UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2021
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices, zip code and telephone number	I.R.S. Employer Identification Number
1-14465	**IDACORP, Inc.**	82-0505802
1-3198	**Idaho Power Company**	82-0130980

1221 W. Idaho Street
Boise, Idaho 83702-5627
(208) 388-2200

State of Incorporation: Idaho

None
Former name, former address and former fiscal year, if changed since last report.

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	IDA	New York Stock Exchange

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.
IDACORP, Inc.: Yes X No __ Idaho Power Company: Yes X No __

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit such files).
IDACORP, Inc.: Yes X No __ Idaho Power Company: Yes X No __

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

IDACORP, Inc.:
Large accelerated filer X Accelerated filer __ Non-accelerated filer __
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. __

Idaho Power Company:
Large accelerated filer __ Accelerated filer __ Non-accelerated Filer X
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. __

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).
IDACORP, Inc.: Yes ☐ No X   Idaho Power Company: Yes ☐ No X

Number of shares of common stock outstanding as of July 23, 2021:
IDACORP, Inc.: 50,516,384
Idaho Power Company: 39,150,812, all held by IDACORP, Inc.

This combined Form 10-Q represents separate filings by IDACORP, Inc. and Idaho Power Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Idaho Power Company makes no representations as to the information relating to IDACORP, Inc.'s other operations.

Idaho Power Company meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this report on Form 10-Q with the reduced disclosure format.

TABLE OF CONTENTS

COMMONLY USED TERMS

The following select abbreviations, terms, or acronyms are commonly used or found in multiple locations in this report:

2020 Annual Report	-	IDACORP's and Idaho Power's Annual Report on Form 10-K for the year ended December 31, 2020
ADITC	-	Accumulated Deferred Investment Tax Credits
AFUDC	-	Allowance for Funds Used During Construction
AOCI	-	Accumulated Other Comprehensive Income
BCC	-	Bridger Coal Company, a joint venture of IERCo
BLM	-	U.S. Bureau of Land Management
CWA	-	Clean Water Act
FCA	-	Fixed Cost Adjustment
FERC	-	Federal Energy Regulatory Commission
HCC	-	Hells Canyon Complex
IDACORP	-	IDACORP, Inc., an Idaho corporation
Idaho Power	-	Idaho Power Company, an Idaho corporation
Idaho ROE	-	Idaho-jurisdiction return on year-end equity
Ida-West	-	Ida-West Energy, a subsidiary of IDACORP, Inc.
IERCo	-	Idaho Energy Resources Co., a subsidiary of Idaho Power Company
IFS	-	IDACORP Financial Services, a subsidiary of IDACORP, Inc.
IPUC	-	Idaho Public Utilities Commission
IRP	-	Integrated Resource Plan
Jim Bridger plant	-	Jim Bridger generating plant
MD&A	-	Management’s Discussion and Analysis of Financial Condition and Results of Operations
MW	-	Megawatt
MWh	-	Megawatt-hour
O&M	-	Operations and Maintenance
OATT	-	Open Access Transmission Tariff
OPUC	-	Public Utility Commission of Oregon
PCA	-	Idaho-Jurisdiction Power Cost Adjustment
PURPA	-	Public Utility Regulatory Policies Act of 1978
SEC	-	U.S. Securities and Exchange Commission
SMSP	-	Security Plan for Senior Management Employees
Valmy	-	Idaho Power's jointly-owned coal-fired generating plant in Valmy, Nevada
Western EIM	-	Energy imbalance market implemented in the western United States
WMP	-	Wildfire Mitigation Plan
WPSC	-	Wyoming Public Service Commission

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to the historical information contained in this report, this report contains (and oral communications made by IDACORP, Inc. (IDACORP) and Idaho Power Company (Idaho Power) may contain) statements that relate to future events and expectations, such as statements regarding projected or future financial performance, cash flows, capital expenditures, dividends, capital structure or ratios, strategic goals, challenges, objectives, and plans for future operations. Such statements constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, or future events, or performance, often, but not always, through the use of words or phrases such as "anticipates," "believes," "continues," "could," "estimates," "expects," "guidance," "intends," "potential," "plans," "predicts," "projects," "may result," "may continue," or similar expressions, are not statements of historical facts and may be forward-looking. Forward-looking statements are not guarantees of future performance and involve estimates, assumptions, risks, and uncertainties. Actual results, performance, or outcomes may differ materially from the results discussed in the statements. In addition to any assumptions and other factors and matters referred to specifically in connection with such forward-looking statements, factors that could cause actual results or outcomes to differ materially from those contained in forward-looking statements include those factors set forth in this report, IDACORP's and Idaho Power's Annual Report on Form 10-K for the year ended December 31, 2020, particularly Part I, Item 1A - "Risk Factors" and Part II, Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" of that report, subsequent reports filed by IDACORP and Idaho Power with the U.S. Securities and Exchange Commission (SEC), and the following important factors:

- the effect of decisions by the Idaho and Oregon public utilities commissions and the Federal Energy Regulatory Commission that impact Idaho Power's ability to recover costs and earn a return on investment;
- changes to or the elimination of Idaho Power's regulatory cost recovery mechanisms;
- the impacts of the COVID-19 pandemic, including COVID-19 variants, on the global and regional economy and on Idaho Power's employees, customers, contractors, and suppliers, including on loads and revenues, uncollectible accounts, transmission revenues, and other aspects of the companies' business;
- changes in residential, commercial, and industrial growth and demographic patterns within Idaho Power's service area, and their associated impacts on loads and load growth, and the availability of regulatory mechanisms that allow for timely cost recovery through customer rates in the event of those changes;
- abnormal or severe weather conditions (including conditions and events associated with climate change), wildfires, droughts, earthquakes, and other natural phenomena and natural disasters, which affect customer sales, hydropower generation levels, repair costs, service interruptions, liability for damage caused by utility property, and the availability and cost of fuel for generation plants or purchased power to serve customers;
- advancement of self-generation, energy storage, energy efficiency, alternative energy sources, and other technologies that may reduce Idaho Power's sale or delivery of electric power or introduction of operational or cyber-security vulnerabilities to the power grid;
- acts or threats of terrorist incidents, acts of war, social unrest, cyber-attacks, the companies' failure to secure data or to comply with privacy laws or regulations, physical security breaches, or the disruption or damage to the companies' business, operations, or reputation resulting from such events;
- the expense and risks associated with capital expenditures for, and the permitting and construction of, utility infrastructure that Idaho Power may be unable to complete or may not be deemed prudent by regulators for cost recovery;
- variable hydrological conditions and over-appropriation of surface and groundwater in the Snake River Basin, which may impact the amount of power generated by Idaho Power's hydropower facilities;
- the ability of Idaho Power to acquire fuel, power, electrical equipment, and transmission capacity on reasonable terms, particularly in the event of unanticipated or abnormally high power demands, price volatility, lack of physical availability, transportation constraints, disruptions or delays in the supply chain, or a lack of credit;
- disruptions or outages of Idaho Power's generation or transmission systems or of any interconnected transmission systems, which can result in liability for Idaho Power, increase power costs, and reduce revenues;
- accidents, terrorist acts, fires (either affecting or caused by Idaho Power facilities or infrastructure), explosions, mechanical breakdowns, and other unplanned events that may occur while operating and maintaining assets, which can cause unplanned outages; reduce generating output; damage company assets, operations, or reputation; subject Idaho Power to third-party claims for property damage, personal injury, or loss of life; or result in the imposition of civil, criminal, and regulatory fines and penalties for which Idaho Power may have inadequate insurance coverage;

- the increased purchased power costs and operational challenges associated with purchasing and integrating intermittent renewable energy sources into Idaho Power's resource portfolio;
- failure to comply with state and federal laws, regulations, and orders, including new interpretations and enforcement initiatives by regulatory and oversight bodies, which may result in penalties and fines and increase the cost of compliance, and the cost of remediation;
- changes in tax laws or related regulations or new interpretations of applicable laws by federal, state, or local taxing jurisdictions, and the availability of tax credits, and the tax rates payable by IDACORP shareholders on common stock dividends;
- adoption of, changes in, and costs of compliance with laws, regulations, and policies relating to the environment, natural resources, and threatened and endangered species, and the ability to recover associated increased costs through rates;
- the inability to obtain or cost of obtaining and complying with required governmental permits and approvals, licenses, rights-of-way, and siting for transmission and generation projects and hydropower facilities;
- failure to comply with mandatory reliability and security requirements, which may result in penalties, reputational harm, and operational changes;
- the impacts of economic conditions, including inflation, interest rates, supply costs, population growth or decline in Idaho Power's service area, changes in customer demand for electricity, revenue from sales of excess power, credit quality of counterparties and suppliers, and the collection of receivables;
- the ability to obtain debt and equity financing or refinance existing debt when necessary and on favorable terms, which can be affected by factors such as credit ratings, volatility or disruptions in the financial markets, interest rate fluctuations, decisions by the Idaho or Oregon public utility commissions, and the companies' past or projected financial performance;
- changes in the method for determining the London Interbank Offered Rate (LIBOR) and the replacement of LIBOR and the impact on interest rates for IDACORP's and Idaho Power's credit facilities;
- the ability to enter into financial and physical commodity hedges with creditworthy counterparties to manage price and commodity risk for fuel, power, and transmission, and the failure of any such risk management and hedging strategies to work as intended;
- changes in actuarial assumptions, changes in interest rates, increasing health care costs, and the actual and projected return on plan assets for pension and other post-retirement plans, which can affect future pension and other postretirement plan funding obligations, costs, and liabilities and the companies' cash flows;
- the assumptions underlying the coal mine reclamation obligations at Bridger Coal Company and related funding and bonding requirements, and the remediation costs associated with planned exits from participation in Idaho Power's co-owned coal plants;
- the ability to continue to pay dividends and achieve target-payout ratios based on financial performance, and in light of credit rating considerations, contractual covenants and restrictions, and regulatory limitations;
- Idaho Power's concentration in one industry and one region and the resulting lack of diversification, and the resulting exposure to regional economic conditions and regional legislation and regulation;
- employee workforce factors, including the operational and financial costs of unionization or the attempt to unionize all or part of the companies' workforce, the impact of an aging workforce and retirements, the cost and ability to attract and retain skilled workers and third-party vendors, and the ability to adjust the labor cost structure when necessary; and
- adoption of or changes in accounting policies and principles, changes in accounting estimates, and new SEC or New York Stock Exchange requirements, or new interpretations of existing requirements.

Any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. IDACORP and Idaho Power disclaim any obligation to update publicly any forward-looking information, whether in response to new information, future events, or otherwise, except as required by applicable law.

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

IDACORP, Inc.
Condensed Consolidated Statements of Income
(unaudited)

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
	(in thousands, except per share amounts)		(in thousands, except per share amounts)	
Operating Revenues:				
Electric utility revenues	$ 359,058	$ 317,666	$ 674,625	$ 608,154
Other	1,016	1,100	1,502	1,620
Total operating revenues	360,074	318,766	676,127	609,774
Operating Expenses:				
Electric utility:				
Purchased power	96,116	61,774	164,104	122,975
Fuel expense	31,191	31,414	64,496	61,430
Power cost adjustment	(7,934)	(1,536)	(2,263)	(4,927)
Other operations and maintenance	88,490	83,144	174,148	172,951
Energy efficiency programs	6,658	11,953	15,685	21,428
Depreciation	43,627	42,914	86,942	85,440
Other electric utility operating expenses	9,007	9,151	18,333	18,292
Total electric utility operating expenses	267,155	238,814	521,445	477,589
Other	515	512	1,170	1,176
Total operating expenses	267,670	239,326	522,615	478,765
Operating Income	92,404	79,440	153,512	131,009
Nonoperating (Income) Expense:				
Allowance for equity funds used during construction	(7,795)	(7,149)	(15,564)	(14,421)
Earnings of unconsolidated equity-method investments	(2,313)	(2,687)	(4,630)	(5,003)
Interest on long-term debt	21,036	22,056	42,073	41,718
Other interest	3,611	3,557	7,130	7,369
Allowance for borrowed funds used during construction	(3,019)	(2,886)	(6,025)	(5,616)
Other income, net	(460)	(1,043)	(702)	(1,976)
Total nonoperating expense, net	11,060	11,848	22,282	22,071
Income Before Income Taxes	81,344	67,592	131,230	108,938
Income Tax Expense	11,070	6,933	16,156	10,821
Net Income	70,274	60,659	115,074	98,117
Income attributable to noncontrolling interests	(251)	(270)	(220)	(238)
Net Income Attributable to IDACORP, Inc.	$ 70,023	$ 60,389	$ 114,854	$ 97,879
Weighted Average Common Shares Outstanding - Basic	50,609	50,551	50,588	50,534
Weighted Average Common Shares Outstanding - Diluted	50,622	50,567	50,601	50,547
Earnings Per Share of Common Stock:				
Earnings Attributable to IDACORP, Inc. - Basic	$ 1.38	$ 1.19	$ 2.27	$ 1.94
Earnings Attributable to IDACORP, Inc. - Diluted	$ 1.38	$ 1.19	$ 2.27	$ 1.94

The accompanying notes are an integral part of these statements.

IDACORP, Inc.
Condensed Consolidated Statements of Comprehensive Income
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
	(in thousands)		(in thousands)	
Net Income	$ 70,274	$ 60,659	$ 115,074	$ 98,117
Other Comprehensive Income:				
Unfunded pension liability adjustment, net of tax of $290, $259, $579, and $518, respectively	836	747	1,672	1,494
Total Comprehensive Income	71,110	61,406	116,746	99,611
Income attributable to noncontrolling interests	(251)	(270)	(220)	(238)
Comprehensive Income Attributable to IDACORP, Inc.	$ 70,859	$ 61,136	$ 116,526	$ 99,373

The accompanying notes are an integral part of these statements.

IDACORP, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2021	December 31, 2020
	(in thousands)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 259,965	$ 275,116
Short-term investments	—	25,000
Receivables:		
Customer (net of allowance of $4,252 and $4,766, respectively)	84,542	72,826
Other (net of allowance of $581 and $497, respectively)	16,659	12,661
Income taxes receivable	—	2,164
Accrued unbilled revenues	108,913	72,461
Materials and supplies (at average cost)	70,248	64,941
Fuel stock (at average cost)	37,600	31,646
Prepayments	20,451	20,184
Current regulatory assets	61,896	63,407
Other	12,705	1,995
Total current assets	672,979	642,401
Investments	129,000	126,948
Property, Plant and Equipment:		
Utility plant in service	6,392,964	6,283,790
Accumulated provision for depreciation	(2,236,478)	(2,193,831)
Utility plant in service - net	4,156,486	4,089,959
Construction work in progress	600,800	597,152
Utility plant held for future use	4,035	4,109
Other property, net of accumulated depreciation	16,576	18,290
Property, plant and equipment - net	4,777,897	4,709,510
Other Assets:		
Company-owned life insurance	64,533	62,382
Regulatory assets	1,495,961	1,495,488
Other	61,088	58,515
Total other assets	1,621,582	1,616,385
Total	$ 7,201,458	$ 7,095,244

The accompanying notes are an integral part of these statements.

IDACORP, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2021	December 31, 2020
	(in thousands)	
Liabilities and Equity		
Current Liabilities:		
Accounts payable	$ 122,834	$ 120,576
Taxes accrued	43,073	19,508
Interest accrued	23,944	24,030
Accrued compensation	43,302	52,245
Current regulatory liabilities	26,899	11,104
Advances from customers	41,544	29,341
Other	29,545	30,767
Total current liabilities	331,141	287,571
Other Liabilities:		
Deferred income taxes	789,215	800,251
Regulatory liabilities	768,416	757,730
Pension and other postretirement benefits	638,455	634,070
Other	60,597	48,752
Total other liabilities	2,256,683	2,240,803
Long-Term Debt	2,000,527	2,000,414
Commitments and Contingencies		
Equity:		
IDACORP, Inc. shareholders' equity:		
Common stock, no par value (120,000 shares authorized; 50,516 and 50,462 shares issued, respectively)	871,111	869,235
Retained earnings	1,776,986	1,734,103
Accumulated other comprehensive loss	(41,686)	(43,358)
Total IDACORP, Inc. shareholders' equity	2,606,411	2,559,980
Noncontrolling interests	6,696	6,476
Total equity	2,613,107	2,566,456
Total	$ 7,201,458	$ 7,095,244

The accompanying notes are an integral part of these statements.

IDACORP, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six months ended June 30,	
	2021	**2020**
	(in thousands)	
Operating Activities:		
Net income	$ 115,074	$ 98,117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	88,889	87,764
Deferred income taxes and investment tax credits	(6,169)	(2,121)
Changes in regulatory assets and liabilities	9,311	(11,831)
Pension and postretirement benefit plan expense	14,534	14,478
Contributions to pension and postretirement benefit plans	(11,957)	(13,219)
Earnings of equity-method investments	(4,630)	(5,003)
Distributions from equity-method investments	4,100	—
Allowance for equity funds used during construction	(15,564)	(14,421)
Other non-cash adjustments to net income, net	4,428	5,989
Change in:		
Receivables	(15,241)	(8,943)
Accounts payable and other accrued liabilities	2,620	(30,008)
Taxes accrued/receivable	25,728	20,179
Other current assets	(48,206)	(23,889)
Other current liabilities	5,658	13,076
Other assets	(3,285)	(1,420)
Other liabilities	1,905	(135)
Net cash provided by operating activities	167,195	128,613
Investing Activities:		
Additions to property, plant and equipment	(128,265)	(145,116)
Payments received from transmission project joint funding partners	2,253	1,728
Investments in affordable housing and other tax credits	(10,164)	(9,394)
Investments in unconsolidated affiliates	—	(2,300)
Purchases of equity securities	(392)	(3,326)
Purchases of short-term investments	(25,000)	—
Maturities of short-term investments	50,000	—
Proceeds from the sale of equity securities	3,197	2,630
Other	1,347	4,941
Net cash used in investing activities	(107,024)	(150,837)
Financing Activities:		
Issuance of long-term debt	—	310,000
Premium on issuance of long-term debt	—	31,384
Dividends on common stock	(72,285)	(68,160)
Tax withholdings on net settlements of share-based awards	(3,026)	(4,630)
Debt issuance costs and other	(11)	(3,259)
Net cash (used in) provided by financing activities	(75,322)	265,335
Net (decrease) increase in cash and cash equivalents	(15,151)	243,111
Cash and cash equivalents at beginning of the period	275,116	217,254
Cash and cash equivalents at end of the period	$ 259,965	$ 460,365
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Income taxes	$ 2,880	$ 325
Interest (net of amount capitalized)	$ 41,626	$ 38,303
Non-cash investing activities:		
Additions to property, plant and equipment in accounts payable	$ 30,984	$ 22,072

The accompanying notes are an integral part of these statements.

IDACORP, Inc.
Condensed Consolidated Statements of Equity
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	(in thousands)		(in thousands)	
Common Stock				
Balance at beginning of period	$ 868,944	$ 864,850	$ 869,235	$ 868,307
Share-based compensation expense	2,140	1,701	4,850	4,325
Tax withholdings on net settlements of share-based awards	—	(447)	(3,026)	(4,630)
Treasury shares issued	—	—	—	(1,920)
Other	27	23	52	45
Balance at end of period	871,111	866,127	871,111	866,127
Retained Earnings				
Balance at beginning of period	1,742,994	1,638,065	1,734,103	1,634,525
Net income attributable to IDACORP, Inc.	70,023	60,389	114,854	97,879
Common stock dividends ($0.71, $0.67, $1.42, and $1.34 per share, respectively)	(36,031)	(33,986)	(71,971)	(67,936)
Balance at end of period	1,776,986	1,664,468	1,776,986	1,664,468
Accumulated Other Comprehensive (Loss) Income				
Balance at beginning of period	(42,522)	(35,537)	(43,358)	(36,284)
Unfunded pension liability adjustment (net of tax)	836	747	1,672	1,494
Balance at end of period	(41,686)	(34,790)	(41,686)	(34,790)
Treasury Stock				
Balance at beginning of period	—	—	—	(1,920)
Issued	—	—	—	1,920
Balance at end of period	—	—	—	—
Total IDACORP, Inc. shareholders' equity at end of period	2,606,411	2,495,805	2,606,411	2,495,805
Noncontrolling Interests				
Balance at beginning of period	6,445	5,893	6,476	5,925
Net income attributable to noncontrolling interests	251	270	220	238
Balance at end of period	6,696	6,163	6,696	6,163
Total equity at end of period	$ 2,613,107	$ 2,501,968	$ 2,613,107	$ 2,501,968

The accompanying notes are an integral part of these statements.

Idaho Power Company
Condensed Consolidated Statements of Income
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
	(in thousands)		(in thousands)	
Operating Revenues	$ 359,058	$ 317,666	$ 674,625	$ 608,154
Operating Expenses:				
Operation:				
Purchased power	96,116	61,774	164,104	122,975
Fuel expense	31,191	31,414	64,496	61,430
Power cost adjustment	(7,934)	(1,536)	(2,263)	(4,927)
Other operations and maintenance	88,490	83,144	174,148	172,951
Energy efficiency programs	6,658	11,953	15,685	21,428
Depreciation	43,627	42,914	86,942	85,440
Other operating expenses	9,007	9,151	18,333	18,292
Total operating expenses	267,155	238,814	521,445	477,589
Operating Income	91,903	78,852	153,180	130,565
Nonoperating (Income) Expense:				
Allowance for equity funds used during construction	(7,795)	(7,149)	(15,564)	(14,421)
Earnings of unconsolidated equity-method investments	(1,743)	(1,987)	(4,293)	(4,440)
Interest on long-term debt	21,036	22,056	42,073	41,718
Other interest	3,606	3,544	7,120	7,357
Allowance for borrowed funds used during construction	(3,019)	(2,886)	(6,025)	(5,616)
Other income, net	(423)	(841)	(613)	(1,311)
Total nonoperating expense, net	11,662	12,737	22,698	23,287
Income Before Income Taxes	80,241	66,115	130,482	107,278
Income Tax Expense	11,419	7,192	17,291	11,578
Net Income	$ 68,822	$ 58,923	$ 113,191	$ 95,700

The accompanying notes are an integral part of these statements.

