Midterm Report 2014
Focus Areas

Balanced and Responsible Management

Consistent with existing corporate objectives on Total Shareholder Return (TSR), provide shareholders with a TSR that outperforms IDACORP’s peer group.

Tracking but not achieved
- Our existing corporate objectives target a 55th percentile or better TSR over a three-year period compared to our peer group. As of Sept. 30, 2014, for each of the three-year periods beginning Jan. 1 of 2012, 2013 and 2014, IDACORP’s to-date annualized TSR rankings (relative to its peer group) are at the 65th, 60th and 29th percentiles, respectively.

Reduce CO₂ emissions intensity for 2010-2015 time period to 10-15 percent below 2005 CO₂ emissions intensity.
On track and ongoing
- As of September 2014, the average CO₂ emissions intensity for Idaho Power’s owned generation resources for the 2010-2014 period was 964 pounds CO₂/MWh, or approximately 20 percent below the 2005 level.

Continue to enhance our investor outreach and communications to differentiate our performance from utility peers.
On track and ongoing
- Our third sustainability report, Progress, was released at the Annual Shareholders Meeting in May 2014. The 2013 stock chart for IDACORP (NYSE:IDA) was prominently featured on the back cover of the report as well as in a condensed brochure version.
- Sustainability-related information was included in analyst presentations and our CEO’s annual address.
- In-depth supplemental sustainability information relating to company operations and achievements was updated for 2014 and published to our website.
Operational Excellence

Remain true to our mission and continue to prosper by providing reliable, responsible, fair-priced energy services today and tomorrow.

On track and ongoing

- Hydropower remains our company’s least-cost generation resource. With this in mind, work has progressed on upgrades at two of our hydroelectric plants. This summer, crews worked on the intake structure at the Shoshone Falls Power Plant to enhance operating efficiency. Additionally, the Lower Malad Power Plant has been refurbished and prepped for installation of a new turbine later this year. When commissioned in September, the new turbine will increase operating efficiencies by approximately 3 percent.

- The company is consolidating the Continuous Emission Monitoring Systems platform across our three natural gas-fired power plants. This will streamline compliance reporting and associated operations.

Consistent with our existing corporate objective of providing exemplary customer service, continue our efforts to maintain customer satisfaction rankings.

Tracking but not achieved

- A cross-functional team of senior managers is leading an effort to develop a comprehensive digital strategy for the company. The aim is to enhance our customers’ ability to interact with Idaho Power via existing (and emerging) digital platforms. The effort will investigate changes to our website, a move into mobile devices, refinements to our interactive voice-response unit, and continued efforts in social media.

- Based on the Burke customer survey (which evaluates and measures customer satisfaction), our Customer Relationship Index (CRI) for the third quarter rolling 12-month period was 82.15 percent. The company’s target goal is a CRI of 82.50 percent.

Investigate methods to enhance the design and performance of utility infrastructure projects, and further differentiate our operational approach.

On track and ongoing

- Envision is a new energy-efficiency rating for infrastructure projects, including transmission lines and substations. So far, two Idaho Power engineers have been certified in the Envision process. With several substation design projects underway, our Customer Operations Engineering and Construction department is planning an Envision workshop for Idaho Power employees and others outside our company to promote this collaborative design process.

- In 2014, Idaho Power completed an agreement with Valley Ride Transit which provides company-funded bus passes allowing all Idaho Power employees to use the Treasure Valley bus system.

- Idaho Power received a Gold Award at the 2014 Treasure Valley May in Motion Challenge. Over 160 employees participated in some form of alternative transportation going to and from work, including riding a bus, bicycling or carpooling.

As we address relevant river- and watershed-related environmental issues, advocate for implementing cost effective, sustainable solutions to preserve the long-term health of the Snake River and Eastern Snake River Plain Aquifer.

On track and ongoing

- Our staff presented at a multi-stakeholder meeting in July to discuss threats to the longevity and health of the Eastern Snake River Plain Aquifer. Attendees included the Freshwater Trust, the Nature Conservancy, General Mills and the Henry’s Fork Foundation.

- A project was initiated to stop riverbank erosion upstream of the Upper Pahsimeroi Fish Hatchery water intake. Crews used rock to armor the bank for added stability and longevity, while intermittent logs with root wads provided improved fish habitat. The bank was re-vegetated with native grasses and willows, and the area was fenced to prevent future degradation from cattle grazing.

- In 2014, Idaho Power purchased and installed a bus stop/shelter at our Boise Center West campus. Valley Ride Transit now makes scheduled stops at the facility for Idaho Power employees and for commuters from surrounding offices.

Environmental Stewardship

Support alternative transportation options to reduce the number of single-occupant vehicle trips.

