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Annualized Year-End Dividend Per Share

Cover Photo: Shoshone Falls Hydroelectric Plant
We are proud to recognize another incredible year of sustainability accomplishments. A major key to the company’s success continues to be our ability and willingness to adapt in the face of an evolving industry and changing customer needs.

In 2018, we continued offering customers clean choices and advancing our path away from coal. We now have agreements to end our participation in two of three coal plants. Our energy mix in 2018 was dominated by our strong hydropower backbone — accounting for nearly 50% of our generation. We also reached key milestones throughout 2018 in advancing the Boardman to Hemingway Transmission Line, which will allow the company to cost-effectively deliver more clean energy.

The strides we made in 2018 laid the foundation for an exciting company goal announced in early 2019: providing 100% clean energy by 2045. We are clean today, and we will be cleaner tomorrow, all while keeping reliability high and prices affordable.

This goal, while new, does not set us on a different path: environmental stewardship has long been a company focus and integrated part of our sustainability efforts. A decade ago, we set an ambitious goal to reduce our carbon emissions. By 2018, our carbon emissions intensity was 46% less than it was in 2005.

We believe environmental stewardship aligns well with socially and financially responsible decisions, and that, balanced together, these tenets help our company thrive. This is reflected in our record earnings in 2018, along with record customer satisfaction, record reliability and record employee safety.

In the pages that follow, you will find details on the company’s recent efforts to strengthen our sustainable foundation. Key among our efforts was advancing our plan to adapt to a changing climate — our featured article for this year’s report. To learn about our progress on focus areas, visit our website at idahopower.com/sustainability. You can also go to cleantoday.com to learn about our clean-energy goal.

We welcome you to review our accomplishments in 2018 and to take the journey with us down an exciting path toward the future.
About Us

IDACORP, Inc. is a holding company incorporated in 1998. Its principal operating subsidiary is Idaho Power Company, referred to in this report as Idaho Power.

Idaho Power is engaged in the generation, transmission, distribution, sale and purchase of electric energy and energy services. With 17 low-cost hydroelectric projects at the core of its generation portfolio, Idaho Power is one of the few investor-owned utilities with a significant hydroelectric generating base.

IDACORP’s other subsidiaries include IDACORP Financial Services, Inc. (IFS), an investor in affordable housing, historic buildings and other real estate investments, and Ida-West Energy Company (Ida-West), an operator of small hydroelectric generation projects that satisfy the requirements of the Public Utility Regulatory Policies Act of 1978 (PURPA).

Given that Idaho Power contributes the majority of IDACORP’s net income, this report will focus on the energy company’s activity, performance and results. However, the philosophical approach to business, corporate responsibility and stewardship is consistent across all IDACORP subsidiaries.

Customer Profile

Idaho Power, headquartered in Boise, Idaho, and locally operated since 1916, provides reliable, affordable energy services to more than 560,000 residential, irrigation, commercial and industrial customers across 24,000 square miles in southern Idaho and eastern Oregon.
Did you know nearly 50% of Idaho Power’s energy comes from clean hydroelectricity? The national average is just 7%, making it easy to see why Idaho Power is proud of its portfolio — and its affordable prices.

**About Our Long-Term Purchases**

Idaho Power is committed to supporting renewable energy sources, such as wind and solar, and we buy them as part of our energy mix. In turn, we sell the Renewable Energy Credits (REC) we get from those purchases to offset power supply costs and keep customer prices as affordable as possible.

The buyer of the REC gets to claim that power as part of its energy. Therefore, we do not represent that electricity produced by this resource mix is being delivered to our retail customers. We do support these alternate energy sources, and we pass along that credit to the organizations that buy the RECs from us.