Idaho Power Company
Condensed Consolidated Statements of Comprehensive Income
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
	(in thousands)		(in thousands)	
Net Income	$ 68,822	$ 58,923	$ 113,191	$ 95,700
Other Comprehensive Income:				
Unfunded pension liability adjustment, net of tax of $290, $259, $579, and $518, respectively	836	747	1,672	1,494
Total Comprehensive Income	$ 69,658	$ 59,670	$ 114,863	$ 97,194

The accompanying notes are an integral part of these statements.

Idaho Power Company
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2021	December 31, 2020
	(in thousands)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 127,070	$ 165,604
Receivables:		
Customer (net of allowance of $4,252 and $4,766, respectively)	84,542	72,826
Other (net of allowance of $581 and $497, respectively)	16,534	12,457
Income taxes receivable	—	4,667
Accrued unbilled revenues	108,913	72,461
Materials and supplies (at average cost)	70,248	64,941
Fuel stock (at average cost)	37,600	31,646
Prepayments	20,321	20,057
Current regulatory assets	61,896	63,407
Other	12,705	1,995
Total current assets	539,829	510,061
Investments	85,060	87,848
Property, Plant and Equipment:		
Plant in service	6,392,964	6,283,790
Accumulated provision for depreciation	(2,236,478)	(2,193,831)
Plant in service - net	4,156,486	4,089,959
Construction work in progress	600,800	597,152
Plant held for future use	4,035	4,109
Other property	3,647	5,123
Property, plant and equipment, net	4,764,968	4,696,343
Other Assets:		
Company-owned life insurance	64,533	62,382
Regulatory assets	1,495,961	1,495,488
Other	56,640	53,988
Total other assets	1,617,134	1,611,858
Total	$ 7,006,991	$ 6,906,110

The accompanying notes are an integral part of these statements.

Idaho Power Company
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2021	December 31, 2020
	(in thousands)	
Liabilities and Equity		
Current Liabilities:		
Accounts payable	$ 122,731	$ 120,476
Accounts payable to affiliates	2,507	1,720
Taxes accrued	33,796	19,554
Interest accrued	23,944	24,030
Accrued compensation	43,165	52,036
Current regulatory liabilities	26,899	11,104
Advances from customers	41,544	29,341
Other	17,446	16,717
Total current liabilities	312,032	274,978
Other Liabilities:		
Deferred income taxes	821,232	829,146
Regulatory liabilities	768,416	757,730
Pension and other postretirement benefits	638,455	634,070
Other	59,604	45,937
Total other liabilities	2,287,707	2,266,883
Long-Term Debt	2,000,527	2,000,414
Commitments and Contingencies		
Equity:		
Common stock, $2.50 par value (50,000 shares authorized; 39,151 shares outstanding)	97,877	97,877
Premium on capital stock	712,257	712,258
Capital stock expense	(2,097)	(2,097)
Retained earnings	1,640,374	1,599,155
Accumulated other comprehensive loss	(41,686)	(43,358)
Total equity	2,406,725	2,363,835
Total	$ 7,006,991	$ 6,906,110

The accompanying notes are an integral part of these statements.

Idaho Power Company
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six months ended June 30,	
	2021	2020
	(in thousands)	
Operating Activities:		
Net income	$ 113,191	$ 95,700
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	88,593	87,454
Deferred income taxes and investment tax credits	(5,393)	(1,734)
Changes in regulatory assets and liabilities	9,311	(11,831)
Pension and postretirement benefit plan expense	14,534	14,478
Contributions to pension and postretirement benefit plans	(11,957)	(13,219)
Earnings of equity-method investments	(4,293)	(4,440)
Distributions from equity-method investments	4,100	—
Allowance for equity funds used during construction	(15,564)	(14,421)
Other non-cash adjustments to net income, net	(422)	1,664
Change in:		
Receivables	(14,535)	(10,759)
Accounts payable	2,616	(22,065)
Taxes accrued/receivable	18,908	22,181
Other current assets	(48,203)	(23,877)
Other current liabilities	5,728	13,159
Other assets	(3,307)	(1,442)
Other liabilities	1,999	(42)
Net cash provided by operating activities	155,306	130,806
Investing Activities:		
Additions to utility plant	(128,264)	(144,865)
Payments received from transmission project joint funding partners	2,253	1,728
Investments in unconsolidated affiliates	—	(2,300)
Purchases of equity securities	(392)	(3,326)
Proceeds from the sale of equity securities	3,197	2,630
Other	1,347	4,911
Net cash used in investing activities	(121,859)	(141,222)
Financing Activities:		
Issuance of long-term debt	—	310,000
Premium on issuance of long-term debt	—	31,384
Dividends on common stock	(71,972)	(67,939)
Other	(9)	(3,232)
Net cash (used in) provided by financing activities	(71,981)	270,213
Net (decrease) increase in cash and cash equivalents	(38,534)	259,797
Cash and cash equivalents at beginning of the period	165,604	98,950
Cash and cash equivalents at end of the period	$ 127,070	$ 358,747
Supplemental Disclosure of Cash Flow Information:		
Cash paid to (received from) IDACORP related to income taxes	$ 10,046	$ (9,189)
Cash paid for interest (net of amount capitalized)	41,616	38,291
Non-cash investing activities:		
Additions to property, plant and equipment in accounts payable	$ 30,984	$ 22,072

The accompanying notes are an integral part of these statements.

IDACORP, INC. AND IDAHO POWER COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Quarterly Report on Form 10-Q is a combined report of IDACORP, Inc. (IDACORP) and Idaho Power Company (Idaho Power). Therefore, these Notes to Condensed Consolidated Financial Statements apply to both IDACORP and Idaho Power. However, Idaho Power makes no representation as to the information relating to IDACORP's other operations.

Nature of Business

IDACORP is a holding company formed in 1998 whose principal operating subsidiary is Idaho Power. Idaho Power is an electric utility engaged in the generation, transmission, distribution, sale, and purchase of electric energy and capacity with a service area covering approximately 24,000 square miles in southern Idaho and eastern Oregon. Idaho Power is regulated primarily by the state utility regulatory commissions of Idaho and Oregon and the Federal Energy Regulatory Commission (FERC). Idaho Power is the parent of Idaho Energy Resources Co. (IERCo), a joint venturer in Bridger Coal Company (BCC), which mines and supplies coal to the Jim Bridger generating plant (Jim Bridger plant) owned in part by Idaho Power.

IDACORP's significant other wholly-owned subsidiaries include IDACORP Financial Services, Inc. (IFS), an investor in affordable housing and other real estate tax credit investments, and Ida-West Energy Company (Ida-West), an operator of small hydropower generation projects that satisfy the requirements of the Public Utility Regulatory Policies Act of 1978 (PURPA).

Regulation of Utility Operations

As a regulated utility, many of Idaho Power's fundamental business decisions are subject to the approval of governmental agencies, including the prices that Idaho Power is authorized to charge for its electric service. These approvals are a critical factor in determining IDACORP's and Idaho Power's results of operations and financial condition.

IDACORP's and Idaho Power's financial statements reflect the effects of the different ratemaking principles followed by the jurisdictions regulating Idaho Power. The application of accounting principles related to regulated operations sometimes results in Idaho Power recording expenses and revenues in a different period than when an unregulated enterprise would record such expenses and revenues. In these instances, the amounts are deferred or accrued as regulatory assets or regulatory liabilities on the balance sheet. Regulatory assets represent incurred costs that have been deferred because it is probable they will be recovered from customers through future rates. Regulatory liabilities represent obligations to make refunds to customers for previous collections, or represent amounts collected in advance of incurring an expense. The effects of applying these regulatory accounting principles to Idaho Power's operations are discussed in more detail in Note 3 - "Regulatory Matters."

Financial Statements

In the opinion of management of IDACORP and Idaho Power, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly each company's consolidated financial position as of June 30, 2021, consolidated results of operations for the three and six months ended June 30, 2021 and 2020, and consolidated cash flows for the six months ended June 30, 2021 and 2020. These adjustments are of a normal and recurring nature. These financial statements do not contain the complete detail or note disclosures concerning accounting policies and other matters that would be included in full-year financial statements and should be read in conjunction with the audited consolidated financial statements included in IDACORP's and Idaho Power's Annual Report on Form 10-K for the year ended December 31, 2020 (2020 Annual Report). The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. A change in management's estimates or assumptions could have a material impact on IDACORP's or Idaho Power's respective financial condition and results of operations during the period in which such change occurred.

Management Estimates

Management makes estimates and assumptions when preparing financial statements in conformity with generally accepted accounting principles. These estimates and assumptions include those related to rate regulation, retirement benefits, contingencies, asset impairment, income taxes, unbilled revenues, and bad debt. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to, among other things, future economic factors that are difficult to predict and are beyond management's control. Accordingly, actual results could differ from those estimates.

Reclassifications

Idaho Power changed the presentation of its consolidated statements of income from a utility format to a traditional format. The changes revised the order of certain line items and did not result in any material changes in classification of amounts between line items.

In the condensed consolidated statements of income, certain amounts in prior periods' consolidated statements of income have been reclassified to conform with current period presentation. On IDACORP's and Idaho Power's condensed consolidated statements of income for the three months ended June 30, 2020, $0.4 million that had previously been reported as "Other" within "Operating Expenses" and "Other expense, net" within "Other Income (Expense)" respectively, were reclassified to "Other electric utility operating expenses" and "Other operating expenses" within "Operating Expenses," respectively. On IDACORP's and Idaho Power's condensed consolidated statements of income for the six months ended June 30, 2020, $0.9 million that had previously been reported as "Other" within "Operating Expenses" and "Other expense, net" within "Other Income (Expense)" respectively, were reclassified to "Other electric utility operating expenses" and "Other operating expenses" within "Operating Expenses," respectively.

New and Recently Adopted Accounting Pronouncements

There have been no recently issued accounting pronouncements that have had or are expected to have a material impact on IDACORP's or Idaho Power's consolidated financial statements.

2. INCOME TAXES

In accordance with interim reporting requirements, IDACORP and Idaho Power use an estimated annual effective tax rate for computing their provisions for income taxes. An estimate of annual income tax expense (or benefit) is made each interim period using estimates for annual pre-tax income, income tax adjustments, and tax credits. The estimated annual effective tax rates do not include discrete events such as tax law changes, examination settlements, accounting method changes, or adjustments to tax expense or benefits attributable to prior years. Discrete events are recorded in the interim period in which they occur or become known. The estimated annual effective tax rate is applied to year-to-date pre-tax income to determine income tax expense (or benefit) for the interim period consistent with the annual estimate. In subsequent interim periods, income tax expense (or benefit) for the period is computed as the difference between the year-to-date amount reported for the previous interim period and the current period's year-to-date amount.

Income Tax Expense

The following table provides a summary of income tax expense for the six months ended June 30, 2021 and 2020 (in thousands):

	IDACORP		Idaho Power	
	2021	2020	2021	2020
ome tax at statutory rates (federal and state)	$ 33,722	$ 27,980	$ 33,586	$ 27,613
cess deferred income tax reversal	(3,213)	(2,962)	(3,213)	(2,962)
ner(1)	(14,353)	(14,197)	(13,082)	(13,073)
ome tax expense	$ 16,156	$ 10,821	$ 17,291	$ 11,578
ective tax rate	12.3 %	9.9 %	13.3 %	10.8 %

(1) "Other" is primarily comprised of the net tax effect of Idaho Power's regulatory flow-through tax adjustments.

The increase in income tax expense for the six months ended June 30, 2021, compared with the same period in 2020, was primarily due to higher pre-tax earnings. On a net basis, Idaho Power’s estimate of its annual 2021 regulatory flow-through tax adjustments is comparable to 2020.

3. REGULATORY MATTERS

Included below is a summary of Idaho Power's most recent general rate cases and base rate changes, as well as other recent or pending notable regulatory matters and proceedings.

Idaho and Oregon General Rate Cases

Idaho Power's current base rates result from orders from the Idaho Public Utilities Commission (IPUC) and Public Utility Commission of Oregon (OPUC), as described in Note 3 - "Regulatory Matters" to the consolidated financial statements included in the 2020 Annual Report.

Idaho Settlement Stipulations

A May 2018 Idaho settlement stipulation related to tax reform (May 2018 Idaho Tax Reform Settlement Stipulation) is described in Note 3 - "Regulatory Matters" to the consolidated financial statements included in the 2020 Annual Report and includes provisions for the accelerated amortization of accumulated deferred investment tax credits (ADITC) to help achieve a minimum 9.4 percent return on year-end equity in the Idaho jurisdiction (Idaho ROE). In addition, under the May 2018 Idaho Tax Reform Settlement Stipulation, minimum Idaho ROE would revert back to 95 percent of the authorized return on equity in the next general rate case. The settlement stipulation also provides for the potential sharing between Idaho Power and Idaho customers of Idaho-jurisdictional earnings in excess of 10.0 percent of Idaho ROE.

Based on its estimate of full-year 2021 Idaho ROE, in both the second quarter and first six months of 2021, Idaho Power recorded no additional ADITC amortization or provision against current revenues for sharing of earnings with customers for 2021 under the May 2018 Idaho Tax Reform Settlement Stipulation. Accordingly, at June 30, 2021, the full $45 million of additional ADITC remains available for future use. Idaho Power recorded no additional ADITC amortization or provision against revenues for sharing of earnings with customers during the second quarter and first six months of 2020, based on its then-current estimate of full-year 2020 Idaho ROE.

Idaho Power Cost Adjustment Mechanisms

In both its Idaho and Oregon jurisdictions, Idaho Power's power cost adjustment mechanisms address the volatility of power supply costs and provide for annual adjustments to the rates charged to its retail customers. The power cost adjustment mechanisms compare Idaho Power's actual net power supply costs (primarily fuel and purchased power less wholesale energy sales) against net power supply costs being recovered in Idaho Power's retail rates. Under the power cost adjustment mechanisms, certain differences between actual net power supply costs incurred by Idaho Power and costs being recovered in retail rates are recorded as a deferred charge or credit on the balance sheet for future recovery or refund. The power supply costs deferred primarily result from changes in contracted power purchase prices and volumes, changes in wholesale market prices and transaction volumes, fuel prices, and the levels of Idaho Power's own generation.

In May 2021, the IPUC approved a $39.1 million net increase in Idaho-jurisdiction power cost adjustment (PCA) revenues, effective for the 2021-2022 PCA collection period from June 1, 2021, to May 31, 2022. The net increase in PCA revenues reflects a forecasted reduction in low-cost hydroelectric generation as well as higher costs associated with higher forecasted PURPA power purchases. The net increase in PCA revenues also reflects a smaller credit to customers through the true-up component. Also in May 2021, the IPUC ordered Idaho Power to initiate a case to review the PCA mechanism and propose any modifications it determines are appropriate so the case may be processed before the filing of the 2022 PCA application in April 2022.

Previously, in May 2020, the IPUC issued an order approving a $58.7 million net increase in PCA rates, effective for the 2020-2021 PCA collection period from June 1, 2020, to May 31, 2021. The net increase in PCA revenues reflected a return to a more normal level of power supply costs as wholesale market energy prices came down from unusually high levels reflected in the prior year's PCA. The net increase in PCA revenues also reflected a forecasted reduction in low-cost hydropower generation and the removal of a $7.7 million one-time customer benefit associated with revenue sharing and income tax reform benefits, which expired in May 2020.

Idaho Fixed Cost Adjustment Mechanism

The Idaho jurisdiction fixed cost adjustment (FCA) mechanism, applicable to Idaho residential and small general service customers, is designed to remove a portion of Idaho Power’s financial disincentive to invest in energy efficiency programs by separating (or decoupling) the recovery of fixed costs from the variable kilowatt-hour charge and linking it instead to a set amount per customer. Under Idaho Power's current rate design, Idaho Power recovers a portion of fixed costs through the variable kilowatt-hour charge, which may result in over-collection or under-collection of fixed costs. To return over-collection to customers or to collect under-collection from customers, the FCA mechanism allows Idaho Power to accrue, or defer, the difference between the authorized fixed-cost recovery amount per customer and the actual fixed costs per customer recovered by Idaho Power during the year. The IPUC has discretion to cap the annual increase in the FCA recovery at 3 percent of base revenue, with any excess deferred for collection in a subsequent year. In May 2021, the IPUC approved an increase of $2.8 million in recovery from the FCA from $35.5 million to $38.3 million, with new rates effective for the period from June 1, 2021, to May 31, 2022. Also in May 2021, the IPUC ordered Idaho Power to work with interested parties and initiate a case to review the FCA mechanism and propose any modifications it determines are appropriate so the case may be processed before the filing of the 2022 FCA application in March 2022. Previously, in June 2020, the IPUC issued an order approving an increase of $0.7 million in the FCA from $34.8 million to $35.5 million, with rates effective for the period from June 1, 2020, to May 31, 2021.

Depreciation Rate Requests

In 2021, Idaho Power conducted a depreciation study of electric plant-in-service, which it conducts approximately every five years. The study provided updates to net salvage percentages and service life estimates for Idaho Power plant assets. Based on the study, in June 2021, Idaho Power filed applications with the IPUC and OPUC requesting approval to institute revised depreciation rates for Idaho Power's electric plant-in-service and adjust base rates by an aggregate of $3.9 million to reflect the revised depreciation rates applied to electric plant-in-service balances subject to the most recent general rate cases. The proposed adjustments in these applications are an overall rate increase of 0.31 percent in Idaho and 0.24 percent in Oregon. Idaho Power requested an effective date of December 1, 2021, for these adjustments.

Jim Bridger Power Plant Rate Request

In June 2021, Idaho Power filed an application with the IPUC requesting authorization to (a) accelerate depreciation for the Jim Bridger plant, to allow the plant to be fully depreciated and recovered by December 31, 2030, (b) establish a balancing account to track the incremental costs and benefits associated with ceasing participation in coal-fired operations at the Jim Bridger plant, and (c) adjust customer rates to recover the associated incremental annual levelized revenue requirement in the aggregate amount of $30.8 million, which includes Idaho Power's share of all electric plant in service at the Jim Bridger plant. The proposed adjustment in this application is an overall rate increase of 2.53 percent in Idaho. Idaho Power requested an effective date of December 1, 2021, for this adjustment.

Wildfire Mitigation Cost Deferral

In June 2021, the IPUC authorized Idaho Power to defer for future amortization incremental operations and maintenance (O&M) and depreciation expense for certain capital investments necessary to implement Idaho Power's Wildfire Mitigation Plan (WMP). The IPUC also authorized Idaho Power to record these deferred expenses as a regulatory asset until Idaho Power can request amortization of the deferred costs in a future IPUC proceeding, at which time the IPUC will have the opportunity to review actual costs and determine the amount of prudently incurred costs that Idaho Power can recover through retail rates. Idaho Power projects spending approximately $47 million in wildfire mitigation-related O&M and roughly $35 million in wildfire mitigation system-hardening capital expenditures over the next five years. The IPUC authorized a deferral period of five years, or until rates go into effect from Idaho Power's next general rate case, whichever is first. As of June 30, 2021, Idaho Power had not recorded any deferral related to the WMP, as Idaho Power does not expect to incur significant incremental costs in connection with many of the projects identified in or associated with the WMP until the second half of 2021.

4. REVENUES

The following table provides a summary of electric utility operating revenues for IDACORP and Idaho Power for the three and six months ended June 30, 2021 and 2020 (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Electric utility operating revenues:				
Revenue from contracts with customers	$ 357,461	$ 310,971	$ 648,787	$ 581,155
Alternative revenue programs and other revenues	1,597	6,695	25,838	26,999
Total electric utility operating revenues	$ 359,058	$ 317,666	$ 674,625	$ 608,154

Revenues from Contracts with Customers

The following table presents revenues from contracts with customers disaggregated by revenue source for the three and six months ended June 30, 2021 and 2020 (in thousands):

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Revenues from contracts with customers:				
Retail revenues:				
Residential (includes ($715), $4,135, $15,107, and $19,844, respectively, related to the FCA)[1]	$ 122,633	$ 109,471	$ 277,418	$ 254,357
Commercial (includes $165, $397, $647 and $881, respectively, related to the FCA)[1]	77,609	67,214	149,878	136,728
Industrial	48,047	43,087	93,477	85,847
Irrigation	76,799	60,149	77,885	61,523
Deferred revenue related to HCC relicensing AFUDC[2]	(1,927)	(1,927)	(4,046)	(4,046)
Total retail revenues	323,161	277,994	594,612	534,409
Less: FCA mechanism revenues[1]	550	(4,532)	(15,754)	(20,725)
Wholesale energy sales	4,308	6,866	10,567	10,775
Transmission wheeling-related revenues	15,420	11,491	29,887	21,854
Energy efficiency program revenues	6,658	11,953	15,685	21,428
Other revenues from contracts with customers	7,364	7,199	13,790	13,414
Total revenues from contracts with customers	$ 357,461	$ 310,971	$ 648,787	$ 581,155

(1) The FCA mechanism is an alternative revenue program in the Idaho jurisdiction and does not represent revenue from contracts with customers.
(2) 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 Complex (HCC) relicensing process, even though the relicensing process is not yet complete and the costs have not been moved to electric plant in service. Idaho Power is collecting $8.8 million annually in the Idaho jurisdiction but is deferring revenue recognition of the amounts collected until the license is issued and the accumulated license costs approved for recovery are placed in service.

Alternative Revenue Programs and Other Revenues

While revenues from contracts with customers make up most of Idaho Power's revenues, the IPUC has authorized the use of an additional regulatory mechanism, the Idaho FCA mechanism, which may increase or decrease tariff-based customer rates. The Idaho FCA mechanism is described in Note 3 - "Regulatory Matters." The FCA mechanism revenues include only the initial recognition of FCA revenues when they meet the regulator-specified conditions for recognition. Revenue from contracts with customers excludes the portion of the tariff price representing FCA revenues that Idaho Power initially recorded in prior periods when revenues met regulator-specified conditions. When Idaho Power includes those amounts in the price of utility service billed to customers, Idaho Power records such amounts as recovery of the associated regulatory asset or liability and not as revenues.

