

## Estimated System Rate Impact Due to Large Capital Investments Information as of July 29, 2021

The information below is intended to provide Idaho Power Company (“Idaho Power”) customers with a resource for identifying and understanding the rate impact of certain of Idaho Power’s potential large capital projects and investments. Many of the projects are in the early stages and their completion is subject to several conditions. Additional information on significant projects can be found in:

- Idaho Power’s most recent Integrated Resource Plan (“IRP”) available at <https://www.idahopower.com/energy/planning/integrated-resource-plan/>; and
- Idaho Power’s Annual Report on Form 10-K for the most recent year (“Annual Report”), as well as in other applicable reports Idaho Power files with the Securities and Exchange Commission (“SEC”), all of which are available at <https://www.idacorpinc.com/investor-relations/sec-filings/default.aspx>.

The information below includes only (a) those capital projects identified for the first seven-year period in the preferred portfolio in the most recent IRP and (b) certain other large capital projects described in the most recent Annual Report and other subsequent Idaho Power SEC filings (“SEC Reports”) providing an update on large capital projects, in each case where the project described in the Annual Report or subsequent report has an estimated capital cost of \$100 million or more.

All amounts presented in the table below represent Idaho Power’s system-wide values before allocation to its Idaho and Oregon jurisdictions. The “Estimated Revenue Requirement Impact” of the identified projects assumes that Idaho Power’s annual revenue requirement is 18 percent of the estimated capital cost of the project, though this percentage varies from project to project based on the estimated lives, capital costs and operating expenses associated with each project, among other factors. The annual revenue requirement has ranged between approximately 16 percent to 20 percent of the capital cost of a project historically but could deviate from that range in the future. As such, the amounts in the table are estimates only.

The amount and timing of any rate changes must be approved by the Idaho Public Utilities Commission and the Public Utility Commission of Oregon. The timing of completion of any project or the decision to pursue a project are also subject to change based on several factors, many of which are difficult to predict. Further, Idaho Power has a number of ongoing and planned capital projects that are not included in the table below. The cost of these other capital projects, as well as changes in power supply expenses, operating expenses, and other expenses Idaho Power incurs to provide reliable electric service may have a significant impact on revenue requirements and rates.

Idaho Power reviews the information in the table below annually and update as needed to reflect updated information included in an IRP or Annual Report filed by Idaho Power. The information below provides estimates as of July 29, 2021.

Please also see the important cautionary notes and disclaimers under “Important Notices” below.

<b>IRP (7-year preferred portfolio) or Annual Report (\$100 million or greater) Identified Projects</b>	<b>Estimated Year in Service<sup>1</sup></b>	<b>Estimated Capital Cost (2021 \$'s w/AFUDC)</b>	<b>Estimated Revenue Requirement (18% of Estimated Capital Cost)</b>	<b>Cumulative Estimated Revenue Requirement<sup>2</sup></b>	<b>Percent Change in Estimated Revenue Requirement<sup>2</sup></b>
<b>2021 Revenue Requirement</b>				<b>\$1.109 billion</b>	
<b>Hells Canyon Relicensing<sup>3</sup></b>	2023 or beyond	\$269-\$299 million	\$40-\$45 million	\$1.149-\$1.154 billion	4%
<b>Boardman to Hemingway<sup>4</sup></b>	2026 or beyond	\$313 million	\$56 million	\$1.205-\$1.210 billion	5%
<b>Gateway West</b>	To be determined	\$250-\$450 million	\$45-\$81 million	\$1.250-\$1.291 billion	4%-7%

<sup>1</sup> The Estimated Year in Service is the year the project is expected to be operational, but not necessarily the year during which costs associated with the project will be included in customer rates.

<sup>2</sup> The 2021 Revenue Requirement is an assumed system revenue requirement of \$1.109 billion, which was determined by applying state jurisdictional base rates in effect June 1, 2021, to the respective Idaho and Oregon sales forecasts for the 2021 Power Cost Adjustment test year. The Cumulative Revenue Requirement for Listed Projects includes the assumed 2021 Revenue Requirement plus the sum of the Estimated Revenue Requirement Impacts through the applicable project. The Resulting Estimated Percent Change in Revenue Requirement is the percentage that results from dividing the Estimated Revenue Requirement Impact by the previous row's Cumulative Revenue Requirement for Listed Projects. The amounts shown are for illustrative purposes only and assume all projects shown are completed and included in rates based on the revenue requirement shown in the order shown.