**Energy Mix**

- **2018 Idaho Power Energy Mix**
  - Hydroelectric: 46.4%
  - Coal: 17.5%
  - Other Purchases: 9.3%
  - Long-Term Purchases: 19.3%
  - Natural Gas: 7.5%

**2018 National Average**

- Coal: 27.4%
- Non-Hydro Renewables: 10.1%
- Fuel Oil: 0.6%
- Other: 0.6%
- Nuclear: 19.3%
- Natural Gas: 35.1%
- Hydroelectric: 7.0%

Data Source: U.S. Energy Information Administration
Adapting to a Changing Climate

Idaho Power is no stranger to change. For more than 100 years, Idaho Power has adapted to changes in temperatures, water conditions and other climate impacts. Throughout that time, the company has turned external challenges into opportunities. Our broad employee skillset has enabled us to deal with droughts, floods, wildfires, variable snowpack, extreme heat and more. Today, the company is well positioned to address future impacts changing weather patterns could have on operations.

As part of our preparation efforts, in 2017 the company proposed a sustainability goal to develop a Climate Change Adaptation Plan. The developing plan is intended to identify risks and help ensure we are ready for a changing climate’s impacts to our operations.

In 2018, Idaho Power continued to develop its Climate Change Adaption Plan, which so far encompasses hydroelectric project operations, energy demand, fish habitat restoration and vegetation management.

Fish Habitat Restoration

The company is actively working to address water-quality and temperature concerns that could impact fish habitat through the Snake River Stewardship Program, a basin-wide plan. The company also helped the states of Idaho and Oregon reach an agreement on fish management in Hells Canyon. Idaho Power will fund additional hatchery-raised salmon, research, stream improvements and more water quality projects. The agreement was signed by both states in April 2019 as part of the company’s broader commitment to water quality improvement throughout the Snake River Basin.

To help monitor fish populations in 2018, Idaho Power biologists visited remote streams and used cutting-edge science to identify where native trout have been.

Our sustainability efforts and work to adapt to climate change spurred the creation of numerous videos highlighting these efforts. To view them, visit Idaho Power’s YouTube channel and search for “Sustainability” or the individual video titles listed throughout this article.
Hydroelectric Project Operations

Idaho Power recognizes a changing climate can lead to complications, such as changes in precipitation patterns and rising water temperatures, which can reduce snowpack and increase surface-water evaporation.

While clean hydroelectricity provides the backbone of our generation system (nearly 50% in 2018), our interest in other clean energy sources, such as wind, solar and geothermal, has increased over the years. As shown from our energy mix, we have a diverse set of resources that enable the company to reliably meet energy needs despite variable weather conditions.

Part of how the company meets these needs is by continually improving internal weather forecasts and installing additional monitoring equipment.

Idaho Power also actively works to fill rivers and streams in the spring and summer by partnering with state agencies and irrigators to help winter storms produce more snow via cloud seeding. In 2018, a cloud seeding generator was installed near Bogus Basin ski resort, just north of Boise.
Electricity Demand

Changing weather, customer generation and use patterns could force the company to generate or purchase more energy during periods of peak demand. As part of our 2019 Integrated Resource Plan (to be filed in June 2019), a process was initiated in the summer of 2018 that has brought the public and stakeholders together in a joint effort to create a long-term plan for the company’s operations. This plan projects future energy demands and maps out ways to meet them reliably, including analyzing how our diverse energy mix can be used to integrate variable generation resources, such as wind and solar.

Also in 2018, Idaho Power joined the Western Energy Imbalance Market (EIM), which has improved our ability to integrate renewables from neighboring areas on the grid and more efficiently and cost-effectively dispatch our diverse energy mix to power markets throughout the western United States.

Through our energy efficiency programs and focus on the customer experience, the company encourages its customers to use energy wisely. David Duro, President and Chief Executive Officer of the Treasure Valley YMCA, highlighted the company’s efforts after using Idaho Power’s energy efficiency incentives on the valley’s newest YMCA facility: “The folks from Idaho Power were invested in this project and helping us realize savings. I think Idaho Power is doing that for the right reasons too — to be good with our natural resources.”