Derivative revenues include gains from settled electricity swaps and sales of electricity under forward sales contracts that are bundled with renewable energy credits. Related to these forward sales, Idaho Power simultaneously enters into forward purchases of electricity for the same quantity at the same location, which are recorded in purchased power on the condensed consolidated statements of income. For more information on settled electricity swaps, see Note 10 - "Derivative Financial Instruments."

The table below presents the FCA mechanism revenues and other revenues for the three and six months ended June 30, 2021 and 2020 (in thousands):

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Alternative revenue programs and other revenues:				
FCA mechanism revenues	$ (550)	4,532	$ 15,754	$ 20,725
Derivative revenues	2,147	2,163	10,084	6,274
Total alternative revenue programs and other revenues	$ 1,597	$ 6,695	$ 25,838	$ 26,999

Receivables and Allowance for Uncollectible Accounts

In response to the COVID-19 pandemic, Idaho Power provided certain relief to customers, including temporarily suspending disconnections for customers and temporarily waiving late fees. This relief as well as the economic conditions created by the response to COVID-19 have resulted in higher aged accounts receivable and an increase in the number of late payments. Idaho Power is experiencing and expects to continue to experience higher uncollectible account write-offs as a result of the COVID-19 pandemic and, accordingly, increased its allowance for uncollectible accounts related to customer receivables at June 30, 2021, as compared with pre-COVID-19 allowance levels.

The following table provides a rollforward of the allowance for uncollectible accounts related to customer receivables for the six months ended June 30, 2021 and 2020 (in thousands):

	Six months ended June 30,	
	2021	**2020**
Balance at beginning of period	$ 4,766	$ 1,401
Additions to the allowance	369	2,786
Write-offs, net of recoveries	(883)	(686)
Balance at end of period	$ 4,252	$ 3,501
Allowance for uncollectible accounts as a percentage of customer receivables	4.8 %	4.3 %

5. COMMON STOCK

IDACORP Common Stock

During the six months ended June 30, 2021, IDACORP granted 76,147 restricted stock unit awards to employees and issued 54,499 shares of common stock using original issuances of shares pursuant to the IDACORP, Inc. 2000 Long-Term Incentive and Compensation Plan, including 12,784 shares of common stock issued to members of the board of directors. As directed by IDACORP, plan administrators of the IDACORP, Inc. Dividend Reinvestment and Stock Purchase Plan and Idaho Power Company Employee Savings Plan used market purchases of IDACORP common stock to acquire shares of IDACORP common stock for the plans.

Restrictions on Dividends

Idaho Power's ability to pay dividends on its common stock held by IDACORP and IDACORP's ability to pay dividends on its common stock are limited to the extent payment of such dividends would violate the covenants in their respective credit facilities or Idaho Power's Revised Code of Conduct. A covenant under IDACORP's credit facility and Idaho Power's credit facility requires IDACORP and Idaho Power to maintain leverage ratios of consolidated indebtedness to consolidated total capitalization, as defined therein, of no more than 65 percent at the end of each fiscal quarter. At June 30, 2021, the leverage ratios for IDACORP and Idaho Power were 43 percent and 46 percent, respectively. Based on these restrictions, IDACORP's and Idaho Power's dividends were limited to $1.5 billion and $1.3 billion, respectively, at June 30, 2021. There are additional facility covenants, subject to exceptions, that prohibit or restrict the sale or disposition of property without consent and any agreements restricting dividend payments to IDACORP and Idaho Power from any material subsidiary. At June 30, 2021, IDACORP and Idaho Power were in compliance with those financial covenants.

Idaho Power's Revised Code of Conduct relating to transactions between and among Idaho Power, IDACORP, and other affiliates, which was approved by the IPUC in April 2008, provides that Idaho Power will not pay any dividends to IDACORP that will reduce Idaho Power's common equity capital below 35 percent of its total adjusted capital without IPUC approval. At June 30, 2021, Idaho Power's common equity capital was 55 percent of its total adjusted capital. Further, Idaho Power must obtain approval from the OPUC before it can directly or indirectly loan funds or issue notes or give credit on its books to IDACORP.

Idaho Power's articles of incorporation contain restrictions on the payment of dividends on its common stock if preferred stock dividends are in arrears. As of the date of this report, Idaho Power has no preferred stock outstanding.

In addition to contractual restrictions on the amount and payment of dividends, the Federal Power Act prohibits the payment of dividends from "capital accounts." The term "capital account" is undefined in the Federal Power Act or its regulations, but

Idaho Power does not believe the restriction would limit Idaho Power's ability to pay dividends out of current year earnings or retained earnings.

6. EARNINGS PER SHARE

The table below presents the computation of IDACORP's basic and diluted earnings per share for the three and six months ended June 30, 2021 and 2020 (in thousands, except for per share amounts).

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Numerator:				
Net income attributable to IDACORP, Inc.	$ 70,023	$ 60,389	$ 114,854	$ 97,879
Denominator:				
Weighted-average common shares outstanding - basic	50,609	50,551	50,588	50,534
Effect of dilutive securities	13	16	13	13
Weighted-average common shares outstanding - diluted	50,622	50,567	50,601	50,547
Basic earnings per share	$ 1.38	$ 1.19	$ 2.27	$ 1.94
Diluted earnings per share	$ 1.38	$ 1.19	$ 2.27	$ 1.94

7. COMMITMENTS

Purchase Obligations

During the six months ended June 30, 2021, IDACORP's and Idaho Power's contractual obligations, outside the ordinary course of business, did not change materially from the amounts disclosed in the notes to the consolidated financial statements in the 2020 Annual Report, except that Idaho Power entered into two new long-term transmission purchase agreements, which increased Idaho Power's contractual purchase obligations by approximately $16 million over the 5-year terms of the contracts, and five new replacement contracts for expiring power purchase agreements with PURPA-qualifying hydropower facilities, which increased Idaho Power's contractual purchase obligations by approximately $29 million over the 20-year terms of the contracts.

Guarantees

Idaho Power guarantees its portion of reclamation activities and obligations at BCC, of which IERCo owns a one-third interest. This guarantee, which is renewed annually with the Wyoming Department of Environmental Quality, was $51.7 million at June 30, 2021, representing IERCo's one-third share of BCC's total reclamation obligation of $155.2 million. BCC has a reclamation trust fund set aside specifically for the purpose of paying these reclamation costs. At June 30, 2021, the value of BCC's reclamation trust fund was $198.3 million. During the six months ended June 30, 2021, the reclamation trust fund made $16.4 million of distributions for reclamation activity costs associated with the BCC surface mine. BCC periodically assesses the adequacy of the reclamation trust fund and its estimate of future reclamation costs. To ensure that the reclamation trust fund maintains adequate reserves, BCC has the ability to, and does, add a per-ton surcharge to coal sales, all of which are made to the Jim Bridger plant. Because of the existence of the fund and the ability to apply a per-ton surcharge, the estimated fair value of this guarantee is minimal.

IDACORP and Idaho Power enter into financial agreements and power purchase and sale agreements that include indemnification provisions relating to various forms of claims or liabilities that may arise from the transactions contemplated by these agreements. Generally, a maximum obligation is not explicitly stated in the indemnification provisions and, therefore, the overall maximum amount of the obligation under such indemnification provisions cannot be reasonably estimated. IDACORP and Idaho Power periodically evaluate the likelihood of incurring costs under such indemnities based on their historical experience and the evaluation of the specific indemnities. As of June 30, 2021, the companies believe the likelihood is remote that IDACORP or Idaho Power would be required to perform under such indemnification provisions or otherwise incur any significant losses with respect to such indemnification obligations. Neither IDACORP nor Idaho Power has recorded any liability on their respective condensed consolidated balance sheets with respect to these indemnification obligations.

8. CONTINGENCIES

IDACORP and Idaho Power have in the past and expect in the future to become involved in various claims, controversies, disputes, and other contingent matters, some of which involve litigation and regulatory or other contested proceedings. The ultimate resolution and outcome of litigation and regulatory proceedings is inherently difficult to determine, particularly where (a) the remedies or penalties sought are indeterminate, (b) the proceedings are in the early stages or the substantive issues have not been well developed, or (c) the matters involve complex or novel legal theories or a large number of parties. In accordance with applicable accounting guidance, IDACORP and Idaho Power, as applicable, establish an accrual for legal proceedings when those matters proceed to a stage where they present loss contingencies that are both probable and reasonably estimable. If the loss contingency at issue is not both probable and reasonably estimable, IDACORP and Idaho Power do not establish an accrual and the matter will continue to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. As of the date of this report, IDACORP's and Idaho Power's accruals for loss contingencies are not material to their financial statements as a whole; however, future accruals could be material in a given period. IDACORP's and Idaho Power's determination is based on currently available information, and estimates presented in financial statements and other financial disclosures involve significant judgment and may be subject to significant uncertainty.

In connection with its utility operations, Idaho Power is subject to claims by individuals, entities, and governmental agencies for alleged personal injury, property damage, trespass, and economic losses relating to Idaho Power’s provision of electric service and the operation of its generation, transmission, and distribution facilities. Some of those claims relate to personal injury, service quality and business interruption, property damage, and wildfires. In recent years, utilities in the western United States have been subject to significant liability for personal injury, loss of life, property damage, trespass, and economic losses, and in some cases, punitive damages and criminal charges and fines and penalties, associated with wildfires that originated from utility property, most commonly transmission and distribution lines. In recent years, Idaho Power has regularly received claims by both governmental agencies and private landowners for damages for fires allegedly originating from Idaho Power’s transmission and distribution system. As of the date of this report, the companies believe that resolution of existing claims will not have a material adverse effect on their respective consolidated financial statements. Idaho Power is also actively monitoring various pending environmental regulations and executive orders related to environmental matters that may have a significant impact on its future operations and compliance costs. Given uncertainties regarding the outcome, timing, and compliance plans for these environmental matters, Idaho Power is unable to estimate the financial or operational impact of many of these regulations.

9. BENEFIT PLANS

Idaho Power has a noncontributory defined benefit pension plan (pension plan) and two nonqualified defined benefit plans for certain senior management employees called the Security Plan for Senior Management Employees I and Security Plan for Senior Management Employees II (together, SMSP). Idaho Power also has a nonqualified defined benefit pension plan for directors that was frozen in 2002. Remaining vested benefits from that plan are included with the SMSP in the disclosures below. The benefits under the pension plan are based on years of service and the employee’s final average earnings. Idaho Power also maintains a defined benefit postretirement benefit plan (consisting of health care and death benefits) that covers all employees who were enrolled in the active-employee group plan at the time of retirement as well as their spouses and qualifying dependents. The table below shows the components of net periodic benefit costs for the pension, SMSP, and postretirement benefits plans for the three months ended June 30, 2021 and 2020 (in thousands).

	Pension Plan		SMSP		Postretirement Benefits		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Service cost	$ 13,693	$ 10,578	$ 203	$ 53	$ 179	$ 240	$ 14,075	$ 10,871
Interest cost	9,456	9,988	889	1,087	502	633	10,847	11,708
Expected return on plan assets	(16,024)	(14,089)	—	—	(597)	(597)	(16,621)	(14,686)
Amortization of prior service cost	1	1	74	73	12	12	87	86
Amortization of net loss	6,225	4,296	1,052	933	—	—	7,277	5,229
Net periodic benefit cost	13,351	10,774	2,218	2,146	96	288	15,665	13,208
Regulatory deferral of net periodic benefit cost[(1)]	(12,787)	(10,279)	—	—	—	—	(12,787)	(10,279)
Previously deferred pension costs recognized[(1)]	4,289	4,289	—	—	—	—	4,289	4,289
Net periodic benefit cost recognized for financial reporting[(1)(2)]	$ 4,853	$ 4,784	$ 2,218	$ 2,146	$ 96	$ 288	$ 7,167	$ 7,218

(1) Net periodic benefit costs for the pension plan are recognized for financial reporting based upon the authorization of each regulatory jurisdiction in which Idaho Power operates. Under IPUC order, the Idaho portion of net periodic benefit cost is recorded as a regulatory asset and is recognized in the income statement as those costs are recovered through rates.
(2) Of total net periodic benefit cost recognized for financial reporting, $4.5 million and $4.3 million, respectively, were recognized in "Other operations and maintenance" and $2.6 million and $3.0 million, respectively, were recognized in "Other income, net" on the condensed consolidated statements of income of the companies for the three months ended June 30, 2021 and 2020.

The table below shows the components of net periodic benefit costs for the pension, SMSP, and postretirement benefits plans for the six months ended June 30, 2021 and 2020 (in thousands).

	Pension Plan		SMSP		Postretirement Benefits		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Service cost	$ 27,101	$ 21,493	$ 406	$ 106	$ 532	$ 514	$ 28,039	$ 22,113
Interest cost	18,659	20,006	1,778	2,175	1,030	1,247	21,467	23,428
Expected return on plan assets	(32,045)	(28,119)	—	—	(1,198)	(1,202)	(33,243)	(29,321)
Amortization of prior service cost	3	3	148	145	24	24	175	172
Amortization of net loss	11,898	8,663	2,103	1,867	—	—	14,001	10,530
Net periodic benefit cost	25,616	22,046	4,435	4,293	388	583	30,439	26,922
Regulatory deferral of net periodic benefit cost[(1)]	(24,482)	(21,021)	—	—	—	—	(24,482)	(21,021)
Previously deferred pension costs recognized[(1)]	8,577	8,577	—	—	—	—	8,577	8,577
Net periodic benefit cost recognized for financial reporting[(1)(2)]	$ 9,711	$ 9,602	$ 4,435	$ 4,293	$ 388	$ 583	$ 14,534	$ 14,478

(1) Net periodic benefit costs for the pension plan are recognized for financial reporting based upon the authorization of each regulatory jurisdiction in which Idaho Power operates. Under IPUC order, the Idaho portion of net periodic benefit cost is recorded as a regulatory asset and is recognized in the income statement as those costs are recovered through rates.
(2) Of total net periodic benefit cost recognized for financial reporting, $9.3 million and $8.5 million, respectively, were recognized in "Other operations and maintenance" and $5.2 million and $5.9 million, respectively, were recognized in "Other income, net" on the condensed consolidated statements of income of the companies for the six months ended June 30, 2021 and 2020.

During the six months ended June 30, 2021, Idaho Power made a $10 million contribution to its defined benefit pension plan. In July 2021, Idaho Power made an additional $10 million contribution to the defined benefit pension plan in a continued effort to balance the regulatory collection of these expenditures with the amount and timing of contributions and to mitigate the cost of being in an underfunded position. Idaho Power has no further minimum required contributions to be made to its defined benefit pension plan during 2021, but depending on market conditions and cash flows, Idaho Power expects it will contribute up to a total of $40 million to the pension plan for the full year of 2021. The primary impact of pension contributions is on the timing of cash flows, as the timing of cost recovery lags behind contributions.

In March 2021, the American Rescue Plan Act of 2021 (American Rescue Plan) was signed into law, which included changes to the funding rules for single employer pension plans. The American Rescue Plan lowered the minimum funding requirements by revising liability discount rates and by lengthening the period over which unfunded liabilities must be amortized. This did not have a material effect on Idaho Power's near-term pension contribution plans.

Idaho Power also has an Employee Savings Plan that complies with Section 401(k) of the Internal Revenue Code and covers substantially all employees. Idaho Power matches specified percentages of employee contributions to the Employee Savings Plan.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Commodity Price Risk

Idaho Power is exposed to market risk relating to electricity, natural gas, and other fuel commodity prices, all of which are heavily influenced by supply and demand. Market risk may be influenced by market participants' nonperformance of their contractual obligations and commitments, which affects the supply of or demand for the commodity. Idaho Power uses derivative instruments, such as physical and financial forward contracts, for both electricity and fuel to manage the risks relating to these commodity price exposures. The primary objectives of Idaho Power's energy purchase and sale activity are to meet the demand of retail electric customers, maintain appropriate physical reserves to ensure reliability, and make economic use of temporary surpluses that may develop.

All of Idaho Power's derivative instruments have been entered into for the purpose of economically hedging forecasted purchases and sales, though none of these instruments have been designated as cash flow hedges. Idaho Power offsets fair value amounts recognized on its balance sheet and applies collateral related to derivative instruments executed with the same counterparty under the same master netting agreement. Idaho Power does not offset a counterparty's current derivative contracts with the counterparty's long-term derivative contracts, although Idaho Power's master netting arrangements would allow current and long-term positions to be offset in the event of default. Also, in the event of default, Idaho Power's master netting arrangements would allow for the offsetting of all transactions executed under the master netting arrangement. These types of transactions may include non-derivative instruments, derivatives qualifying for scope exceptions, receivables and payables arising from settled positions, and other forms of non-cash collateral (such as letters of credit). These types of transactions are excluded from the offsetting presented in the derivative fair value and offsetting table that follows.

The table below presents the gains and losses on derivatives not designated as hedging instruments for the three and six months ended June 30, 2021 and 2020 (in thousands).

		Gain/(Loss) on Derivatives Recognized in Income[1]			
		Three months ended June 30,		Six months ended June 30,	
	Location of Realized Gain/(Loss) on Derivatives Recognized in Income	2021	2020	2021	2020
Financial swaps	Operating revenues	$ —	$ 308	$ —	$ 1,134
Financial swaps	Purchased power	—	(1,125)	249	(1,315)
Financial swaps	Fuel expense	903	(69)	1,636	(2,917)
Forward contracts	Operating revenues	26	41	73	120
Forward contracts	Purchased power	(26)	(39)	(73)	(115)
Forward contracts	Fuel expense	2	(1)	1	(20)

(1) Excludes unrealized gains or losses on derivatives, which are recorded on the balance sheet as regulatory assets or regulatory liabilities.

Settlement gains and losses on electricity swap contracts are recorded on the income statement in operating revenues or purchased power depending on the forecasted position being economically hedged by the derivative contract. Settlement gains and losses on contracts for natural gas are reflected in fuel expense. Settlement gains and losses on diesel derivatives are recorded in other operations and maintenance expense. See Note 11 - "Fair Value Measurements" for additional information concerning the determination of fair value for Idaho Power's assets and liabilities from price risk management activities.

Credit Risk

At June 30, 2021, Idaho Power did not have material credit risk exposure from financial instruments, including derivatives. Idaho Power monitors credit risk exposure through reviews of counterparty credit quality, corporate-wide counterparty credit exposure, and corporate-wide counterparty concentration levels. Idaho Power manages these risks by establishing credit and concentration limits on transactions with counterparties and requiring contractual guarantees, cash deposits, or letters of credit from counterparties or their affiliates, as deemed necessary. Idaho Power's physical power, physical gas, and financial transactions are generally under standardized industry contracts. These contracts contain adequate assurance clauses requiring collateralization if a counterparty has debt that is downgraded below investment grade by at least one rating agency.

Credit-Contingent Features

Certain Idaho Power derivative instruments contain provisions that require Idaho Power's unsecured debt to maintain an investment grade credit rating from Moody's Investors Service and Standard & Poor's Ratings Services. If Idaho Power's unsecured debt were to fall below investment grade, it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position at June 30, 2021, was $1.0 million. Idaho Power posted $0.4 million of cash collateral related to this amount. If the credit-risk-related contingent features underlying these agreements were triggered on June 30, 2021, Idaho Power would have been required to pay or post collateral to its counterparties up to an additional $9.7 million to cover the open liability positions as well as completed transactions that have not yet been paid.

Derivative Instrument Summary

The table below presents the fair values and locations of derivative instruments not designated as hedging instruments recorded on the balance sheets and reconciles the gross amounts of derivatives recognized as assets and as liabilities to the net amounts presented in the balance sheets at June 30, 2021, and December 31, 2020 (in thousands).

		Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Gross Fair Value	Amounts Offset	Net Assets	Gross Fair Value	Amounts Offset	Net Liabilities
June 30, 2021							
Current:							
Financial swaps	Other current assets	$ 13,390	$ (685)	$ 12,705	$ 685	$ (685)	$ —
Forward contracts	Other current liabilities	—	—	—	104	—	104
Long-term:							
Financial swaps	Other assets	2,547	(236)	2,311	236	(236)	—
Total		$ 15,937	$ (921)	$ 15,016	$ 1,025	$ (921)	$ 104
December 31, 2020							
Current:							
Financial swaps	Other current assets	$ 2,028	$ (36)	$ 1,992	$ 36	$ (36)	$ —
Financial swaps	Other current liabilities	187	(187)	—	786	(652) (1)	134
Forward contracts	Other current assets	5	(2)	3	2	(2)	—
Forward contracts	Other current liabilities	3	(3)	—	13	(3)	10
Long-term:							
Financial swaps	Other liabilities	40	(40)	—	56	(56) (1)	—
Total		$ 2,263	$ (268)	$ 1,995	$ 893	$ (749)	$ 144

(1) Current and long-term liability derivative amounts offset include $0.5 million and $16 thousand of collateral receivable at December 31, 2020, respectively.

The table below presents the volume of derivative commodity forward contracts and swaps outstanding at June 30, 2021 and 2020 (in thousands of units).

		June 30,	
Commodity	Units	2021	2020
Electricity purchases	MWh	254	115
Electricity sales	MWh	10	40
Natural gas purchases	MMBtu	14,455	12,930
Natural gas sales	MMBtu	75	388

11. FAIR VALUE MEASUREMENTS

IDACORP and Idaho Power have categorized their financial instruments into a three-level fair value hierarchy, based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the condensed consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

- Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that IDACORP and Idaho Power have the ability to access.

- Level 2: Financial assets and liabilities whose values are based on the following:
  a) quoted prices for similar assets or liabilities in active markets;
  b) quoted prices for identical or similar assets or liabilities in non-active markets;
  c) pricing models whose inputs are observable for substantially the full term of the asset or liability; and
  d) pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

  IDACORP and Idaho Power Level 2 inputs are based on quoted market prices adjusted for location using corroborated, observable market data.

- Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

IDACORP’s and Idaho Power’s assessment of a particular input's significance to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy. There were no transfers between levels or material changes in valuation techniques or inputs during the six months ended June 30, 2021.

The table below presents information about IDACORP’s and Idaho Power’s assets and liabilities measured at fair value on a recurring basis as of June 30, 2021, and December 31, 2020 (in thousands).