<sup>3</sup> The Hells Canyon Relicensing rate increase amount is net of the \$8.8 million currently being collected in rates in the Idaho service area. The IPUC allows Idaho Power to recover a portion of the allowance for funds used during construction (AFUDC) on construction work in progress related to the Hells Canyon Relicensing process, even though the relicensing process is not yet complete and the relicensing costs have not been moved to electric plant in service. The estimated capital cost is estimated through year-end 2023 and is presented net of the estimated balance of AFUDC collected (including interest). The Hells Canyon-related increase in the Company's Oregon service area, which does not have a similar mechanism, would be approximately 7 percent.

<sup>4</sup> Boardman to Hemingway amounts represent the Company's initial 21 percent ownership interest. The Bonneville Power Administration, a project partner, has announced its plan to sell its 24 percent interest to Idaho Power or another entity.

**DEFINITIONS: The following definitions are provided for terms used above to describe the calculation of the estimated rate impact of large capital projects.**

AFUDC (Allowance for Funds Used During Construction)	An amount recorded by the Company to represent the cost of funds used to finance construction work in progress.
IRP (Integrated Resource Plan)	A long-range planning document that forecasts customer needs for the next 20 years. The IRP is updated every two years.
Preferred Portfolio	The set of resources and associated action plan identified in the IRP for meeting future customer needs.
Rate Base	The net valuation of utility property serving utility customers upon which the Company is permitted to earn a specified rate of return.
Revenue Requirement	The total revenue required to pay all costs of providing service and allow a specified return on rate base.  Revenue Requirement = Expenses + Allowed Return on Rate Base.
State Jurisdictional Rates	Each jurisdiction (Idaho, Oregon) is allocated a portion of the total System Revenue Requirement. State Jurisdictional Rates are the rates approved in each jurisdiction to recover the jurisdictional allocation of the System Revenue Requirement.

**\*IMPORTANT NOTICES:** The information contained in this document reflects estimates of future circumstances that are subject to known and unknown risks, uncertainties, and other factors that may cause the estimates (including the projects Idaho Power will pursue to completion, in-service dates, cost estimates, revenue requirement, and revenue requirement impacts) to differ materially from those expressed or implied by the projections. Idaho Power Company and its affiliates assume no obligation to update any such projections to reflect new information, future events, actual results, or changes in the factors affecting such projections. Factors that could cause actual results or outcomes to differ materially from those contained in projections include those set forth in Idaho Power's most recent Annual Report on Form 10-K and other reports filed by Idaho Power with the U.S. Securities and Exchange Commission (the "SEC Reports"), which are available on Idaho Power's website and are on file with the U.S. Securities and Exchange Commission. Without limiting the foregoing, in regards to capital investments examples of factors that could cause actual results or outcomes to differ from those set forth above include the impacts of federal, state, and local regulatory decisions, changes in Idaho Power's cost recovery mechanisms, the impacts of the recent COVID-19 coronavirus outbreak, the risks associated with capital expenditures for utility infrastructure and recovery of costs through rates, changes in population rates in Idaho Power's service area, economic conditions, the energy loads of existing and new customers, energy efficiency activities, hydropower generation conditions, wholesale power prices, fuel costs and availability, construction costs, available transmission capacity, weather conditions and impact of climate change, wildfires, earthquakes and other natural phenomena and natural disasters, environmental matters, legislative power purchase mandates, changes in laws, reductions in credit ratings, the imposition of renewable energy requirements, and depreciation rates. Further, the amount and timing of any rate changes must be approved by the Idaho Public Utilities Commission and Public Utility Commission of Oregon. The timing of completion of any project, or the decision to pursue a project, is subject to change based on the foregoing and other known and unknown factors. Idaho Power also has a number of ongoing and planned capital projects not referred to in the table above; more information on certain, but not all, of those

expenditures can be found in Idaho Power's SEC Reports. These other capital projects, as well as power supply expenses, operating expenses, and other expenses may have a significant impact on rate changes and on rate base. As a result, readers are cautioned not to place undue reliance on the figures in the table above for any purpose.