In 2018, Idaho Power’s energy efficiency programs resulted in significant savings of 183,378 megawatt hours (MWh) (compared to 192,260 MWh in 2017), including estimated savings from the Northwest Energy Efficiency Alliance. This marks the third straight year annual savings exceeded 170,000 MWh. In recognition of the company’s commitment to energy efficiency, Idaho Power received the Governor’s Award for Excellence in Energy Efficiency in October 2018.
The Path Ahead

Not only is the company prepared for impacts to our operations, we’re in a position to help other energy companies facing similar challenges. Idaho Power’s geographic location (serving as a summer-peak utility) and diverse energy mix enable the company to sell surplus clean power to others. In addition, we’ve recently made key advancements toward building the Boardman to Hemingway Transmission Line that, when built, should allow us to move clean resources between our service area and the Pacific Northwest.

We will continue to develop our Climate Change Adaptation Plan as needed. Armed with this plan, talented employees and the company’s strategic readiness for change, the company is well-positioned to take on the challenges of today and tomorrow.

Vegetation Management

For decades, Idaho Power has maintained equipment by striving to keep trees and other plants away from our transmission and distribution systems. Our efforts include the following:

- Inspecting power lines for potential interference from vegetation
- Routinely trimming and pruning trees away from transmission and distribution lines
- Clearing vegetation from around wooden poles in some areas
- Educating customers about our tree-trimming efforts and ways to stay safe around power lines

These mitigation efforts, as well as our ongoing effort to continuously improve the integrity of our system, help contribute to a more secure, reliable system for our customers.
CO₂ EMISSIONS INTENSITY
Our carbon emissions intensity has decreased by 46% compared to 2005.

REVIEW

2018

RELIABILITY

SAIFI
Average frequency of outages was 43% LOWER than 2005.

SAIDI
Average duration of outages was 50% LOWER than 2005.

CUSTOMER RELATIONSHIP INDEX
Our CRI, based on Burke customer survey results, exceeded our 2018 goal, strengthening our relationship with customers and indicating our success in meeting their needs.

46% REDUCTION FROM 2005 LEVEL
Our carbon emissions intensity has decreased by 46% compared to 2005.

WE ARE PASSIONATE ABOUT POWERING LIVES WITH CLEAN, RELIABLE, AFFORDABLE ENERGY, WHILE DEVELOPING INNOVATIVE SOLUTIONS EVERY DAY.
With the start of the fall Chinook salmon stable spawning flow program in 1990, along with increased hatchery production and other regional recovery measures, redd (a nest of eggs) numbers in the Snake River have increased substantially. Recent declines in redds to levels observed in 2005 are consistent with an overall recent decline in adult returns. This is similar to what has been observed in other salmon and steelhead populations throughout the Northwest. While managing our hydropower operations to minimize impacts to spawning salmon is a step we take, it is only one of many factors affecting returning salmon, including reduced ocean productivity, increased predation and elevated water temperatures.

Customers show growing interest in using MY ACCOUNT to pay their monthly bill and monitor their energy usage, providing a path forward for more customer empowerment and reducing paper bills.

EMPLOYEE ENGAGEMENT

In 2018, Idaho Power conducted its recurring employee engagement survey along with an initiative to gain deeper insight into what employees value in their work environment and company culture. The survey resulted in a renewed focus on making Idaho Power the kind of workplace that attracts and retains the highest quality employees to support continued company success. Overall results from the 2018 employee engagement survey were positive, with 94% of employees indicating they felt their work contributes to the success of Idaho Power.
Clean Today. Cleaner Tomorrow.™

Shoshone Falls Hydroelectric Project

cleantoday.com
At Idaho Power, our commitment to serving customers and communities with reliable, affordable energy has been the hallmark of our more than 100-year history. As we continue the next century of service, we look to build on that foundation with a new and exciting mission:

**100% clean energy by 2045**

Not only is this goal meaningful to us, it’s important to many of our customers, the communities we serve and the places we call home. We’re investing our time and our money today to ensure a realistic path forward for tomorrow. While natural gas may be required for the near future, we’ll be looking for ways to reduce or offset this need. Keeping our system reliable and affordable will always remain top of mind. We’re clean today, and we’re well on our way to being cleaner tomorrow.