	June 30, 2021				December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:								
Money market funds								
IDACORP[1]	$ 69,177	$ —	$ —	$ 69,177	$ 56,048	$ —	$ —	$ 56,048
Idaho Power	11,616	—	—	11,616	40,038	—	—	40,038
Derivatives	15,016	—	—	15,016	1,995	—	—	1,995
Equity securities	47,752	—	—	47,752	50,733	—	—	50,733
Liabilities:								
Derivatives	—	104	—	104	134	10	—	144

(1) Holding company only. Does not include amounts held by Idaho Power.

Idaho Power’s derivatives are contracts entered into as part of its management of loads and resources. Electricity derivatives are valued on the Intercontinental Exchange (ICE) with quoted prices in an active market. Natural gas and diesel derivatives are valued using New York Mercantile Exchange (NYMEX) and ICE pricing, adjusted for location basis, which are also quoted under NYMEX and ICE pricing. Equity securities consist of employee-directed investments related to an executive deferred compensation plan and actively traded money market and exchange traded funds related to the SMSP. The investments are measured using quoted prices in active markets and are held in a Rabbi trust.

The table below presents the carrying value and estimated fair value of financial instruments that are not reported at fair value, as of June 30, 2021, and December 31, 2020, using available market information and appropriate valuation methodologies (in thousands).

	June 30, 2021		December 31, 2020	
	Carrying Amount	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
IDACORP				
Assets:				
Notes receivable[1]	$ 3,804	$ 3,804	$ 3,804	$ 3,804
Liabilities:				
Long-term debt, including current portion[1]	2,000,527	2,352,122	2,000,414	2,466,967
Idaho Power				
Liabilities:				
Long-term debt, including current portion[1]	2,000,527	2,352,122	2,000,414	2,466,967

(1) Notes receivable and long-term debt are categorized as Level 3 and Level 2, respectively, of the fair value hierarchy, as defined earlier in this Note 11 - "Fair Value Measurements."

Notes receivable are related to Ida-West and are valued based on unobservable inputs, including forecasted cash flows, which are partially based on expected hydropower conditions. Long-term debt is not traded on an exchange and is valued using quoted rates for similar debt in active markets. Carrying values for cash and cash equivalents, deposits, customer and other receivables, notes payable, accounts payable, interest accrued, and taxes accrued approximate fair value.

12. SEGMENT INFORMATION

IDACORP's only reportable segment is utility operations. The utility operations segment's primary source of revenue is the regulated operations of Idaho Power. Idaho Power's regulated operations include the generation, transmission, distribution, purchase, and sale of electricity. This segment also includes income from IERCo, a wholly-owned subsidiary of Idaho Power that is also subject to regulation and is a one-third owner of BCC, an unconsolidated joint venture.

IDACORP's other operating segments are below the quantitative and qualitative thresholds for reportable segments and are included in the "All Other" category in the table below. This category is comprised of IFS's investments in affordable housing and other real estate tax credit projects, Ida-West's joint venture investments in small hydropower generation projects, and IDACORP's holding company expenses.

The table below summarizes the segment information for IDACORP's utility operations and the total of all other segments, and reconciles this information to total enterprise amounts (in thousands).

	Utility Operations	All Other	Eliminations	Consolidated Total
Three months ended June 30, 2021:				
Revenues	$ 359,058	1,016	$ —	$ 360,074
Net income attributable to IDACORP, Inc.	68,822	1,201	—	70,023
Total assets as of June 30, 2021	7,006,991	250,549	(56,082)	7,201,458
Three months ended June 30, 2020:				
Revenues	$ 317,666	$ 1,100	$ —	$ 318,766
Net income attributable to IDACORP, Inc.	58,923	1,466	—	60,389
Six months ended June 30, 2021:				
Revenues	$ 674,625	$ 1,502	$ —	$ 676,127
Net income attributable to IDACORP, Inc.	113,191	1,663	—	114,854
Six months ended June 30, 2020:				
Revenues	$ 608,154	$ 1,620	$ —	$ 609,774
Net income attributable to IDACORP, Inc.	95,700	2,179	—	97,879

13. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME

The table below presents changes in components of accumulated other comprehensive income (AOCI), net of tax, during the three and six months ended June 30, 2021 and 2020 (in thousands). Items in parentheses indicate charges to AOCI.

	Defined Benefit Pension Items		Defined Benefit Pension Items	
	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Balance at beginning of period	$ (42,522)	$ (35,537)	$ (43,358)	$ (36,284)
Amounts reclassified out of AOCI	836	747	1,672	1,494
Balance at end of period	$ (41,686)	$ (34,790)	$ (41,686)	$ (34,790)

The table below presents amounts reclassified out of components of AOCI and the income statement location of those amounts reclassified during the three and six months ended June 30, 2021 and 2020 (in thousands). Items in parentheses indicate increases to net income.

	Amount Reclassified from AOCI			
Details About AOCI	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Amortization of defined benefit pension items[1]				
Prior service cost	$ 74	$ 73	$ 148	$ 145
Net loss	1,052	933	2,103	1,867
Total before tax	1,126	1,006	2,251	2,012
Tax benefit[2]	(290)	(259)	(579)	(518)
Total reclassification for the period, net of tax	$ 836	$ 747	$ 1,672	$ 1,494

(1) Amortization of these items is included in IDACORP's condensed consolidated income statements in other operating expenses and in Idaho Power's condensed consolidated statements of income in other expense, net.
(2) The tax benefit is included in income tax expense in the condensed consolidated statements of income of both IDACORP and Idaho Power.

14. CHANGES IN IDAHO POWER RETAINED EARNINGS

The table below presents changes in Idaho Power retained earnings during the three and six months ended June 30, 2021 and 2020 (in thousands).

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Balance at beginning of period	$ 1,607,583	$ 1,506,629	$ 1,599,155	$ 1,503,805
Net income	68,822	58,923	113,191	95,700
Dividends to parent	(36,031)	(33,986)	(71,972)	(67,939)
Balance at end of period	$ 1,640,374	$ 1,531,566	$ 1,640,374	$ 1,531,566

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of IDACORP, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of IDACORP, Inc. and subsidiaries (the “Company”) as of June 30, 2021, the related condensed consolidated statements of income, comprehensive income, and equity for the three-month and six-month periods ended June 30, 2021 and 2020, and of cash flows for the six-month periods ended June 30, 2021 and 2020, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2020, and the related consolidated statements of income, comprehensive income, equity, and cash flows for the year then ended (not presented herein); and in our report dated February 18, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company’s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ *DELOITTE & TOUCHE LLP*

Boise, Idaho
July 29, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Idaho Power Company

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Idaho Power Company and subsidiary (the “Company”) as of June 30, 2021, the related condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2021 and 2020, and of cash flows for the six-month periods ended June 30, 2021 and 2020, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2020, and the related consolidated statements of income, comprehensive income, retained earnings, and cash flows for the year then ended (not presented herein); and in our report dated February 18, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company’s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ *DELOITTE & TOUCHE LLP*

Boise, Idaho
July 29, 2021

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in this report, the general financial condition and results of operations for IDACORP, Inc. and its subsidiaries (collectively, IDACORP) and Idaho Power Company and its subsidiary (collectively, Idaho Power) are discussed. While reading the MD&A, please refer to the accompanying condensed consolidated financial statements of IDACORP and Idaho Power. Also refer to "Cautionary Note Regarding Forward-Looking Statements" in this report for important information regarding forward-looking statements made in this MD&A and elsewhere in this report. This discussion updates the MD&A included in IDACORP's and Idaho Power's Annual Report on Form 10-K for the year ended December 31, 2020 (2020 Annual Report), and should also be read in conjunction with the information in that report. The results of operations for an interim period generally will not be indicative of results for the full year, particularly in light of the seasonality of Idaho Power's sales volumes, as discussed below.

INTRODUCTION

IDACORP is a holding company formed in 1998 whose principal operating subsidiary is Idaho Power. IDACORP's common stock is listed and trades on the New York Stock Exchange under the trading symbol "IDA". Idaho Power is an electric utility whose rates and other matters are regulated by the Idaho Public Utilities Commission (IPUC), Public Utility Commission of Oregon (OPUC), and Federal Energy Regulatory Commission (FERC). Idaho Power generates revenues and cash flows primarily from the sale and distribution of electricity to customers in its Idaho and Oregon service areas, as well as from the wholesale sale and transmission of electricity. Idaho Power experiences its highest retail energy sales during the summer irrigation and cooling season, with a lower peak in the winter that generally results from heating demand.

Idaho Power is the parent of Idaho Energy Resources Co. (IERCo), a joint venturer in Bridger Coal Company (BCC), which mines and supplies coal to the Jim Bridger generating plant (Jim Bridger plant) owned in part by Idaho Power. IDACORP's other significant subsidiaries include IDACORP Financial Services, Inc., an investor in affordable housing and other real estate tax credit investments, and Ida-West Energy Company, an operator of small hydropower generation projects that satisfy the requirements of the Public Utility Regulatory Policies Act of 1978 (PURPA).

EXECUTIVE OVERVIEW

Management's Outlook and Company Initiatives

In the 2020 Annual Report, IDACORP's and Idaho Power's management included a brief overview of their business strategies for the companies for 2021 and beyond, under the heading "Executive Overview" in the MD&A. As of the date of this report, management's outlook and strategy remain consistent with that discussion. Most notably:

- Idaho Power continues to execute on its four strategic areas and initiatives: growing financial strength, improving Idaho Power's core business, enhancing Idaho Power's brand, and focusing on safety and employee engagement.
- Idaho Power continues to expect positive customer growth in its service area. During the first six months of 2021, Idaho Power's customer count grew by over 8,500 customers, and for the twelve months ended June 30, 2021, the customer growth rate was 2.9 percent. On June 30, 2021, a new all-time system peak demand of 3,751 MW was set, exceeding the previous high of 3,422 MW set on July 7, 2017. The previous high from July 2017 was exceeded multiple times during the heat wave in Idaho Power's service area in June and July of 2021.
- Idaho Power anticipates substantial capital investments, with expected total capital expenditures of approximately $2.0 billion over the five-year period from 2021 (including the expenditures incurred so far in 2021) through 2025.
- Idaho Power continues to focus on timely recovery of costs and earning a reasonable return on investment, including working to evaluate and ensure that its rate design and regulatory mechanisms more closely reflect the cost to provide electric service.
- Idaho Power is committed to continuing to provide reliable, affordable, safe service to its customers while furthering its environmental, social, and governance initiatives, including the "Clean Today. Cleaner Tomorrow.®" goal to provide Idaho Power's customers with 100-percent clean energy by 2045, as well as water stewardship and environmental projects, and the company's diversity, equity, and inclusion initiatives.

Coronavirus (COVID-19) Response and Impacts

In response to the COVID-19 pandemic, in 2020 Idaho Power implemented its emergency management, business continuity, and enterprise pandemic plans. Idaho Power's internal emergency management team responded in accordance with the plans in an effort to ensure Idaho Power continues to provide reliable service to its customers during the pandemic. Idaho Power's provision of electricity to customers through its power supply, transmission, and distribution operations, as of the date of this report, continues largely uninterrupted. For more information about Idaho Power's response to the COVID-19 pandemic and the effects of COVID-19 on Idaho Power, see Part II - Item 7 - "Executive Overview" in the MD&A in the 2020 Annual Report. For a discussion of certain risks to IDACORP and Idaho Power as a result of the pandemic, see Part II - Item 1A - "Risk Factors" in the 2020 Annual Report.

Summary of Financial Results

The following is a summary of Idaho Power's net income, net income attributable to IDACORP, and IDACORP's earnings per diluted share for the three and six months ended June 30, 2021 and 2020 (in thousands, except earnings per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Idaho Power net income	$ 68,822	$ 58,923	$ 113,191	$ 95,700
Net income attributable to IDACORP, Inc.	$ 70,023	$ 60,389	$ 114,854	$ 97,879
Weighted average outstanding shares – diluted	50,622	50,567	50,601	50,547
IDACORP, Inc. earnings per diluted share	$ 1.38	$ 1.19	$ 2.27	$ 1.94

The table below provides a reconciliation of net income attributable to IDACORP for the three and six months ended June 30, 2021, from the same period in 2020 (items are in millions and are before related income tax impact unless otherwise noted).

	Three months ended		Six months ended	
Net income attributable to IDACORP, Inc. - June 30, 2020		**$ 60.4**		**$ 97.9**
Increase (decrease) in Idaho Power net income:				
Customer growth, net of associated power supply costs and power cost adjustment mechanisms	3.9		7.6	
Usage per retail customer, net of associated power supply costs and power cost adjustment mechanisms	22.9		20.5	
Idaho fixed cost adjustment (FCA) revenues	(5.1)		(5.0)	
Retail revenues per megawatt-hour (MWh), net of associated power supply costs and power cost adjustment mechanisms	(6.8)		(6.1)	
Transmission wheeling-related revenues	3.9		8.0	
Other operations and maintenance (O&M) expenses	(5.3)		(1.2)	
Other changes in operating revenues and expenses, net	(0.4)		(1.2)	
Increase in Idaho Power operating income	13.1		22.6	
Non-operating income and expenses	1.0		0.6	
Income tax expense	(4.2)		(5.7)	
Total increase in Idaho Power net income		9.9		17.5
Other IDACORP changes (net of tax)		(0.3)		(0.5)
Net income attributable to IDACORP, Inc. - June 30, 2021		**$ 70.0**		**$ 114.9**

Net Income - Second Quarter 2021

IDACORP's net income increased $9.6 million for the second quarter of 2021 compared with the second quarter of 2020, primarily due to higher net income at Idaho Power. Customer growth increased operating income by $3.9 million in the second quarter of 2021 compared with the second quarter of 2020, as the number of Idaho Power customers grew by over 16,900, or 2.9 percent, during the twelve months ended June 30, 2021. Higher sales volumes on a per-customer basis in all customer classes increased operating income by $22.9 million as warmer and drier weather caused customers to use more energy for cooling or irrigation in the second quarter of 2021 compared with the second quarter of 2020. Increases in usage per commercial and industrial customers were partially due to a return to more normal economic activity in the second quarter of 2021 compared with the second quarter of 2020, which was affected by negative COVID-19-related business conditions. The increase in sales volumes per customer was partially offset by the FCA mechanism (applicable to residential and small general service customers), which decreased revenues in the second quarter of 2021 by $5.1 million compared with the second quarter of 2020.

The net decrease in retail revenues per MWh, net of associated power supply costs and power cost adjustment mechanisms, decreased operating income by $6.8 million during the second quarter of 2021 compared with the second quarter of 2020. In the second quarter of 2021, higher wholesale energy market prices due to a heat wave in the western United States and higher energy usage by Idaho Power customers increased Idaho Power's net power supply expenses. The increase in the amount of net power supply expenses that were not deferred through Idaho Power's power cost adjustment mechanisms was the primary cause of the negative variance in net retail revenues per MWh between the comparison periods.

Transmission wheeling-related revenues increased $3.9 million during the second quarter of 2021 compared with the second quarter of 2020 as the warmer, drier weather in the western United States increased wheeling volumes. Also, Idaho Power's open access transmission tariff (OATT) rates were approximately 10 percent higher in the second quarter of 2021 compared with the second quarter of 2020.

Other O&M expenses were $5.3 million higher in the second quarter of 2021 compared with the second quarter of 2020, primarily due to the timing of performing certain maintenance projects at Idaho Power's jointly-owned thermal generation plants in 2021 instead of in 2020. Also, other O&M expenses increased in the second quarter of 2021 compared with the second quarter of 2020, as a result of an increase in labor-related costs from higher performance-based variable compensation accruals.

The increase in income tax expense for the second quarter of 2021 compared with the second quarter of 2020 was primarily due to greater 2021 pre-tax income.

Net Income - Year-to-Date 2021

IDACORP's net income increased $17.0 million for the first half of 2021 compared with the first half of 2020, primarily due to higher net income at Idaho Power. Customer growth increased operating income by $7.6 million in the first half of 2021 compared with the first half of 2020. An increase in sales volumes on a per-customer basis increased operating income by $20.5 million due primarily to warmer and drier weather that caused customers to use more energy for cooling or irrigation in the first half of 2021 compared with 2020. To a lesser extent, a return to more normal economic conditions for commercial and industrial customers in the first half of 2021 compared with 2020, also increased sales volumes on a per-customer basis, as the first half of 2020 was affected by negative COVID-19-related business conditions. The increase in sales volumes per customer was partially offset by the FCA mechanism (applicable to residential and small general service customers), which decreased revenues by $5.0 million.

The net decrease in retail revenues per MWh in the first half of 2021 compared to the first half of 2020, decreased operating income by $6.1 million primarily due to higher power supply costs. In the second quarter of 2021, higher wholesale energy market prices due to a heat wave in the western United States and higher energy usage by Idaho Power customers increased Idaho Power's net power supply expenses. The increase in the amount of net power supply expenses that were not deferred through Idaho Power's power cost adjustment mechanisms was the primary cause of the negative variance in net retail revenues per MWh between the comparison periods.

During the first half of 2021, transmission wheeling-related revenues increased $8.0 million compared with the first half of 2020, as the warmer and drier weather in the western United States caused customers in the region to use more energy for cooling or irrigation, as applicable, which increased wheeling volumes. Colder winter weather in the southwest United States during the first quarter of 2021 also contributed to increased wheeling volumes in the first six months of 2021 compared with the first six months of 2020. In addition, Idaho Power's OATT rates were approximately 10 percent higher in the first six months of 2021 compared with the first six months of 2020.

The increase in income tax expense for the first half of 2021 compared with the first half of 2020 was primarily due to greater 2021 pre-tax income.

Based on its estimate of full-year 2021 return on year-end equity in the Idaho jurisdiction (Idaho ROE), in the first half of 2021 Idaho Power recorded no additional accumulated deferred investment tax credits (ADITC) amortization or any provision against revenues for sharing of earnings with customers under the Idaho regulatory settlement stipulation approved in May 2018.

Overview of General Factors and Trends Affecting Results of Operations and Financial Condition

IDACORP's and Idaho Power's results of operations and financial condition are affected by a number of factors, and the impact of those factors is discussed in more detail below in this MD&A. To provide context for the discussion elsewhere in this report, some of the more notable factors are as follows:

- ***Regulation of Rates and Cost Recovery:*** The prices that Idaho Power is authorized to charge for its electric and transmission service is a critical factor in determining IDACORP's and Idaho Power's results of operations and financial condition. Those rates are established by state regulatory commissions and the FERC and are intended to allow Idaho Power an opportunity to recover its expenses and earn a reasonable return on investment. Idaho Power focuses on timely recovery of its costs through filings with its regulators, working to put in place innovative regulatory mechanisms, and on the prudent management of expenses and investments. Idaho Power has a regulatory settlement stipulation in Idaho that includes provisions for the accelerated amortization of certain tax credits to help achieve a minimum 9.4 percent Idaho ROE. The settlement stipulation also provides for the potential sharing between Idaho Power and its Idaho customers of Idaho-jurisdictional earnings in excess of 10.0 percent of Idaho ROE. The settlement stipulation has no expiration date but the minimum Idaho ROE would revert back to 95 percent of the allowed return on equity in the next rate case. The specific terms of the settlement stipulation are described in Note 3 - "Regulatory Matters" to the consolidated financial statements included in the 2020 Annual Report. Idaho Power will continue to assess the need to file a general rate case to reset base rates but does not anticipate filing a rate case in the next twelve months.

- ***Economic Conditions and Loads:*** Economic conditions impact consumer demand for energy, revenues, collectability of accounts, the volume of wholesale energy sales, and the need to construct and improve infrastructure, purchase power, and implement programs to meet customer load demands. In recent years, Idaho Power has seen growth in the number of customers in its service area. Over the twelve months ended June 30, 2021, Idaho Power's customer count grew by 2.9 percent. For Idaho Power, a new all-time system peak demand of 3,751 MW was set on June 30, 2021, exceeding the previous high of 3,422 MW set on July 7, 2017. The previous peak demand from July 2017 was exceeded multiple times during the heat wave in Idaho Power's service area in June and July of 2021. Idaho Power expects its number of customers to continue to increase in the foreseeable future. Idaho Power expects that existing and sustained future customer growth and an increasing peak demand for electricity will require Idaho Power to continue to enhance its distribution and transmission system infrastructure, including the Boardman-to-Hemingway project. That growth and peak demand may also result in the need for Idaho Power to procure other new sources of energy and capacity to serve growing demand and to maintain system reliability. Further, recent changes in the regional transmission markets have constrained the transmission system external to Idaho Power's service area and impacted Idaho Power's ability to import energy from energy markets in the western United States. Idaho Power expects to need approximately 80 MW of additional capacity as early as the summer of 2023. On June 30, 2021, Idaho Power issued a formal request for proposals for up to 80MW of new resources to help meet peak electric energy needs in 2023. Idaho Power is analyzing options for potential energy and capacity resource procurement, while at the same time working on its 2021 Integrated Resources Plan.

- ***Weather Conditions:*** Weather and agricultural growing conditions have a significant impact on Idaho Power's energy sales. Relatively low and high temperatures result in greater energy use for heating and cooling, respectively. During the agricultural growing season, which in large part occurs during the second and third quarters, irrigation customers use electricity to operate irrigation pumps, and weather conditions can impact the timing and extent of use of those pumps. Idaho Power also has tiered rates and seasonal rates, which contribute to increased revenues during higher-load periods, most notably during the third quarter of each year when overall customer demand is highest. Much of the adverse or favorable impact of weather on sales of energy to residential and small commercial customers is mitigated through the Idaho FCA mechanism, which is described in Note 3 - "Regulatory Matters" to the condensed consolidated financial statements included in this report.

  Further, as Idaho Power's hydropower facilities comprise over one-half of Idaho Power's nameplate generation capacity, precipitation levels impact the mix of Idaho Power's generation resources. When hydropower generation decreases, Idaho Power must rely on more expensive generation sources and purchased power. When favorable hydropower generating conditions exist for Idaho Power, they also may exist for other Pacific Northwest hydropower facility operators, lowering regional wholesale market prices and impacting the revenue Idaho Power receives from wholesale energy sales. Much of the adverse or favorable impact of this volatility is addressed through the Idaho and Oregon power cost adjustment mechanisms. For 2021, Idaho Power expects generation from its hydropower resources to be in the range of 5.0 to 6.0 million MWh, compared with average total annual generation of approximately 7.7 million MWh over the last 30 years.

