding the value the Bureau established for each docket. Commissioner Zwygart seconded the motion. There was no discussion. Ms. Young conducted a roll call vote. Commissioner McCray, aye; Commissioner Moyle, aye; Commissioner Zwygart, aye.

Commissioner Woods asked if the Board would convene tomorrow, given today's progress. It would be in order to recess until Friday, August 15, 2025, at 9:00 a.m. unless there's a request to meet tomorrow. **Commissioner Zwygart requested the Board not convene until Friday.** Commissioner Woods recessed the Board until 9:00 a.m. Friday, August 15, 2025.

Maria Young
Secretary

Paul Woods
Chairman of the Idaho State Board of Equalization