Nearly 50% of Idaho Power’s energy comes from clean hydroelectricity. The national average is just 7%. Our energy mix also includes wind, solar and geothermal sources.

A decade ago, we set an ambitious goal to reduce our carbon emissions. We beat that goal: Our carbon emissions intensity is 46% less than it was in 2005.

We recently reached a deal to buy the output from a 120-megawatt solar facility. As of May 2019, this agreement was pending approval from the Idaho Public Utilities Commission.

We now have agreements to end our participation in two of three coal plants.

The proposed Boardman to Hemingway Transmission Line should make it possible to import more clean energy from the Pacific Northwest.

We carefully plan for the future and keep an eye on technology. With help from the public, we update our 20-year Integrated Resource Plan every two years.
Environmental, Social and Governance Initiatives

Recently, the company elevated its reporting on environmental, social and governance (ESG) initiatives. These initiatives help ensure the success of the company’s sustainability efforts. Idaho Power’s ESG initiatives include the following:

- Establishing responsible management goals to balance shareholder return while promoting affordable prices for customers
- Developing the Boardman to Hemingway Transmission Line Project, which includes integrating renewable energy generation and deferring the need to develop additional fossil-fueled resources
- Pursuing operational excellence by providing reliable, affordable, clean energy
- Continuing the Snake River Stewardship Project
- Engaging and empowering Idaho Power’s workforce (including succession planning at all levels, retirement planning education and providing competitive benefits)
- Promoting a culture of safety and inclusiveness for all employees
- Building strong community partnerships for healthy economic development in our service area

NYSE

In February 2019, IDACORP celebrated 75 years of being listed on the New York Stock Exchange (NYSE). Executives and board members rang the Closing Bell in celebration.
Dividend Payment Dates
IDACORP, Inc. common stock dividends are paid quarterly on or about the last business day of February, May, August and November.

Transfer Agent/Registrar
For IDACORP, Inc. Common Stock
EQ Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120
Phone: 1-800-565-7890

Common Stock Information
Ticker symbol: IDA
Listed: New York Stock Exchange,
11 Wall St., New York, NY 10005

Contacts
Broker/Analyst Contact: Justin S. Forsberg
Director of Investor Relations
Phone: 208-388-2728, Fax: 208-433-4782
Email: jforsberg@idacorpinc.com

Shareowner Contact: Colette Shepard
Phone: 1-800-635-5406, 208-388-2564
Fax: 208-388-6955
Email: cshepard@idacorpinc.com

Sustainability Contact
John Bernardo
Phone: 208-388-5543
Email: jbernardo@idahopower.com

Corporate Headquarters
Mailing Address:
P.O. Box 70, Boise, ID 83707-0070
Street Address:
1221 W. Idaho St., Boise, ID 83702
Phone: 208-388-2200

Websites
idacorpinc.com
idahopower.com
cleantoday.com
youtube.com/idahopower

SEC Form 10-K and Annual Report
The IDACORP and Idaho Power combined Annual Report on Form 10-K for 2018 has been filed with the Securities and Exchange Commission (SEC). The Annual Report on Form 10-K and the 2018 Annual Report to Shareholders are also available on our website at idacorpinc.com. These reports contain detailed descriptions of our business and financial performance.

Internal Data Assurance
IDACORP does not use a third party to provide assurance for this report. Instead, we rely on internal resources to ensure the report’s content and accuracy. Our review includes an analysis of specific statistics and metrics included in the 2018 Sustainability Report and, where applicable, the 2018 Annual Report on Form 10-K.

Note About Forward-looking Statements in This Report
This report contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are all statements other than statements of historical fact, including, without limitation, those that are identified by the use of the words “anticipates,” “expects,” “believes,” or similar expressions. Forward-looking statements should be read with the cautionary statements included in IDACORP’s Form 10-K for the year ended Dec. 31, 2018, including in Part 1, Item 1A – “Risk Factors” in that report, and in other reports filed by IDACORP and Idaho Power with the SEC.