- ***Rate Base Growth and Infrastructure Investment:*** As noted above, the rates established by the IPUC and OPUC are determined with the intent to provide an opportunity for Idaho Power to recover authorized operating expenses and depreciation and earn a reasonable return on “rate base.” Rate base is generally determined by reference to the original cost (net of accumulated depreciation) of utility plant in service and certain other assets, subject to various adjustments for deferred taxes and other items. Over time, rate base is increased by additions to utility plant in service and reduced by depreciation and retirement of utility plant and write-offs as authorized by the IPUC and OPUC. Idaho Power is pursuing significant enhancements to its utility infrastructure in an effort to maintain system reliability, ensure an adequate supply of electricity, and to provide service to new customers, including major ongoing transmission projects such as the Boardman-to-Hemingway and Gateway West projects. Idaho Power's existing hydropower and thermal generation facilities also require continuing upgrades and equipment replacement, and the company is undertaking a significant relicensing effort for the Hells Canyon Complex (HCC), its largest hydropower generation resource. Idaho Power intends to pursue timely inclusion of any significant completed capital projects into rate base as part of a future general rate case or other appropriate regulatory proceeding.

- ***Mitigation of Impact of Fuel and Purchased Power Expense:*** In addition to hydropower generation, Idaho Power relies significantly on natural gas and coal to fuel its generation facilities and on power purchases in the wholesale markets. Fuel costs are impacted by electricity sales volumes, the terms and conditions of contracts for fuel, Idaho Power's generation capacity, the availability of hydropower generation resources, transmission capacity, energy market prices, and Idaho Power's hedging program for managing fuel costs. Purchased power costs are impacted by the terms and conditions of contracts for purchased power, the rate of expansion of alternative energy generation sources such as wind or solar energy, and wholesale energy market prices. The Idaho and Oregon power cost adjustment mechanisms mitigate in large part the potential adverse impacts to Idaho Power of fluctuations in power supply costs.

- ***Regulatory and Environmental Compliance Costs:*** Idaho Power is subject to extensive federal and state laws, policies, and regulations, as well as regulatory actions and audits by agencies and quasi-governmental agencies, including the FERC, the North American Electric Reliability Corporation, and the Western Electricity Coordinating Council. Compliance with these requirements directly influences Idaho Power's operating environment and affects Idaho Power's operating costs. Recently, energy industry regulators have issued substantial penalties for utilities alleged to have violated reliability and critical infrastructure protection requirements. Moreover, environmental laws and regulations, in particular, may increase the cost of constructing new facilities and transmission projects, may increase the cost of operating generation plants, including Idaho Power's jointly-owned coal-fired generating plants, may require that Idaho Power install additional pollution control devices at existing generating plants, or may require that Idaho Power cease operating certain generation plants. Idaho Power expects to spend significant amounts on environmental compliance and controls in the next decade. Due to economic factors in part associated with the costs of compliance with environmental regulation, Idaho Power accelerated the retirement date of its jointly-owned coal-fired generating plant in Valmy, Nevada (Valmy), ceasing operations at one unit in 2019. In April 2021, Idaho Power filed an application with the IPUC requesting an acknowledgment that its year-end 2025 exit date from Valmy unit 2 is appropriate based on economics and reliability needs. In June 2021, Idaho Power filed an application with the IPUC requesting, among other things, authorization to accelerate depreciation for the Jim Bridger plant by end-of-year 2030. In addition, Idaho Power's jointly-owned coal plant in Boardman, Oregon, ceased operations as planned in October 2020.

- ***Water Management and Relicensing of Hydropower Projects:*** Because of Idaho Power's reliance on stream flow in the Snake River and its tributaries, Idaho Power participates in numerous proceedings and venues that may affect its water rights, seeking to preserve the long-term availability of its rights for its hydropower projects. Also, Idaho Power is involved in renewing its long-term federal licenses for the HCC, its largest hydropower generation source, and for American Falls, its second largest hydropower generation source. Given the number of parties involved, Idaho Power's relicensing costs have been and are expected to continue to be substantial. Idaho Power cannot currently determine the ultimate terms of, and costs associated with, any resulting long-term licenses.

- ***Wildfire Mitigation Efforts:*** In recent years, in the western United States there has been an increasing trend in the degree of annual destruction from wildfires. A variety of factors have contributed in varying degrees to this trend including climate change, increased wildland-urban interfaces, historical land management practices, and overall wildland and forest health. While Idaho Power has not experienced the extent of catastrophic wildfires within its service area that have occurred in California, Oregon, and elsewhere in the western United States, Idaho Power is taking a proactive approach to wildfire threat relative to its service area. Idaho Power has drafted a Wildfire Mitigation Plan (WMP) that outlines actions Idaho Power is taking or is working to implement in the future to reduce wildfire risk and to strengthen the resiliency of its transmission and distribution system to wildfires. Idaho Power's approach to achieve these objectives includes identifying areas subject to elevated risk; system hardening programs, vegetation management, and field personnel practices to mitigate wildfire risk; incorporating current and forecasted weather and field conditions into operational practices; evaluating a public safety power shutoff approach; and evaluating the performance and effectiveness of the strategies identified in the WMP through metrics and monitoring. In June 2021, the IPUC authorized Idaho Power to defer, for future amortization, the Idaho jurisdictional share of actual incremental

O&M expenses and depreciation expense of certain capital investments necessary to implement the WMP, including incremental insurance costs, among other things. The WMP case with the IPUC is described in more detail in Note 3 - "Regulatory Matters" to the condensed consolidated financial statements included in this report.

RESULTS OF OPERATIONS

This section of MD&A takes a closer look at the significant factors that affected IDACORP's and Idaho Power's earnings during the three and six months ended June 30, 2021. In this analysis, the results for the three and six months ended June 30, 2021, are compared with the same period in 2020.

The table below presents Idaho Power's energy sales and supply (in thousands of MWh) for the three and six months ended June 30, 2021 and 2020.

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Retail energy sales	4,098	3,594	7,467	6,913
Wholesale energy sales	67	489	188	671
Bundled energy sales	34	110	245	272
Total energy sales	4,199	4,193	7,900	7,856
Hydropower generation	1,449	2,275	2,875	3,881
Coal generation	372	810	908	1,272
Natural gas and other generation	666	89	1,307	727
Total system generation	2,487	3,174	5,090	5,880
Purchased power	1,949	1,305	3,346	2,526
Line losses	(237)	(286)	(536)	(550)
Total energy supply	4,199	4,193	7,900	7,856

Weather-related information for Boise, Idaho, for the three and six months ended June 30, 2021 and 2020, is presented in the table below. While Boise, Idaho weather conditions are not necessarily representative of weather conditions throughout Idaho Power's service area, the greater Boise area has the majority of Idaho Power's customers and is included for illustrative purposes.

	Three months ended June 30,			Six months ended June 30,		
	2021	**2020**	**Normal (2)**	**2021**	**2020**	**Normal (2)**
Heating degree-days(1)	594	664	719	2,921	2,902	3,199
Cooling degree-days(1)	383	195	183	383	195	183
Precipitation (inches)	2.4	6.4	2.4	7.5	11.6	6.0

(1) Heating and cooling degree-days are common measures used in the utility industry to analyze the demand for electricity and indicate when a customer would use electricity for heating and cooling. A degree-day measures how much the average daily temperature varies from 65 degrees. Each degree of temperature above 65 degrees is counted as one cooling degree-day, and each degree of temperature below 65 degrees is counted as one heating degree-day.

(2) Normal heating degree-days and cooling degree-days elements are, by convention, the arithmetic mean of the elements computed over 30 consecutive years. The normal amounts are the sum of the monthly normal amounts. These normal amounts are computed by the National Oceanic and Atmospheric Administration.

Sales Volume and Generation: Retail sales volumes increased 14 percent and 8 percent in the second quarter and first six months of 2021, respectively, compared with the same periods in 2020, primarily due to warmer and drier weather that caused customers to use more energy for cooling or irrigation. Cooling degree-days in Boise, Idaho were 96 percent higher during the three months ended June 30, 2021, compared with the three months ended June 30, 2020, and 109 percent above normal. Also, precipitation in Idaho Power's service area decreased significantly during the three months ended June 30, 2021, compared with the same period of 2020, which increased usage by irrigation customers. During the second quarter and first six months of 2021, usage per irrigation customer was approximately 25 percent and 24 percent higher, respectively, compared with the same periods in 2020. During the second quarter and first six months of 2021, usage per residential customer was approximately 10 percent and 5 percent higher, respectively, compared with the same periods in 2020. Customer growth increased sales volumes during the three and six months ended June 30, 2021, compared with the same period in 2020, with the number of Idaho Power's customers growing by 2.9 percent over the prior twelve months. Increases in usage per commercial and industrial customers were partially due to a return to more normal economic activity in the second quarter of 2021 compared with the second quarter of 2020, which was affected by negative COVID-19-related business conditions. During the second quarter and first six months of 2021, usage per commercial customer was approximately 12 percent and 5 percent higher, respectively, compared with the same periods in 2020. Usage per industrial customer was approximately 8 percent and 4 percent higher during the second quarter and first six months of 2021 compared with the same periods in 2020, respectively.

Total system generation decreased 22 percent and 13 percent in the second quarter and first six months of 2021, respectively, compared with the second quarter and first six months of 2020, due primarily to lower hydropower and coal-fired generation, partially offset by increased natural gas generation. Generation from hydropower during the second quarter and first six months of 2021 decreased 36 percent and 26 percent, respectively, compared with the same periods of 2020, due mostly to less snowpack and precipitation in the Snake River basin. Coal-fired generation also decreased 54 percent and 29 percent during the second quarter and first six months of 2021 compared with the same periods of 2020, respectively, due to economic-, operations-, and reliability-based decisions. During the second quarter and first six months of 2021, natural gas generation increased compared with the same periods of 2020, due to the decreases in hydropower and coal-fired generation.

Purchased power volumes increased 49 percent and 32 percent in the second quarter and first six months of 2021, respectively, mostly due to an increase in purchases from the energy imbalance market implemented in the western United States (Western EIM) and additional purchases to meet load requirements. The financial impacts of fluctuations in wholesale energy sales, purchased power, fuel expense, and other power supply-related expenses are addressed in Idaho Power's Idaho and Oregon power cost adjustment mechanisms, which are described below in "Power Cost Adjustment Mechanisms."

Operating Revenues

Retail Revenues: The table below presents Idaho Power's retail revenues (in thousands) and MWh sales volumes (in thousands) for the three and six months ended June 30, 2021 and 2020, and the number of customers as of June 30, 2021 and 2020.

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Retail revenues:				
Residential (includes ($715), $4,135, $15,107, and $19,844, respectively, related to the FCA)[1]	$ 122,633	$ 109,471	$ 277,418	$ 254,357
Commercial (includes $165, $397, $647, and $881, respectively, related to the FCA)[1]	77,609	67,214	149,878	136,728
Industrial	48,047	43,087	93,477	85,847
Irrigation	76,799	60,149	77,885	61,523
Deferred revenue related to HCC relicensing AFUDC[2]	(1,927)	(1,927)	(4,046)	(4,046)
Total retail revenues	$ 323,161	$ 277,994	$ 594,612	$ 534,409
Volume of retail sales (MWh)				
Residential	1,262	1,127	2,764	2,575
Commercial	1,013	894	2,015	1,899
Industrial	856	801	1,708	1,653
Irrigation	967	772	980	786
Total retail MWh sales	4,098	3,594	7,467	6,913
Number of retail customers at period end				
Residential	498,747	483,609		
Commercial	75,187	73,620		
Industrial	126	127		
Irrigation	21,811	21,583		
Total customers	595,871	578,939		

(1) The FCA mechanism is an alternative revenue program and does not represent revenue from contracts with customers.
(2) As part of its January 30, 2009 general rate case order, the IPUC is allowing Idaho Power to recover a portion of the allowance for funds used during construction (AFUDC) on construction work in progress related to the HCC relicensing process, even though the relicensing process is not yet complete and the costs have not been moved to electric plant in service. Idaho Power is collecting approximately $8.8 million annually in the Idaho jurisdiction but is deferring revenue recognition of the amounts collected until the license is issued and the accumulated license costs approved for recovery are placed in service.

Changes in rates, changes in customer usage, and changes in FCA mechanism revenues are the primary reasons for fluctuations in retail revenues from period to period. The primary influences on customer usage for electricity are weather, economic conditions, and energy efficiency. Extreme temperatures increase sales to customers who use electricity for cooling and heating, while moderate temperatures decrease sales. Precipitation levels and the timing of precipitation during the agricultural growing season also affect sales to customers who use electricity to operate irrigation pumps. Rates are also seasonally adjusted, providing for higher rates during peak load periods, and residential customer rates are tiered, providing for higher rates based on higher levels of usage. The seasonal and tiered rate structures contribute to seasonal fluctuations in revenues and earnings.

Retail revenues increased $45.2 million and $60.2 million during the second quarter and first six months of 2021, respectively, compared with the same periods in 2020. The factors affecting retail revenues during the period are discussed below.

- Customers: Customer growth of 2.9 percent during the twelve months ended June 30, 2021, increased retail revenues by $5.1 million and $10.2 million in the second quarter and first six months of 2021, respectively, compared with the same periods of 2020.
- Usage: Higher usage (on a per customer basis) by irrigation, residential, commercial, and industrial customers increased retail revenues by $37.1 million and $36.9 million in the second quarter and first six months of 2021, respectively, compared with the same periods of 2020. Increased usage was primarily the result of warmer summer temperatures and drier weather in Idaho Power's service area, which increased usage by residential and irrigation customers. To a lesser extent, a return to more normal economic conditions for commercial and industrial customers also increased sales volumes on a per-customer basis, as the first half of 2020 was negatively affected by COVID-19-related business conditions.
- Idaho FCA Revenue: The FCA mechanism, applicable to Idaho residential and small commercial customers, adjusts revenue each year to accrue, or defer, the difference between the authorized fixed-cost recovery amount per customer and the actual fixed costs per customer recovered by Idaho Power through volume-based rates during the year. Higher usage (on a per customer basis) by residential and small general service customers during the second quarter and first six months of 2021 decreased the amount of FCA revenue accrued by $5.1 million and $5.0 million, respectively, compared with the same periods in 2020.
- Rates: Average customer rates, excluding amounts related to the power cost adjustment mechanisms, decreased retail revenues by $3.1 million and $4.1 million for the three and six months ended June 30, 2021, compared with the same periods in 2020. Customer rates also include the collection from customers of amounts related to the power cost adjustment mechanisms, which increased revenues by $11.1 million and $22.2 million in the second quarter and first six months of 2021, respectively, compared with the same periods of 2020. The amount collected from customers in rates under the power cost adjustment mechanisms has relatively little effect on operating income as a corresponding amount is recorded as expense in the same period it is collected through rates.

Wholesale Energy Sales: Wholesale energy sales consist primarily of opportunistic sales of surplus system energy and sales into the Western EIM, and do not include derivative transactions. The table below presents Idaho Power’s wholesale energy sales for the three and six months ended June 30, 2021 and 2020 (in thousands, except for per MWh amounts).

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Wholesale energy revenues	$ 4,308	$ 6,866	$ 10,567	$ 10,775
Wholesale volume in MWh sold	67	489	188	671
Average wholesale energy revenues per MWh	$ 64.30	$ 14.04	$ 56.21	$ 16.06

In the second quarter and during the first six months of 2021, wholesale energy revenues decreased $2.6 million and $0.2 million, respectively, compared with the same periods of 2020, primarily due to a heat wave in Idaho Power's service area which increased energy usage by Idaho Power customers and resulted in less energy available for opportunistic market sales. Wholesale energy sales volumes decreased 86 percent and 72 percent in the second quarter and first six months of 2021, respectively, compared with the sames periods of 2020. The decreases in wholesale energy revenues related to lower volumes sold were partially offset by increases in average wholesale energy revenues per MWh due mostly to higher wholesale energy prices in the region. Wholesale energy prices were higher in the second quarter and first six months of 2021 compared with the same periods in 2020 as extreme weather resulted in higher demand and lower supply of energy to the wholesale markets in the region.

Transmission Wheeling-Related Revenues: Transmission wheeling-related revenues increased $3.9 million, or 34 percent, and $8.0 million, or 37 percent, during the second quarter and during the first six months of 2021, respectively, compared with the same periods in 2020, as warmer, drier spring and summer weather in the western United States increased wheeling volumes. Colder winter weather in the southwest United States in early 2021 also contributed to increased wheeling volumes in the first six months of 2021 compared with the first six months of 2020. In addition, Idaho Power's open access transmission tariff (OATT) rates were approximately 10 percent higher in the second quarter and first six months of 2021 compared with the same periods of 2020.

Energy Efficiency Program Revenues: In both Idaho and Oregon, energy efficiency riders fund energy efficiency program expenditures. Expenditures funded through the riders are reported as an operating expense with an equal amount recorded in revenues, resulting in no net impact on earnings. The cumulative variance between expenditures and amounts collected through the rider is recorded as a regulatory asset or liability. A liability balance indicates that Idaho Power has collected more than it has spent and an asset balance indicates that Idaho Power has spent more than it has collected. At June 30, 2021, Idaho Power's energy efficiency rider balances were regulatory assets of $12.1 million in the Idaho jurisdiction and $0.8 million in the Oregon jurisdiction.

Operating Expenses

Purchased Power: The table below presents Idaho Power’s purchased power expenses and volumes for the three and six months ended June 30, 2021 and 2020 (in thousands, except for per MWh amounts).

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Expense				
PURPA contracts	$ 53,163	$ 47,388	$ 96,220	$ 89,677
Other purchased power (including wheeling)	42,953	14,386	67,884	33,298
Total purchased power expense	$ 96,116	$ 61,774	$ 164,104	$ 122,975
MWh purchased				
PURPA contracts	979	915	1,675	1,621
Other purchased power	970	390	1,671	905
Total MWh purchased	1,949	1,305	3,346	2,526
Average cost per MWh from PURPA contracts	$ 54.30	$ 51.79	$ 57.44	$ 55.32
Average cost per MWh from other sources	$ 44.28	$ 36.89	$ 40.62	$ 36.79
Weighted average - all sources	$ 49.32	$ 47.34	$ 49.04	$ 48.68

Purchased power expense increased $34.3 million, or 56 percent, and $41.1 million, or 33 percent, during the second quarter and first six months of 2021 compared with the same periods of 2020, primarily due to 148 percent and 84 percent increases, respectively, in MWh purchased from sources other than PURPA contracts mostly due to increases in purchases from the Western EIM and additional purchases to meet load requirements.

Fuel Expense: The table below presents Idaho Power's fuel expenses and thermal generation for the three and six months ended June 30, 2021 and 2020 (in thousands, except for per MWh amounts).

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Expense				
Coal	$ 11,672	$ 27,414	$ 28,607	$ 43,188
Natural gas	19,519	4,000	35,889	18,242
Total fuel expense	$ 31,191	$ 31,414	$ 64,496	$ 61,430
MWh generated				
Coal	372	810	908	1,272
Natural gas	666	89	1,307	727
Total MWh generated	1,038	899	2,215	1,999
Average cost per MWh - Coal	$ 31.38	$ 33.84	$ 31.51	$ 33.95
Average cost per MWh - Natural gas	$ 29.31	$ 44.94	$ 27.46	$ 25.09
Weighted average, all sources	$ 30.05	$ 34.94	$ 29.12	$ 30.73

The majority of the fuel for Idaho Power's jointly-owned coal-fired plants is purchased through long-term contracts, including purchases from BCC, a one-third owned joint venture of IERCo. The price of coal from BCC is subject to fluctuations in mine operating expenses, geologic conditions, and production levels. BCC supplies approximately two-thirds of the coal used by the Jim Bridger plant. Natural gas is mainly purchased on the regional wholesale spot market at published index prices. In addition to commodity (variable) costs, both natural gas and coal expenses include costs that are more fixed in nature for items such as capacity charges, transportation, and fuel handling. Period to period variances in fuel expense per MWh are noticeably impacted by these fixed charges when generation output is substantially different between the periods.

Fuel expense decreased $0.2 million, or 1 percent in the second quarter of 2021, but increased $3.1 million, or 5 percent, in the first six months of 2021 compared with the same periods of 2020. The slight decrease in fuel expense in the second quarter of 2021 compared with the same period in 2020 was due to a 14 percent decrease in the average cost per MWh generated at the thermal plants, mostly offset by an increase in thermal generation to meet load requirements. The increase in fuel expense in the first six months of 2021 compared with the same period in 2020 was due to an increase in thermal generation to meet higher load requirements, partially offset by a 5 percent decrease in the average cost per MWh generated at the thermal plants.

Power Cost Adjustment Mechanisms: Idaho Power's power supply costs (primarily purchased power and fuel expense, less wholesale energy sales) can vary significantly from year to year. Volatility of power supply costs arises from factors such as weather conditions, wholesale market prices, volumes of power purchased and sold in the wholesale markets, Idaho Power's hydropower and thermal generation volumes and fuel costs, generation plant availability, and retail loads. To address the volatility of power supply costs, Idaho Power's power cost adjustment mechanisms in the Idaho and Oregon jurisdictions allow Idaho Power to recover from customers, or refund to customers, most of the fluctuations in power supply costs. In the Idaho jurisdiction, the PCA includes a cost or benefit sharing ratio that allocates the deviations in net power supply expenses between customers (95 percent) and Idaho Power (5 percent), with the exception of PURPA power purchases and demand response program incentives, which are allocated 100 percent to customers. The Idaho deferral period, or PCA year, runs from April 1 through March 31. Amounts deferred or accrued during the PCA year are primarily recovered or refunded during the subsequent June 1 through May 31 period. Because of the power cost adjustment mechanisms, one of the primary financial impacts of power supply cost variations is that cash is paid out but recovery from customers does not occur until a future period, or cash that is collected is refunded to customers in a future period, resulting in fluctuations in operating cash flows from year to year.