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Work to sustain current Snake River flows while pursuing cost-effective opportunities to increase flows and maximize hydroelectric generation. On track and ongoing

- This cloud-seeding season (Nov. 1, 2013 – April 30, 2014), Idaho Power targeted the Payette, Wood, and Upper Snake basins. In addition to aircraft and ground generators that release ice nucleating agents, Idaho Power leverages specialized instruments that tell our scientists when conditions are conducive to cloud seeding. On average, the snowpack created results in an additional 300,000 acre-feet in the Payette River, and 283,000 acre-feet in the Upper Snake River, which then flows through our downstream hydroelectric plants.

- The Idaho Water Resources Board voted in favor of a resolution supporting cloud seeding, and the allocation of approximately $500,000 over the next five years for expansion in the Boise, Wood and Upper Snake River basins.

Enhance employee awareness and support for conserving resources and promoting efficiency in company facilities and processes. On track and ongoing

- Prompted by the company’s Sustainability Project Seed Funding Program, two projects championed by employees were initiated:

  - As a result of several recommended upgrade projects identified in a 2013 assessment of the Boise Operations Center, the Facilities department is installing variable frequency drives (VFDs) and upgraded controls to enhance air-handling efficiencies and promote employee comfort.

  - Employees in the Information Technology department identified several operating enhancements for the company’s data centers. Work is underway to upgrade the cooling equipment, install VFDs, and cap fan speeds to reduce overall energy usage.

Consistent with our critical success factors and existing corporate objectives, enhance our efforts to maintain an effective and motivated workforce. On track and ongoing

- In the first half of 2014, company leaders led discussions with their employees concerning our four Safety4Life vital behaviors: Focus, Assess, Choose, and Speak Up.

- A formal Lineman Pre-Apprentice Program was implemented in Regional Operations to prepare future lineman to be more productive and successful in their role.

With safety as one of our corporate values, continually strive to outperform the industry average, and further reduce the frequency and severity of workplace injuries. On track and ongoing

- Through July 31, 2014, Idaho Power has a recordable accident rate of 1.8. This is 43 percent lower than the national average rate of 4.1 for generation, transmission and distribution electric utilities.

- Through Sept. 2, 2014, we reported 21 OSHA Recordable Injuries, less than half our 2013 total of 45.

- In 2014, the company unveiled a robust, multi-channel safety awareness campaign. Dubbed Safety4Life, the campaign focuses on four attributes of a safe working environment: Focus, Assess, Choose, and Speak Up.
Recognize and report on employee-driven initiatives in the annual Sustainability Report.

**Achieved**

- Stories on the Zero RPM battery trials in company trucks, and the landscape retrofit at our Mountain Home Operations Center were featured in the 2013 Sustainability Report.

**Strong Community Partnerships**

Leverage social media to strengthen community relationships, and promote company initiatives and endeavors.

**On track and ongoing**

- Year five of our Powering Tomorrow campaign began in September 2014. The campaign again features two professionally produced 60-second television commercials highlighting area nonprofits, and grants will be awarded to organizations throughout our service area via a Facebook voting campaign.

- In 2014, the company leveraged social media to spread the word about planned outages. While only one of a number of avenues we use to inform of planned outages, our social media channels present the information in a highly visible and easily shareable environment, resulting in increased awareness and, we believe, a reduced impact on the affected communities.

- Through customer surveys and focus groups, we’ve learned that reliability is the number-one concern among our customers. Throughout 2014, we’ve posted pictures of crews hard at work throughout our service area, and stressed to customers that their efforts enhance the reliability of our grid.

- During the first half of 2014, Idaho Power surveyed 43 employees and their leaders who have community involvement as one of their core job responsibilities. The results confirmed that our employees are heavily involved in the communities they serve through service and community organizations. Specific findings include:
  - A majority of employees are involved with two to three organizations and spend approximately 20 percent of their time performing community involvement tasks and activities.
  - A number of our employees serve in a leadership capacity in these organizations as well.

**Track community involvement and employee volunteerism in 2013, and investigate programs to increase the value of our contributions to our communities.**

**Tracking but not achieved**

- We are collaborating with Idaho Department of Commerce and an outside consultant to initiate a site certification pilot program to increase the success of economic development efforts already underway in our service area.

**Investigate the feasibility of creating a Hells Canyon Cultural Center.**

**On track and ongoing**

- Our staff has investigated the design and construction of a dedicated Hells Canyon Cultural Center, and a list of potential collaborators and funders has been compiled.

- Staff also has investigated expanding the proposed visitors’ center (a requirement of FERC relicensing for the Hells Canyon Complex), rather than build a separate facility. The location would be on Idaho Power property in Oxbow, Oregon.

**Explore methods of enhancing our company’s role in the economic development of the communities we serve.**

**On track and ongoing**

- Building on the success of the 2013 program, the company continued to offer its economic development grant programs again this year. The 2014 programs resulted in 20 marketing and nine professional-development grants to 23 qualified organizations.

- Four regional Economic Development Forums were held in 2014. The forums bring together Idaho Power representatives, city and county officials, state and regional partners, and chamber of commerce leadership for a day-long session of brainstorming and discussion.