The table that follows presents the components of the Idaho and Oregon power cost adjustment mechanisms for the three and six months ended June 30, 2021 and 2020 (in thousands).

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Power supply cost accrual	$ 866	$ 11,991	$ 16,126	$ 22,948
Amortization of prior year authorized balances	(8,800)	(13,527)	(18,389)	(27,875)
Total power cost adjustment expense	$ (7,934)	$ (1,536)	$ (2,263)	$ (4,927)

The power supply accruals represent the portion of the power supply cost fluctuations accrued under the power cost adjustment mechanisms. When actual power supply costs are lower than the amount forecasted in power cost adjustment rates, which was the case for all periods presented, most of the difference is accrued as an increase to a regulatory liability or decrease to a regulatory asset. When actual power supply costs are higher than the amount forecasted in power cost adjustment rates, most of the difference is deferred as an increase to a regulatory asset or decrease to a regulatory liability. The amortization of the prior year's balances represents the offset to the amounts being collected or refunded in the current power cost adjustment year that were deferred or accrued in the prior PCA year (the true-up component of the power cost adjustment mechanism).

Other O&M Expenses: Other O&M expenses increased $5.3 million, or 6 percent, and $1.2 million, or 1 percent, for the second quarter and first six months of 2021 compared with the first quarter of 2020, respectively, primarily due to the timing of completing certain maintenance projects at its jointly-owned thermal generation plants in 2021 instead of 2020. Also, other O&M expenses increased in the second quarter of 2021 compared with the second quarter of 2020, as a result of an increase in labor-related costs from higher performance-based variable compensation accruals.

Income Taxes

IDACORP's and Idaho Power's income tax expense increased $5.3 million and $5.7 million for the six months ended June 30, 2021, when compared with the same period in 2020, respectively, primarily due to greater pre-tax income. For information relating to IDACORP's and Idaho Power's computation of income tax expense and effective income tax rates, see Note 2 - "Income Taxes" to the condensed consolidated financial statements included in this report.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Idaho Power has been pursuing significant enhancements to its utility infrastructure in an effort to ensure an adequate supply of electricity, to provide service to new customers, and to maintain system reliability. Idaho Power's existing hydropower and thermal generation facilities also require continuing upgrades and component replacement. Idaho Power anticipates these substantial capital expenditures will continue, with expected total capital expenditures of approximately $2.0 billion over the five-year period from 2021 (including expenditures incurred to-date in 2021) through 2025.

Idaho Power funds its liquidity needs for capital expenditures through cash flows from operations, debt offerings, commercial paper markets, credit facilities, and capital contributions from IDACORP. Idaho Power periodically files for rate adjustments for recovery of operating costs and capital investments to provide the opportunity to align Idaho Power's earned returns with those allowed by regulators. Idaho Power uses operating and capital budgets to control operating costs and capital expenditures. During the first six months of 2021, Idaho Power continued its efforts to optimize operations, control costs, and generate operating cash inflows to meet operating expenditures, contribute to capital expenditure requirements, and pay dividends to shareholders.

As of July 23, 2021, IDACORP's and Idaho Power's access to debt, equity, and credit arrangements included:

- their respective $100 million and $300 million revolving credit facilities;
- IDACORP's shelf registration statement filed with the U.S. Securities and Exchange Commission (SEC) on May 17, 2019, which may be used for the issuance of debt securities and common stock;
- Idaho Power's shelf registration statement filed with the SEC on May 17, 2019, which may be used for the issuance of first mortgage bonds and debt securities; $190 million remains available for issuance pursuant to state regulatory authority; and

- IDACORP's and Idaho Power's commercial paper, which may be issued up to an amount equal to the available credit capacity under their respective credit facilities.

IDACORP and Idaho Power monitor capital markets with a view toward opportunistic debt and equity transactions, taking into account current and potential future long-term needs. As a result, IDACORP may issue debt securities or common stock, and Idaho Power may issue debt securities or first mortgage bonds, if the companies believe terms available in the capital markets are favorable and that issuances would be financially prudent.

Based on planned capital expenditures and other O&M expenses, the companies believe they will be able to meet capital and debt service requirements and fund corporate expenses during at least the next twelve months with a combination of existing cash, operating cash flows generated by Idaho Power's utility business, availability under existing credit facilities, and access to commercial paper and long-term debt markets.

IDACORP and Idaho Power generally seek to maintain capital structures of approximately 50 percent debt and 50 percent equity, and maintaining this ratio influences IDACORP's and Idaho Power's debt and equity issuance decisions. As of June 30, 2021, IDACORP's and Idaho Power's capital structures, as calculated for purposes of applicable debt covenants, were as follows:

	IDACORP	Idaho Power
Debt	43%	46%
Equity	57%	54%

IDACORP and Idaho Power typically maintain their cash and cash equivalents in highly liquid investments, such as U.S. Treasury Bills, money market funds, and bank deposits.

Operating Cash Flows

IDACORP’s and Idaho Power’s operating cash inflows for the six months ended June 30, 2021, were $167 million and $155 million, respectively, an increase of $39 million for IDACORP and an increase of $25 million for Idaho Power, compared with the same period in 2020. With the exception of cash flows related to income taxes, IDACORP's operating cash flows are principally derived from the operating cash flow of Idaho Power. Significant items that affected the comparability of the companies' operating cash flows in the first six months of 2021 compared with the same period in 2020 were as follows:

- increased net income;
- changes in regulatory assets and liabilities, mostly related to the relative amounts of costs deferred and collected under the Idaho PCA mechanism, increased operating cash flows by $21 million; and
- changes in working capital balances due primarily to timing, including fluctuations in accounts receivable, accounts payable, other current assets, and other current liabilities as follows:
    - timing of collections of accounts receivable balances decreased operating cash flows by $6 million for IDACORP and $4 million for Idaho Power;
    - timing of accounts payable payments increased operating cash flows by $33 million for IDACORP and $25 million for Idaho Power, of which $8 million of the difference between IDACORP and Idaho Power related to intercompany tax payments in the first six months of 2020;
    - the changes in other current assets decreased operating cash flows by $24 million for IDACORP and Idaho Power, which was primarily due to fluctuations in accrued unbilled revenues and the timing of purchases and consumption of coal at Idaho Power's jointly-owned coal-fired generating plants; and
    - the changes in other current liabilities, which includes compensation, customer deposits, accrued interest, and other miscellaneous liabilities, decreased operating cash flows by $7 million for IDACORP and Idaho Power.

Investing Cash Flows

Investing activities consist primarily of capital expenditures related to new construction and improvements to Idaho Power’s generation, transmission, and distribution facilities. IDACORP’s and Idaho Power’s net investing cash outflows for the six months ended June 30, 2021, were $107 million and $122 million, respectively. Investing cash outflows for 2021 and 2020 were primarily for construction of utility infrastructure needed to address Idaho Power’s aging plant and equipment, customer growth, and environmental and regulatory compliance requirements. During the first six months of 2021, IDACORP's investing cash inflows and outflows also included $50 million of proceeds from maturities of short-term investments and $25 million of purchases of short-term investments, respectively. In addition, IDACORP's investing cash outflows also included $10 million and $9 million of investments in affordable housing and other tax credits during the six months ended June 30, 2021 and 2020, respectively.

Financing Cash Flows

Financing activities provide supplemental cash for both day-to-day operations and capital requirements, as needed. Idaho Power funds liquidity needs for capital investment, working capital, managing commodity price risk, and other financial commitments through cash flows from operations, debt offerings, commercial paper markets, credit facilities, and capital contributions from IDACORP. IDACORP funds its cash requirements, such as payment of taxes, capital contributions to Idaho Power, and non-utility expenses allocated to IDACORP, through cash flows from operations, commercial paper markets, sales of common stock, and credit facilities. IDACORP's and Idaho Power's net financing cash outflows for the six months ended June 30, 2021, were $75 million and $72 million, respectively. In the first six months of 2021, IDACORP and Idaho Power paid dividends of approximately $72 million.

Financing Programs and Available Liquidity

IDACORP Equity Programs: IDACORP has no current plans to issue equity securities other than under its equity compensation plans during 2021.

Idaho Power First Mortgage Bonds: Idaho Power's issuance of long-term indebtedness is subject to the approval of the IPUC, OPUC, and Wyoming Public Service Commission (WPSC). In April and May 2019, Idaho Power received orders from the IPUC, OPUC, and WPSC authorizing the company to issue and sell from time to time up to $500 million in aggregate principal amount of debt securities and first mortgage bonds, subject to conditions specified in the orders. Following the April 2020 issuance of Series K medium-term notes and the June 2020 issuance of Series L medium-term notes described in the 2020 Annual Report, in Part II, Item 7 - "MD&A - Liquidity and Capital Resources," $190 million of debt securities remains available for issuance under the orders. Authority from the IPUC is effective through May 31, 2022, subject to extension upon request to the IPUC. The OPUC’s and WPSC’s orders do not impose a time limitation for issuances, but the OPUC order does impose a number of other conditions, including a requirement that the interest rates for the debt securities or first mortgage bonds fall within either (a) designated spreads over comparable U.S. Treasury rates or (b) a maximum all-in interest rate limit of seven percent.

In May 2019, Idaho Power filed a shelf registration statement with the SEC, which became effective upon filing, for the offer and sale of an unspecified principal amount of its first mortgage bonds. The issuance of first mortgage bonds requires that Idaho Power meet interest coverage and security provisions set forth in Idaho Power's Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937, as amended and supplemented from time to time (Indenture). Future issuances of first mortgage bonds are subject to satisfaction of covenants and security provisions set forth in the Indenture, market conditions, regulatory authorizations, and covenants contained in other financing agreements.

In June 2020, Idaho Power entered into a selling agency agreement with six banks named in the agreement in connection with the potential issuance and sale from time to time of up to $500 million aggregate principal amount of first mortgage bonds, secured medium term notes, Series L (Series L Notes), under Idaho Power’s Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937, as amended and supplemented (Indenture). Also in June 2020, Idaho Power entered into the Forty-ninth Supplemental Indenture, dated effective as of June 5, 2020, to the Indenture (Forty-ninth Supplemental Indenture). The Forty-ninth Supplemental Indenture provides for, among other items the issuance of up to $500 million in aggregate principal amount of Series L Notes pursuant to the Indenture.

The Indenture limits the amount of first mortgage bonds at any one time outstanding to $2.5 billion, and as a result, the maximum amount of additional first mortgage bonds Idaho Power could issue as of June 30, 2021, was limited to approximately $534 million. Idaho Power may increase the $2.5 billion limit on the maximum amount of first mortgage bonds outstanding by filing a supplemental indenture with the trustee as provided in the Indenture of Mortgage and Deed of Trust. Separately, the Indenture also limits the amount of additional first mortgage bonds that Idaho Power may issue to the sum of (a) the principal amount of retired first mortgage bonds and (b) 60 percent of total unfunded property additions, as defined in the Indenture. As of June 30, 2021, Idaho Power could issue approximately $1.8 billion of additional first mortgage bonds based on retired first mortgage bonds and total unfunded property additions.

***IDACORP and Idaho Power Credit Facilities*:** In December 2019, IDACORP and Idaho Power entered into amendments to credit agreements for $100 million and $300 million credit facilities, respectively, replacing prior-credit agreements. Each of the credit facilities may be used for general corporate purposes and commercial paper back-up. IDACORP's facility permits borrowings under a revolving line of credit of up to $100 million at any one time outstanding, including swingline loans not to exceed $10 million at any one time and letters of credit not to exceed $50 million at any one time. IDACORP's facility may be increased, subject to specified conditions, to $150 million. Idaho Power's facility permits borrowings through the issuance of loans and standby letters of credit of up to $300 million at any one time outstanding, including swingline loans not to exceed $30 million at any one time and letters of credit not to exceed $50 million at any one time outstanding. Idaho Power's facility may be increased, subject to specified conditions, to $450 million. The credit facilities currently provide for a maturity date of December 6, 2024, though IDACORP and Idaho Power may request up to two-one-year extensions of the credit agreements, subject to certain conditions. Other terms and conditions of the credit facilities are described in the 2020 Annual Report, in Part II, Item 7 - "MD&A - Liquidity and Capital Resources."

Each facility contains a covenant requiring each company to maintain a leverage ratio of consolidated indebtedness to consolidated total capitalization equal to or less than 65 percent as of the end of each fiscal quarter. In determining the leverage ratio, "consolidated indebtedness" broadly includes all indebtedness of the respective borrower and its subsidiaries, including, in some instances, indebtedness evidenced by certain hybrid securities (as defined in the credit agreement). "Consolidated total capitalization" is calculated as the sum of all consolidated indebtedness, consolidated stockholders' equity of the borrower and its subsidiaries, and the aggregate value of outstanding hybrid securities. At June 30, 2021, the leverage ratios for IDACORP and Idaho Power were 43 percent and 46 percent, respectively. IDACORP's and Idaho Power's ability to utilize the credit facilities is conditioned upon their continued compliance with the leverage ratio covenants included in the credit facilities. There are additional covenants, subject to exceptions, that prohibit certain mergers, acquisitions, and investments, restrict the creation of certain liens, and prohibit entering into any agreements restricting dividend payments from any material subsidiary.

At June 30, 2021, IDACORP and Idaho Power believed they were in compliance with all facility covenants. Further, IDACORP and Idaho Power do not anticipate they will be in violation or breach of their respective debt covenants during 2021.

Without additional approval from the IPUC, the OPUC, and the WPSC, the aggregate amount of short-term borrowings by Idaho Power at any one time outstanding may not exceed $450 million. Idaho Power has obtained approval of the IPUC, the OPUC, and the WPSC for the issuance of short-term borrowings through December 2026.

IDACORP and Idaho Power Commercial Paper: IDACORP and Idaho Power have commercial paper programs under which they issue unsecured commercial paper notes up to a maximum aggregate amount outstanding at any time not to exceed the available capacity under their respective credit facilities, described above. IDACORP's and Idaho Power's credit facilities are available to the companies to support borrowings under their commercial paper programs. The commercial paper issuances are used to provide an additional financing source for the companies' short-term liquidity needs. The maturities of the commercial paper issuances will vary but may not exceed 270 days from the date of issue. Individual instruments carry a fixed rate during their respective terms, although the interest rates are reflective of current market conditions, subjecting the companies to fluctuations in interest rates.

Available Short-Term Borrowing Liquidity

The table below outlines available short-term borrowing liquidity as of the dates specified (in thousands).

	June 30, 2021		December 31, 2020	
	IDACORP[2]	**Idaho Power**	**IDACORP[2]**	**Idaho Power**
Revolving credit facility	$ 100,000	$ 300,000	$ 100,000	$ 300,000
Commercial paper outstanding	—	—	—	—
Identified for other use[1]	—	(24,245)	—	(24,245)
Net balance available	$ 100,000	$ 275,755	$ 100,000	$ 275,755

[1] Port of Morrow and American Falls bonds that Idaho Power could be required to purchase prior to maturity under the optional or mandatory purchase provisions of the bonds, if the remarketing agent for the bonds is unable to sell the bonds to third parties.
[2] Holding company only.

On July 23, 2021, IDACORP had no loans outstanding under its credit facilities and had no commercial paper outstanding. Idaho Power also had no loans outstanding under its credit facilities and no commercial paper outstanding at that date. During the three and six months ended June 30, 2021, IDACORP and Idaho Power issued no short-term commercial paper.

Impact of Credit Ratings on Liquidity and Collateral Obligations

IDACORP’s and Idaho Power’s access to capital markets, including the commercial paper market, and their respective financing costs in those markets, depend in part on their respective credit ratings. There have been no changes to IDACORP's or

Idaho Power's ratings by Standard & Poor's Ratings Services (S&P) or Moody's Investors Service (Moody's) from those included in the 2020 Annual Report. However, any rating can be revised upward or downward or withdrawn at any time by a rating agency if it decides that the circumstances warrant the change. In June 2021, Moody's rating outlook for IDACORP and Idaho Power were modified to negative, from stable, due to Moody's perception of the companies' financial profile relative to its A-rated peers. Moody's rating outlook indicated that it expects that IDACORP and Idaho Power will not take any material actions to improve their cash flows over the next 12-18 months. As disclosed in the 2020 Annual Report, Moody's credit ratings of IDACORP and Idaho Power are currently higher than the similar ratings of S&P. Were IDACORP's and Idaho Power's credit ratings at Moody's to decrease to a similar level as S&P, the companies' credit ratings would nonetheless remain investment grade and the companies do not believe it would have a material impact on their liquidity or access to debt capital. Moody's credit ratings of Baa3 and above are considered to be investment grade, or prime, ratings.

Idaho Power maintains margin agreements relating to its wholesale commodity contracts that allow performance assurance collateral to be requested of and/or posted with certain counterparties. As of June 30, 2021, Idaho Power had posted $0.4 million cash performance assurance collateral related to these contracts. Should Idaho Power experience a reduction in its credit rating on its unsecured debt to below investment grade, Idaho Power could be subject to requests by its wholesale counterparties to post additional performance assurance collateral, and counterparties to derivative instruments and other forward contracts could request immediate payment or demand immediate ongoing full daily collateralization on derivative instruments and contracts in net liability positions. Based upon Idaho Power's current energy and fuel portfolio and market conditions as of June 30, 2021, the amount of additional collateral that could be requested upon a downgrade to below investment grade is approximately $27.6 million. To minimize capital requirements, Idaho Power actively monitors its portfolio exposure and the potential exposure to additional requests for performance assurance collateral through sensitivity analysis.

Capital Requirements

Idaho Power's construction expenditures, excluding AFUDC, were $122 million during the six months ended June 30, 2021. The cash expenditure amount excludes net costs of removing assets from service. The table below presents Idaho Power's estimated accrual-basis additions to electric plant for 2021 (including amounts incurred to-date) through 2025 (in millions of dollars). The amounts in the table exclude AFUDC but include net costs of removing assets from service that Idaho Power expects would be eligible to include in rate base in future rate case proceedings. However, given the uncertainty associated with the timing of infrastructure projects and associated expenditures, actual expenditures and their timing could deviate substantially from those set forth in the table.

	2021	2022	2023-2025
Expected capital expenditures (excluding AFUDC)	$320-$330	$340-$350	$1,250-$1,350

Major Infrastructure Projects: Idaho Power is engaged in the development of a number of significant projects and has entered into arrangements with third parties concerning joint infrastructure development. The discussion below provides a summary of developments in certain of those projects since the discussion of these matters included in Part II, Item 7 - "MD&A - Capital Requirements" in the 2020 Annual Report. The discussion below should be read in conjunction with that report.

Boardman-to-Hemingway Transmission Line: The Boardman-to-Hemingway line, a proposed 300-mile, high-voltage transmission project between a substation near Boardman, Oregon, and the Hemingway substation near Boise, Idaho, would provide transmission service to meet future resource needs. In January 2012, Idaho Power entered into a joint funding agreement with PacifiCorp and the Bonneville Power Administration (BPA) to pursue permitting of the project. The joint funding agreement provides that Idaho Power's interest in the permitting phase of the project would be approximately 21 percent. Total cost estimates for the project are between $1.0 billion and $1.2 billion, including Idaho Power's AFUDC. This cost estimate is preliminary and excludes the impacts of inflation and price changes of materials and labor resources that may occur following the date of the estimate.

Approximately $118 million, including AFUDC, has been expended on the Boardman-to-Hemingway project through June 30, 2021. Pursuant to the terms of the joint funding arrangements, Idaho Power has received $78 million in reimbursement as of June 30, 2021, from project co-participants for their share of costs. As of the date of this report, no material co-participant reimbursements are outstanding. Joint permitting participants are obligated to reimburse Idaho Power for their share of any future project permitting expenditures or agreed upon early construction expenditures incurred by Idaho Power under the terms of the joint funding agreement.

Idaho Power's share of the remaining permitting phase of the project (excluding AFUDC) is included in the capital requirements table above, which includes approximately $160 million of Idaho Power's share of estimated costs related to permitting, design, material procurement, and construction. The preliminary estimates of Idaho Power’s share of construction costs, which are primarily included in the table in the period 2023-2025, could significantly change as the construction timeline nears and as the project participants further align on future activities, allocation of ownership interests, and cost estimates. In addition to the estimated costs included in the table above, costs will continue to be incurred until the transmission line is placed into service.

The permitting phase of the Boardman-to-Hemingway project is subject to federal review and approval by the U.S. Bureau of Land Management (BLM), the U.S. Forest Service, the Department of the Navy, and certain other federal agencies. The BLM issued its record of decision for the project in November 2017, approving a right-of-way grant for the project to cross approximately 86 miles of BLM-administered land. The U.S. Forest Service issued its record of decision in November 2018, authorizing the project to cross approximately seven miles of National Forest lands. In September 2019, the Department of the Navy issued its record of decision authorizing the project to cross approximately seven miles of Department of the Navy lands. In November 2019, third parties filed a lawsuit in the federal district court of Oregon challenging the BLM and U.S. Forest Service records of decision for the Boardman-to-Hemingway project on several grounds. In February 2020, Idaho Power filed a motion to intervene in the legal proceeding, and the motion was granted in April 2020. The litigation remains pending as of the date of this report, and a decision is expected in the second half of 2021.

In the separate State of Oregon permitting process, the Oregon Department of Energy (ODOE) issued a Proposed Order in July 2020 that recommends approval of the project to the state's Energy Facility Siting Council (EFSC). The project permit is actively undergoing the EFSC administrative process, and Idaho Power currently expects the EFSC to issue a final order and site certificate in the second half of 2022.

Under the current joint funding agreement, Idaho Power has an approximate 21 percent interest, BPA has an approximate 24 percent interest, and PacifiCorp has an approximate 55 percent interest in the permitting phase. As the current joint funding agreement covers primarily permitting activities, which are nearing completion, Idaho Power and its co-participants are exploring several scenarios of ownership, asset, and service arrangements aimed at maximizing the value of the project to each of the co-participants' customers. In July 2021, the co-participants entered into an agreement and acknowledged that BPA does not intend to participate in the construction of the project or to be a co-owner, in whole or in part, of the project, and that BPA intends to sell its interest in the project to either Idaho Power or a third party. Any changes regarding the ownership structure would be addressed through amended or new funding agreements for the future phases of the project.

Given the status of ongoing permitting activities and the construction period, Idaho Power expects the in-service date for the transmission line will be no earlier than 2026.

Gateway West Transmission Line: Idaho Power and PacifiCorp are pursuing the joint development of the Gateway West project, a high-voltage transmission lines project between a substation located near Douglas, Wyoming and the Hemingway substation located near Boise, Idaho. In January 2012, Idaho Power and PacifiCorp entered a joint funding agreement for permitting of the project. Idaho Power has expended approximately $46 million, including Idaho Power's AFUDC, for its share of the permitting phase of the project through June 30, 2021. As of the date of this report, Idaho Power estimates the total cost for its share of the project (including both permitting and construction) to be between $250 million and $450 million, including AFUDC. Idaho Power's estimated share of ongoing expenditures for the permitting phase of the project (excluding AFUDC) is included in the capital requirements table above. Idaho Power's share of potential early construction costs are excluded from the capital requirements table above because the timing of construction of Idaho Power's portion of the project is uncertain. Idaho Power and PacifiCorp continue to coordinate the timing of next steps to best meet customer and system needs.

Defined Benefit Pension Plan Contributions

Idaho Power contributed $10 million to the defined benefit pension plan in the first half of 2021. In July 2021, Idaho Power contributed an additional $10 million to the plan. Idaho Power has no further minimum required contributions to be made to its defined benefit pension plan during 2021, but depending on market conditions and cash flows, Idaho Power expects it will contribute up to a total of $40 million to the pension plan for the full year of 2021. Idaho Power's contributions are made in a continued effort to balance the regulatory collection of these expenditures with the amount and timing of contributions and to mitigate the cost of being in an underfunded position. The primary impact of pension contributions is on the timing of cash flows, as the timing of cost recovery lags behind contributions.

In March 2021, the American Rescue Plan Act of 2021 was signed into law, which included changes to the funding rules for single employer pension plans. The minimum funding requirements have been lowered by revising liability discount rates and by lengthening the period over which unfunded liabilities must be amortized. This did not have a material effect on Idaho Power's near-term pension contribution plans.

Contractual Obligations

During the six months ended June 30, 2021, IDACORP's and Idaho Power's contractual obligations, outside the ordinary course of business, did not change materially from the amounts disclosed in the 2020 Annual Report, except that Idaho Power entered into two new long-term transmission purchase agreements, which increased Idaho Power's contractual purchase obligations by approximately $16 million over the 5-year terms of the contracts, and five new replacement contracts for expiring power purchase agreements with PURPA-qualifying hydropower facilities, which increased Idaho Power's contractual purchase obligations by approximately $29 million over the 20-year terms of the contracts.

Off-Balance Sheet Arrangements

IDACORP's and Idaho Power's off-balance sheet arrangements have not changed materially from those reported in MD&A in the 2020 Annual Report.

REGULATORY MATTERS

Introduction

Idaho Power is under the jurisdiction (as to rates, service, accounting, and other general matters of utility operation) of the IPUC, the OPUC, and the FERC. The IPUC and OPUC determine the rates that Idaho Power is authorized to charge to its retail customers. Idaho Power is also under the regulatory jurisdiction of the IPUC, the OPUC, and the WPSC as to the issuance of debt and equity securities. As a public utility under the Federal Power Act, Idaho Power has authority to charge market-based rates for wholesale energy sales under its FERC tariff and to provide transmission services under its OATT. Additionally, the FERC has jurisdiction over Idaho Power's sales of transmission capacity and wholesale electricity, hydropower project relicensing, and system reliability, among other items.

Idaho Power's development of regulatory filings takes into consideration short-term and long-term needs for rate relief and involves several factors that can affect the timing of these regulatory filings. These factors include, among others, in-service dates of major capital investments, the timing and magnitude of changes in major revenue and expense items, and customer growth rates. Idaho Power's most recent general rate cases in Idaho and Oregon were filed during 2011. In 2012, large single-issue rate cases for the Langley Gulch power plant in Idaho and Oregon resulted in the resetting of base rates in both Idaho and Oregon. Idaho Power also reset its base-rate power supply expenses in the Idaho jurisdiction for purposes of updating the collection of costs through retail rates in 2014 but without a resulting net increase in rates. The IPUC and OPUC have also approved base rate changes in single issue cases subsequent to 2014. Between general rate cases, Idaho Power relies upon customer growth, a fixed cost adjustment mechanism, power cost adjustment mechanisms, tariff riders, and other mechanisms to mitigate the impact of regulatory lag, which refers to the period of time between making an investment or incurring an expense and recovering that investment or expense and earning a return. Management's regulatory focus in recent years has been largely on regulatory settlement stipulations and the design of rate mechanisms. In May 2021, the IPUC ordered Idaho Power to work with interested parties and initiate separate cases to review the PCA and FCA mechanisms and to propose any modifications it determines are appropriate so those cases may be processed before the filing of the 2022 PCA application in April 2022 and the 2022 FCA application in March 2022. Reviews of the mechanisms are ongoing, and to date, discussions have been productive and aimed toward mutually agreeable solutions. Idaho Power continues to assess the need and timing of filing a general rate case in its two retail jurisdictions, based on its consideration of factors such as those described above, but does not anticipate filing a general rate case in the next twelve months.

The outcomes of significant proceedings are described in part in this report and further in the 2020 Annual Report. In addition to the discussion below, which includes notable regulatory developments since the discussion of these matters in the 2020 Annual Report, refer to Note 3 - "Regulatory Matters" to the condensed consolidated financial statements included in this report for additional information relating to Idaho Power's regulatory matters and recent regulatory filings and orders.

Notable Retail Rate Changes During 2021

During 2021, Idaho Power received orders authorizing the rates changes summarized in the table below.

Description	Status	Estimated Annual Rate Impact[1]	Notes
Power Cost Adjustment Mechanism - Idaho	New PCA rate became effective June 1, 2021	$39.1 million PCA increase for the period from June 1, 2021 to May 31, 2022	The income statement impact of revenue changes associated with the Idaho PCA mechanism is largely offset by associated increases and decreases in actual power supply costs and amortization of deferred power supply costs. The rate increase reflects a forecasted reduction in low-cost hydroelectric generation as well as higher costs associated with PURPA power purchases. The net increase in PCA revenues also reflects a smaller credit to customers through the true-up component.
Fixed Cost Adjustment Mechanism - Idaho	New FCA rate became effective June 1, 2021	$2.8 million FCA increase for the period from June 1, 2021 to May 31, 2022	The FCA is designed to remove a portion of Idaho Power’s financial disincentive to invest in energy efficiency programs by partially separating (or decoupling) the recovery of fixed costs from the volumetric kilowatt-hour charge and instead linking it to a set amount per customer.

(1) The annual amount collected in rates is typically not recovered on a straight-line basis (i.e., 1/12th per month), and is instead recovered in proportion to retail sales volumes.

Idaho Earnings Support and Sharing from Idaho Settlement Stipulation

A May 2018 Idaho settlement stipulation related to tax reform (May 2018 Idaho Tax Reform Settlement Stipulation) is described in Note 3 - "Regulatory Matters" to the consolidated financial statements included in the 2020 Annual Report. IDACORP and Idaho Power believe that the terms allowing additional amortization of accumulated deferred investment tax credits (ADITC) in the settlement stipulations provide the companies with a greater degree of earnings stability than would be possible without the terms of the stipulations in effect.

Based on its estimate of full-year 2021 Idaho ROE, in both the second quarter and first six months of 2021, Idaho Power recorded no additional ADITC amortization or provision against current revenues for sharing of earnings with customers for 2021 under the May 2018 Idaho Tax Reform Settlement Stipulation. Accordingly, at June 30, 2021, the full $45 million of additional ADITC remained available for future use. Idaho Power also recorded no additional ADITC amortization or provision against revenues for sharing of earnings with customers during the second quarter and first six months of 2020, based on its then-current estimate of full-year 2020 Idaho ROE.

Change in Deferred (Accrued) Net Power Supply Costs and the Power Cost Adjustment Mechanisms

Deferred (accrued) power supply costs represent certain differences between Idaho Power's actual net power supply costs and the costs included in its retail rates, the latter being based on annual forecasts of power supply costs. Deferred (accrued) power supply costs are recorded on the balance sheets for future recovery or refund through customer rates.

Idaho Power's power cost adjustment mechanisms in its Idaho and Oregon jurisdictions address the volatility of power supply costs and provide for annual adjustments to the rates charged to retail customers. The power cost adjustment mechanisms and associated financial impacts are described in "Results of Operations" in this MD&A and in Note 3 - "Regulatory Matters" to the condensed consolidated financial statements included in this report. With the exception of power supply expenses incurred under PURPA and certain demand response program costs that are passed through to customers substantially in full, the Idaho PCA mechanism allows Idaho Power to pass through to customers 95 percent of the differences in actual net power supply expenses as compared with base net power supply expenses, whether positive or negative. Thus, the primary financial statement impact of power supply cost deferrals or accruals is that the timing of when cash is paid out for power supply expenses differs from when those costs are recovered from customers, impacting operating cash flows from year to year.

The following table summarizes the change in accrued net power supply costs during the six months ended June 30, 2021 (in millions).

	Idaho	Oregon	Total
Accrued net power supply costs at December 31, 2020	$ (14.7)	$ (0.3)	$ (15.0)
Current period net power supply costs accrued	(16.1)	—	(16.1)
Prior amounts refunded through rates	18.3	0.1	18.4
SO_2 allowance and renewable energy certificate sales	(3.3)	(0.1)	(3.4)
Interest and other	1.5	(0.1)	1.4
Accrued net power supply costs at June 30, 2021	$ (14.3)	$ (0.4)	$ (14.7)

Open Access Transmission Tariff Draft Posting

Idaho Power uses a formula rate for transmission service provided under its OATT, which allows transmission rates to be updated annually based primarily on financial and operational data Idaho Power files with the FERC. In June 2021, Idaho Power publicly posted its 2021 draft transmission rate, reflecting a transmission rate of $31.19 per "kW-year," to be effective for the period from October 1, 2021, to September 30, 2022. A "kW-year" is a unit of electrical capacity equivalent to 1 kilowatt of power used for 8,760 hours. Idaho Power's draft rate was based on a net annual transmission revenue requirement of $127.3 million. The existing OATT rate in effect from October 1, 2020, to September 30, 2021, is $29.95 per kW-year based on a net annual transmission revenue requirement of $117.7 million. The increase in the OATT rate is largely attributable to increased transmission plant as well as decreased short-term firm and non-firm transmission revenues in 2020, which serve as an offset to the transmission revenue requirement.

Integrated Resource Plan

The IPUC and OPUC require that Idaho Power prepare biennially an Integrated Resource Plan (IRP). The IRP seeks to forecast Idaho Power's loads and resources for a 20-year period; analyzes potential supply-side, demand-side, and transmission resource options; and identifies potential near-term and long-term actions. Idaho Power filed its most recent IRP with the IPUC and OPUC in June 2019 and filed an amended 2019 IRP with additional information and modeling results in January 2020, as described in Part 1, Item 1 - "Resource Planning and Renewable Energy Projects" in the 2020 Annual Report. In March 2021 and April 2021, the IPUC and OPUC, respectively, acknowledged the second amended 2019 IRP. In May 2021, the IPUC issued an order approving Idaho Power's request to extend the filing deadline of the 2021 IRP to the last business day of December 2021.

Depreciation Rate Update Requests

In 2021, Idaho Power conducted a depreciation study of electric plant-in-service, which it performs approximately every five years. The study provided updates to net salvage percentages and service life estimates for Idaho Power plant assets. Based on the study, in June 2021, Idaho Power filed applications with the IPUC and OPUC, requesting approval to institute revised depreciation rates for Idaho Power's electric plant-in-service and adjust base rates by an aggregate of $3.9 million to reflect the revised depreciation rates applied to electric plant-in-service balances subject to the most recent general rate cases. The proposed adjustments in these applications are an overall rate increase of 0.31 percent in Idaho and 0.24 percent in Oregon. Idaho Power requested an effective date of December 1, 2021, for these adjustments, and as of the date of this report, orders from the IPUC and OPUC are pending.

Jim Bridger Power Plant Rate Request

Also in June 2021, Idaho Power filed an application with the IPUC requesting authorization to (a) accelerate depreciation for the Jim Bridger plant, to allow the plant to be fully depreciated and recovered by December 31, 2030, (b) establish a balancing account to track the incremental costs and benefits associated with ceasing participation in coal-fired operations at the Jim Bridger plant, and (c) adjust customer rates to recover the associated incremental annual levelized revenue requirement in the aggregate amount of $30.8 million, which includes Idaho Power's share of all electric plant in service at the Jim Bridger plant. The proposed adjustment in this application is an overall rate increase of 2.53 percent in Idaho. Idaho Power requested an effective date of December 1, 2021, for this adjustment, and as of the date of this report, an order from the IPUC is pending.

Wildfire Mitigation Cost Deferral

In June 2021, the IPUC authorized Idaho Power to defer for future amortization incremental O&M and depreciation expense of certain capital investments necessary to implement the company's WMP. The IPUC also authorized Idaho Power to record these deferred expenses as a regulatory asset until the company can request amortization of the deferred costs in a future IPUC proceeding, at which time the IPUC will have the opportunity to review actual costs and determine the amount of prudently incurred costs that Idaho Power can recover through retail rates. Idaho Power projects spending approximately $47 million in incremental wildfire mitigation-related O&M and roughly $35 million in wildfire mitigation system-hardening capital incremental expenditures over the next five years. The IPUC authorized a deferral period of five years, or until rates go into effect after Idaho Power's next general rate case, whichever is first. As of June 30, 2021, Idaho Power had not recorded any deferral related to the WMP, as Idaho Power does not expect to incur significant incremental costs in connection with many of the projects identified in the plan until the second half of 2021.

Valmy Plant Exit Date

In April 2021, Idaho Power filed an application with the IPUC requesting an acknowledgment that its year-end 2025 exit date from Valmy unit 2 is appropriate based on economics and reliability needs. As of the date of this report, comments from intervenors and an order from the IPUC are pending.

Renewable and Other Energy Contracts

Idaho Power has contracts for the purchase of electricity produced by third-party owned generation facilities, most of which produce energy with the use of renewable generation sources such as wind, solar, biomass, small hydropower, and geothermal. The majority of these contracts are entered into as mandatory purchases under PURPA. As of June 30, 2021, Idaho Power had contracts to purchase energy from 129 online PURPA projects. An additional three contracts are with online non-PURPA projects, including the Elkhorn Valley wind project with a 101-MW nameplate capacity.

The following table sets forth, as of June 30, 2021, the resource type and nameplate capacity of Idaho Power's signed agreements for power purchases from PURPA and non-PURPA generating facilities. These agreements have original contract terms ranging from one to 35 years.

Resource Type	On-line megawatts (MW)	Under Contract but not yet On-line (MW)	Total Projects under Contract (MW)
PURPA:			
Wind	627	—	627
Solar	316	3	319
Hydropower	150	1	151
Other	44	—	44
Total	1,137	4	1,141
Non-PURPA:			
Wind	101	—	101
Geothermal	35	—	35
Solar	—	120	120
Total	136	120	256

The projects not yet online include one PURPA hydropower project that is scheduled to be online later this year and one PURPA solar project scheduled to be on-line in 2022. The non-PURPA solar project is scheduled to be online in 2022.

In July 2020, the FERC issued Order No. 872, which could affect how states determine PURPA project avoided cost rates for purchases of power generated from PURPA qualifying facilities (QF), which facilities are eligible for QF status, whether and when certain QFs can enter into purchase agreements with utilities, and how parties can contest the eligibility of a generation facility seeking QF status. As of the date of this report, Idaho Power is unable to determine the impact of these potential changes on the company's future obligations for new PURPA power purchase contracts. Further action by the state public utility commissions is required to implement many of the changes. Substantially all PURPA power purchase costs are recovered through base rates and Idaho Power's power cost adjustment mechanisms.

Customer-Owned Generation Filings

Customer-owned generation allows customers to install solar panels or other on-site energy-generating resources and connect them to Idaho Power's grid. If a customer requires more energy than its system generates, it utilizes energy supplied by Idaho Power's grid. If a customer's system generates more energy than the customer uses, the energy goes back to the grid and Idaho Power applies a corresponding kWh credit to the customer's bill. Idaho Power has filed various cases with the IPUC related to customer generation as described in Part II, Item 7 - "Regulatory Matters" in the 2020 Annual Report. In March 2021, the IPUC issued an order approving Idaho Power's application as filed that establishes a smart inverter requirement for all new on-site energy-generating resources interconnected to the company's system, among other things. In June 2021, Idaho Power filed an application requesting that the IPUC initiate the multi-phase process for a comprehensive study of the costs and benefits of on-site generation as directed by previous IPUC orders. Idaho Power expects to complete the first phase of the proposed process involving a study design by the end of 2021.

Relicensing of Hydropower Projects

HCC Relicensing: In connection with Idaho Power's efforts to relicense the HCC, Idaho Power's largest hydropower complex and a major relicensing effort, as described in more detail in the 2020 Annual Report in Part II, Item 7 - "Regulatory Matters," Idaho Power filed water quality certification applications, required under Section 401 of the Clean Water Act (CWA), with the states of Idaho and Oregon requesting that each state certify that any discharges from the project comply with applicable state water quality standards. Idaho Power continues to work with the states to identify measures that will provide reasonable assurance that discharges from the HCC will adequately address applicable water quality standards.

In April 2019, the states of Idaho and Oregon, along with Idaho Power, reached a settlement pertaining to the CWA Section 401 certification that requires Idaho Power to increase the number of Chinook salmon it releases each year through expanded hatchery production. Additionally, Idaho Power is required to fund a total of $12 million of research and water quality improvements in the HCC over a 20-year period following the issuance of the license. Idaho Power estimates that the combined cost of the mandated water quality improvements and expanded hatchery production is $20 million in aggregate over the first 20 years of the new license term. In May 2019, Oregon and Idaho issued final CWA Section 401 certifications. These certifications have been submitted to the FERC as part of the relicensing process. In July 2019, three third parties filed lawsuits against the Oregon Department of Environmental Quality in Oregon state court challenging the Oregon CWA Section 401 certification based on fish passage, water temperature, and mercury issues associated with the Snake River and the HCC. Two of the lawsuits were consolidated, and Idaho Power has intervened in that lawsuit. The court dismissed the third challenge to the Oregon CWA 401 certification with prejudice. No parties challenged the Idaho CWA 401 certification. In December 2019, Idaho Power filed an Offer of Settlement with the FERC requesting specific language be included in the new HCC license based upon the settlement among Idaho, Oregon, and Idaho Power. During the first quarter of 2020, the FERC received several comments opposing the Offer of Settlement and its decision relating to the Offer of Settlement is pending as of the date of this report.

In July 2020, Idaho Power submitted to the FERC its supplement to the final license application that incorporated the settlement agreement reached between Idaho and Oregon on the CWA Section 401 certifications, and provided feedback on proposed modification of the 2007 final environmental impact statement for the HCC. The July 2020 filing also contained an updated cost analysis of the HCC and a request for the FERC to issue a 50-year license and initiate a supplemental National Environmental Policy Act (NEPA) process at the FERC. Idaho Power prepared draft biological assessments in consultation with the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS) and filed those with the FERC in October 2020. The draft biological assessments provide information to the USFWS and the NMFS that is necessary to issue their biological opinion as required under the Endangered Species Act (ESA). In December 2020, FERC staff issued six requests for additional information from Idaho Power to help with the analysis and baseline for the project moving forward. Idaho Power has filed responses to all six of the requests with FERC as of the date of this report. Once FERC has evaluated the additional information, Idaho Power expects it to decide what, if any, additional environmental analysis is necessary to issue a license. Idaho Power expects the FERC will also initiate formal ESA consultation with the USFWS and the NMFS. The FERC could issue an HCC license as early as 2022, but as of the date of this report, Idaho Power believes issuance is more likely in 2023 or thereafter.

Costs for the relicensing of Idaho Power's hydropower projects are recorded in construction work in progress until new multi-year licenses are issued by the FERC, at which time the charges are transferred to electric plant in service. Idaho Power expects to seek recovery of relicensing costs and costs related to a new long-term license through the regulatory process. Relicensing costs of $372 million (including AFUDC) for the HCC were included in construction work in progress at June 30, 2021. As of the date of this report, the IPUC authorizes Idaho Power to include in its Idaho jurisdiction rates $8.8 million of

AFUDC annually relating to the HCC relicensing project. Collecting these amounts currently will reduce future collections when HCC relicensing costs are approved for recovery in base rates. As of June 30, 2021, Idaho Power's regulatory liability for collection of AFUDC relating to the HCC was approximately $178 million.

When the FERC issues a new long-term license, Idaho Power will begin operating under the requirements contained in the new license. Idaho Power expects those requirements to increase both O&M expenditures and capital expenditures. Because Idaho Power is uncertain when the FERC will issue a new license, it has not included the expected capital expenditure increases in the “Capital Requirements” section of “Liquidity and Capital Resources” of this MD&A. Idaho Power is unable to predict the exact timing of issuance of a new license for the HCC, or the ultimate financial or operational requirements of a new license.

American Falls Relicensing: In April 2020, the FERC formally initiated the relicensing proceeding for the American Falls hydropower facility, which is Idaho Power's largest hydropower facility outside of the HCC, with a generating capacity of 92.3 MW. Idaho Power owns the generation facility but not the structural dam itself, which is owned by the U.S. Bureau of Reclamation. The FERC recognized Idaho Power’s pre-application document, including a proposed process plan and schedule, and recognized Idaho Power’s intent to file an application for a license. A final license application is due to the FERC in 2023. The relicensing proceeding will begin the process of informal ESA Section 7 consultation with the USFWS and Section 106 of the National Historic Preservation Act consultation with the Idaho State Historic Preservation Office. American Falls' current license expires in 2025, and as of the date of this report, Idaho Power expects the FERC to issue a license for this facility prior to the expiration.

ENVIRONMENTAL MATTERS

Overview

Idaho Power is subject to a broad range of federal, state, regional, and local laws and regulations designed to protect, restore, and enhance the environment, including the Clean Air Act, the CWA, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the ESA, among other laws. These laws are administered by various federal, state, and local agencies. In addition to imposing continuing compliance obligations and associated costs, these laws and regulations provide authority to regulators to levy substantial penalties for noncompliance, injunctive relief, and other sanctions. Idaho Power's two jointly-owned coal-fired power plants and three wholly-owned natural gas-fired combustion turbine power plants are subject to many of these regulations. Idaho Power's 17 hydropower projects are also subject to numerous water discharge standards and other environmental requirements.

Compliance with current and future environmental laws and regulations may:

- increase the operating costs of generating plants;
- increase the construction costs and lead time for new facilities;
- require the modification of existing generation plants, which could result in additional costs;
- require the curtailment or shut-down of existing generating plants;
- reduce the output from current generating facilities; or
- require the acquisition of alternative sources of energy or storage technology, increased transmission wheeling, or require construction of additional generating facilities, which could result in higher costs.

Current and future environmental laws and regulations may increase the cost of operating fossil fuel-fired generation plants and constructing new generation and transmission facilities, in large part through the substantial cost of permitting activities and the required installation of additional pollution control devices. In many parts of the United States, some higher-cost, high-emission coal-fired plants have ceased operation or the plant owners have announced a near-term cessation of operation, as the cost of compliance makes the plants uneconomical to operate. Beyond increasing costs generally, these environmental laws and regulations could affect IDACORP's and Idaho Power's results of operations and financial condition if the costs associated with these environmental requirements and early plant retirements and new replacement resource costs cannot be fully recovered in rates on a timely basis. Part I - "Business - Environmental Regulation and Costs" in the 2020 Annual Report, includes a summary of Idaho Power's expected capital and operating expenditures for environmental matters during the period from 2021 to 2023. Given the uncertainty of future environmental regulations, Idaho Power is unable to predict its environmental-related expenditures and infrastructure investments beyond that time, though they could be substantial.

A summary of notable environmental matters impacting, or expected to potentially impact, IDACORP and Idaho Power is included in Part II, Item 7 - "MD&A - Environmental Issues" and "MD&A - Liquidity and Capital Resources - Capital Requirements - Environmental Regulation Costs" in the 2020 Annual Report. Developments in certain environmental matters relevant to Idaho Power are described below.

Endangered Species Act Matters

The listing of a species of fish, wildlife, or plants as threatened or endangered under the ESA may have an adverse impact on Idaho Power's ability to construct generation, transmission, or distribution facilities or relicense or operate its hydropower facilities. When a species is added to the federal list of threatened and endangered species, it is protected from “take,” which is defined to include harming the species. The ESA directs that, concurrent with a designation of a threatened or endangered species, and where prudent and determinable, the applicable agencies also designate “any habitat of such species which is then considered to be critical habitat.” The ESA also provides that each federal agency must ensure that any action they authorize, fund, or carry out is not likely to jeopardize the continued existence of a listed species or result in the destruction or adverse modification of its critical habitat. If an action is determined to result in adverse modification of critical habitat, the federal agency must adopt changes to the proposed action to avoid the adverse modification. These changes are often quite extensive and can affect the size, scope, and even the feasibility of a project moving forward.

In June 2021, in response to the new Presidential Administration's executive order directing federal agencies to review certain environmental regulations (January 2021 Executive Order), the USFWS and the NMFS released a plan to initiate rulemaking to revise, rescind, or reinstate five ESA regulations finalized by the prior administration. The agencies announced that they intend to rescind regulations that revised the USFWS's process for considering exclusions from critical habitat designations, rescind the regulatory definition of habitat, revise regulations for listing species and designating critical habitat, revise regulations for interagency cooperation, and reinstate certain protections for species listed as threatened under the ESA. As described in Part II, Item 7 - "MD&A - Environmental Issues" in the 2020 Annual Report, these ESA regulations could impact the timing and feasibility of the HCC relicensing project and the Gateway West and Boardman-to-Hemingway transmission projects and other infrastructure, which could lead to substantially higher construction, permitting, and licensing costs and could delay construction.

Clean Air Act Matters

Regional Haze Rules: In accordance with federal regional haze rules under the CAA, coal-fired utility boilers are subject to regional haze - best available retrofit technology (RH BART) if they were built between 1962 and 1977 and affect any "Class I" (wilderness) areas. This includes all units at the Jim Bridger plant.

In December 2009, the WDEQ issued a RH BART permit to PacifiCorp as the operator of the Jim Bridger plant. As part of the WDEQ's long term strategy for regional haze, the permit required that PacifiCorp install selective catalytic reduction (SCR) equipment for nitrogen oxide (NOx) control at Jim Bridger units 3 and 4 by December 31, 2015, and December 31, 2016, respectively, which has been completed, and submit an application by December 31, 2017, to install add-on NOx controls at Jim Bridger unit 2 by December 31, 2021, and unit 1 by December 31, 2022, which was submitted in December 2017. In November 2010, PacifiCorp and the WDEQ signed a settlement agreement under which PacifiCorp agreed to the timing and nature of the controls. The settlement agreement was conditioned on the EPA ultimately approving those portions of the Wyoming regional haze state implementation plan (SIP) that are consistent with the terms of the settlement agreement. In January 2014, the EPA approved Wyoming's regional haze SIP as to the Jim Bridger plant, with the NO_x control compliance dates set forth in the settlement agreement.

In February 2019, PacifiCorp submitted a SIP revision to the WDEQ as an alternative regional haze compliance plan for the Jim Bridger plant that includes a reduced plant-wide monthly limit on emissions for NO_x and SO_2 and an annual total emissions cap for NO_x and SO_2 for units 1-4. In May 2020, the WDEQ approved the alternative plan as proposed, which would eliminate the requirement to install add-on NO_x controls at Jim Bridger units 1 and 2. As of the date of this report, the EPA has not formally acted on the SIP revision; however, the EPA has been in discussions with the WDEQ and PacifiCorp regarding the SIP revision.

Clean Water Act Matters

Definition of “Waters of the United States” Under the CWA: In August 2015, the EPA and U.S. Army Corps of Engineers' (USACE) final rule defining the phrase "waters of the United States" (WOTUS) under the CWA became effective (WOTUS Rule). Idaho Power believes that the 2015 rule potentially expanded federal jurisdiction under the CWA beyond traditional navigable waters, interstate waters, territorial seas, tributaries, and adjacent wetlands, to a number of other waters, including waters with a "significant nexus" to those traditional waters. The WOTUS Rule was widely challenged in both federal district and circuit courts. In January 2020, the EPA and USACE finalized the first of a two-part rule to repeal the WOTUS Rule and set new and more expansive standards for determining which waters are subject to the CWA, which substantially restored the definitions and guidance used prior to the WOTUS Rule. In April 2020, the EPA and USACE published the second part of the final rule to replace the WOTUS Rule with the "Navigable Waters Protection Rule" that provides a final definition of "waters of the United States," which ultimately narrows the scope of waters subject to federal regulation under the CWA. The Navigable Waters Protection Rule became effective in June 2020. In June 2021, in response to the January 2021 Executive Order, the EPA and USACE announced their intent to initiate a new rulemaking process that restores the protections in place prior to the WOTUS Rule and develop a new rule to establish a new definition of "waters of the United States."

Idaho Power believes the repeal rule, the WOTUS Rule, the Navigable Waters Protection Rule, and the potential new rule will continue to be challenged in court, but expects that, even if the WOTUS Rule is reinstated in Idaho or another expansive rule is enacted in Idaho and should the revised definition take effect in Idaho, while it may cause Idaho Power to incur additional permitting, regulatory requirements, and other costs associated with the rule, the aggregate amount of increased costs is unlikely to have a material adverse effect on Idaho Power's operations or financial condition, in part due to the relatively arid climate of Idaho Power's service area. Similarly, because the CWA, as interpreted even prior to the WOTUS Rule, applies to most of Idaho Power's facilities, including its hydropower plants, Idaho Power does not expect reinstatement or a similar rule would have a material impact on Idaho Power's operations or financial condition.

Section 401 Water Quality Certification: As described more fully under “Relicensing of Hydropower Projects” in the "Regulatory Matters" section of this MD&A and in the 2020 Annual Report in Part II, Item 7 - "Regulatory Matters," Idaho Power filed water quality certification applications, required under Section 401 of the CWA, with the states of Idaho and Oregon requesting that each state certify that any discharges from the HCC comply with applicable state water quality standards. The states issued final certifications in May 2019, after reaching a settlement with Idaho Power on fisheries-related matters. The Oregon certification, however, was challenged in state court by third parties. Idaho Power intervened in one of those lawsuits and the other lawsuit was dismissed by the court. In December 2019, Idaho Power filed an Offer of Settlement with the FERC requesting specific language be included in the new HCC license based upon the fish settlement among Idaho, Oregon, and Idaho Power. During the first quarter of 2020, the FERC received several comments opposing the Offer of Settlement and its decision relating to the Offer of Settlement is pending as of the date of this report.

In July 2020, the EPA published a rule amending regulations intended to implement the CWA Section 401 water quality certification process. The rule clarifies that a state must issue its water quality certification within a reasonable time period, up to one year from the certification request, and limits the scope of the certification to jurisdictional water quality matters. Further, the new regulations make clear that federal agencies, not the state departments of environmental quality, will enforce the certification conditions. This rule became effective in September 2020. The new CWA Section 401 regulations have been challenged in court and Idaho Power has joined a coalition of utilities to defend the EPA’s regulation in a case being tried in the Northern District of California. If these regulations are rejected by the courts, Idaho Power would continue to operate under the current CWA Section 401 regulations as described above.

In May 2021, in response to the January 2021 Executive Order, the EPA announced its intention to reconsider and revise the CWA Section 401 regulations. Idaho Power expects the EPA to expand state and tribal authority over water quality certifications; however, such expanded authority would not likely impact the timing and cost of the HCC certification unless the 401 certification is invalidated by either the Oregon litigation or the FERC declines to adopt the Offer of Settlement, in which case Idaho Power would file new water quality certification applications in Idaho and Oregon with revisions necessary to address changes to the regulations, which Idaho Power cannot currently predict.

OTHER MATTERS

Critical Accounting Policies and Estimates

IDACORP's and Idaho Power's discussion and analysis of their financial condition and results of operations are based upon their condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires IDACORP and Idaho Power to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, IDACORP and Idaho Power evaluate these estimates, including those estimates related to rate regulation, retirement benefits, contingencies, asset impairment, income taxes, unbilled revenues, and bad debt. These estimates are based on historical experience and on other assumptions and factors that are believed to be reasonable under the circumstances, and are the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. IDACORP and Idaho Power, based on their ongoing reviews, make adjustments when facts and circumstances dictate.

IDACORP’s and Idaho Power’s critical accounting policies are reviewed by the audit committees of the boards of directors. These policies have not changed materially from the discussion of those policies included under "Critical Accounting Policies and Estimates" in the 2020 Annual Report.

Recently Issued Accounting Pronouncements

There have been no recently issued accounting pronouncements that have had or are expected to have a material impact on IDACORP's or Idaho Power's consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

IDACORP is exposed to market risks, including changes in interest rates, changes in commodity prices, credit risk, and equity price risk. The following discussion summarizes material changes in these risks since December 31, 2020, and the financial instruments, derivative instruments, and derivative commodity instruments sensitive to changes in interest rates, commodity prices, and equity prices that were held at June 30, 2021. IDACORP has not entered into any of these market-risk-sensitive instruments for trading purposes.

Interest Rate Risk

IDACORP manages interest expense and short- and long-term liquidity through a combination of fixed rate and variable rate debt. Generally, the amount of each type of debt is managed through market issuance, but interest rate swap and cap agreements with highly-rated financial institutions may be used to achieve the desired combination.

***Variable Rate Debt*:** As of June 30, 2021, IDACORP had no net variable rate debt, as the carrying value of short-term investments exceeded the carrying value of outstanding variable rate debt.

***Fixed Rate Debt*:** As of June 30, 2021, IDACORP had $2.0 billion in fixed rate debt, with a fair market value of approximately $2.3 billion. These instruments are fixed rate and, therefore, do not expose the companies to a loss in earnings due to changes in market interest rates. However, the fair value of these instruments would increase by approximately $234 million if market interest rates were to decline by one percentage point from their June 30, 2021, levels.

Commodity Price Risk

IDACORP's exposure to changes in commodity prices is related to Idaho Power's ongoing utility operations that produce electricity to meet the demand of its retail electric customers. These changes in commodity prices are mitigated in large part by Idaho Power's Idaho and Oregon power cost adjustment mechanisms. To supplement its generation resources and balance its supply of power with the demand of its retail customers, Idaho Power participates in the wholesale marketplace. IDACORP's commodity price risk as of June 30, 2021, had not changed materially from that reported in Item 7A of IDACORP's Annual Report on Form 10-K for the year ended December 31, 2020 (2020 Annual Report). Information regarding Idaho Power’s use of derivative instruments to manage commodity price risk can be found in Note 10 - "Derivative Financial Instruments" to the condensed consolidated financial statements included in this report.

Credit Risk

IDACORP is subject to credit risk based on Idaho Power's activity with market counterparties. Idaho Power is exposed to this risk to the extent that a counterparty may fail to fulfill a contractual obligation to provide energy, purchase energy, or complete financial settlement for market activities. Idaho Power mitigates this exposure by actively establishing credit limits; measuring, monitoring, and reporting credit risk; using appropriate contractual arrangements; and transferring credit risk through the use of financial guarantees, cash, or letters of credit. Idaho Power maintains a current list of acceptable counterparties and credit limits.

The use of performance assurance collateral in the form of cash, letters of credit, or guarantees is common industry practice. Idaho Power maintains margin agreements relating to its wholesale commodity contracts that allow performance assurance collateral to be requested of and/or posted with certain counterparties. As of June 30, 2021, Idaho Power had posted $0.4 million performance assurance collateral related to these contracts. Should Idaho Power experience a reduction in its credit rating on Idaho Power's unsecured debt to below investment grade Idaho Power could be subject to requests by its wholesale counterparties to post additional performance assurance collateral. Counterparties to derivative instruments and other forward contracts could request immediate payment or demand immediate ongoing full daily collateralization on derivative instruments and contracts in net liability positions. Based upon Idaho Power's energy and fuel portfolio and market conditions as of June 30, 2021, the amount of collateral that could be requested upon a downgrade to below investment grade was approximately $27.6 million. To minimize capital requirements, Idaho Power actively monitors the portfolio exposure and the potential exposure to additional requests for performance assurance collateral calls through sensitivity analysis.

IDACORP's credit risk related to uncollectible accounts, net of amounts reserved, as of June 30, 2021, had not changed materially from that reported in Item 7A of the 2020 Annual Report, except as disclosed in Note 4 - "Revenues" to the condensed consolidated financial statements included in this report. Additional information regarding Idaho Power’s management of credit risk and credit contingent features can be found in Note 10 - "Derivative Financial Instruments" to the condensed consolidated financial statements included in this report.

Equity Price Risk

IDACORP is exposed to price fluctuations in equity markets, primarily through Idaho Power's defined benefit pension plan assets, a mine reclamation trust fund owned by an equity-method investment of Idaho Power, and other equity security investments at Idaho Power. The equity securities held by the pension plan and in such accounts are diversified to achieve broad market participation and reduce the impact of any single investment, sector, or geographic region. Idaho Power has established asset allocation targets for the pension plan holdings, which are described in Note 10 - "Benefit Plans" to the consolidated financial statements included in the 2020 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

IDACORP**:** The Chief Executive Officer and the Chief Financial Officer of IDACORP, based on their evaluation of IDACORP’s disclosure controls and procedures (pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (Exchange Act)) as of June 30, 2021, have concluded that IDACORP’s disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) are effective as of that date.

Idaho Power**:** The Chief Executive Officer and the Chief Financial Officer of Idaho Power, based on their evaluation of Idaho Power’s disclosure controls and procedures (pursuant to Rule 13a-15(b) of the Exchange Act) as of June 30, 2021, have concluded that Idaho Power’s disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) are effective as of that date.

Changes in Internal Control over Financial Reporting

There have been no changes in IDACORP's or Idaho Power's internal control over financial reporting during the quarter ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, IDACORP's or Idaho Power's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

The factors discussed in Part I - Item 1A - "Risk Factors" in IDACORP's and Idaho Power's Annual Report on Form 10-K for the year ended December 31, 2020, could materially affect IDACORP’s and Idaho Power's business, financial condition, or future results. In addition to those risk factors and other risks discussed in this report, see "Cautionary Note Regarding Forward-Looking Statements" in this report for additional factors that could have a significant impact on IDACORP's or Idaho Power's operations, results of operations, or financial condition and could cause actual results to differ materially from those anticipated in forward-looking statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Restrictions on Dividends

See Note 5 - "Common Stock" to the condensed consolidated financial statements included in this report for a description of restrictions on IDACORP's and Idaho Power's payment of dividends.

Issuer Purchases of Equity Securities

IDACORP did not repurchase any shares of its common stock during the quarter ended June 30, 2021.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 of this report, which is incorporated herein by reference.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

The following exhibits are filed or furnished, as applicable, with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2021:

		Incorporated by Reference				
Exhibit No.	**Exhibit Description**	**Form**	**File No.**	**Exhibit No.**	**Date**	**Included Herewith**
15.1	Letter Re: Unaudited Interim Financial Information					X
15.2	Letter Re: Unaudited Interim Financial Information					X
31.1	Certification of IDACORP, Inc. Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of IDACORP, Inc. Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.3	Certification of Idaho Power Company Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.4	Certification of Idaho Power Company Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of IDACORP, Inc. Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of IDACORP, Inc. Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.3	Certification of Idaho Power Company Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.4	Certification of Idaho Power Company Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
95.1	Mine Safety Disclosures					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.)					X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

IDACORP, INC.
(Registrant)

Date: July 29, 2021

By: */s/ Lisa A. Grow*
Lisa A. Grow
President and Chief Executive Officer

Date: July 29, 2021

By: */s/ Steven R. Keen*
Steven R. Keen
Senior Vice President and Chief Financial Officer

IDAHO POWER COMPANY
(Registrant)

Date: July 29, 2021

By: */s/ Lisa A. Grow*
Lisa A. Grow
President and Chief Executive Officer

Date: July 29, 2021

By: */s/ Steven R. Keen*
Steven R. Keen
Senior Vice President and Chief Financial Officer

Exhibit 15.1

July 29, 2021

The Board of Directors and Shareholders of IDACORP, Inc.
1221 W. Idaho Street
Boise, Idaho 83702

We are aware that our report dated July 29, 2021, on our review of the interim financial information of IDACORP, Inc. appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, is incorporated by reference in Registration Statement Nos. 333-65406, 333-125259, and 333-159855 on Form S-8 and Registration Statement Nos. 333-250055 and 333-231555 on Form S-3.

/s/ DELOITTE & TOUCHE LLP

Boise, Idaho

Exhibit 15.2

July 29, 2021

The Board of Directors and Shareholder of Idaho Power Company
1221 W. Idaho Street
Boise, Idaho 83702

We are aware that our report dated July 29, 2021, on our review of the interim financial information of Idaho Power Company appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, is incorporated by reference in Registration Statement No. 333-66496 on Form S-8 and Registration Statement No. 333-231555-01 on Form S-3.

/s/ DELOITTE & TOUCHE LLP

Boise, Idaho

Exhibit 31.1

CERTIFICATION

I, Lisa A. Grow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IDACORP, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

By: */s/ Lisa A. Grow*
Lisa A. Grow
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Steven R. Keen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IDACORP, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

By: */s/ Steven R. Keen*
Steven R. Keen
Senior Vice President and Chief Financial Officer

Exhibit 31.3

CERTIFICATION

I, Lisa A. Grow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Idaho Power Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

By: */s/ Lisa A. Grow*
Lisa A. Grow
President and Chief Executive Officer

Exhibit 31.4

CERTIFICATION

I, Steven R. Keen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Idaho Power Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

By: */s/ Steven R. Keen*
Steven R. Keen
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of IDACORP, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2021 (the "Report"), I, Lisa A. Grow, President and Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lisa A. Grow

Lisa A. Grow
President and Chief Executive Officer
July 29, 2021

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of IDACORP, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2021 (the "Report"), I, Steven R. Keen and Senior Vice President and Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven R. Keen

Steven R. Keen
Senior Vice President and Chief Financial Officer
July 29, 2021

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Idaho Power Company (the "Company") on Form 10-Q for the quarter ended June 30, 2021 (the "Report"), I, Lisa A. Grow, President and Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lisa A. Grow

Lisa A. Grow
President and Chief Executive Officer
July 29, 2021

Exhibit 32.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Idaho Power Company (the "Company") on Form 10-Q for the quarter ended June 30, 2021 (the "Report"), I, Steven R. Keen, Senior Vice President and Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven R. Keen

Steven R. Keen
Senior Vice President and Chief Financial Officer
July 29, 2021

Exhibit 95.1

Mine Safety Disclosures Required by the Dodd-Frank Wall Street Reform and Consumer Protection Act

Idaho Power is the parent company of Idaho Energy Resources Co. (IERCo), a joint venturer in Bridger Coal Company (BCC), which mines coal at the Bridger Coal Mine and processing facility (Mine) near Rock Springs, Wyoming. IERCo owns a one-third interest in BCC. The Mine is comprised of the Bridger surface and underground operations. Day-to-day operation and management of coal mining and processing operations at the Mine are conducted through IERCo's joint venture partner. Operation of the Mine is regulated by the Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Safety Act). MSHA inspects the Mine on a regular basis and may issue citations, notices, orders, or any combination thereof, when it believes a violation has occurred under the Mine Safety Act. Monetary penalties are assessed by MSHA for citations. The severity and assessment of penalties may be reduced or, in some cases, dismissed through the contest and appeal process. Amounts are reported regardless of whether BCC has challenged or appealed the matter.
The table below summarizes the number of citations, notices, and orders issued, and penalties assessed, by MSHA for the Mine under the indicated provisions of the Mine Safety Act, and other data for the Mine, during the three-month period ended June 30, 2021. Legal actions pending before the Federal Mine Safety and Health Review Commission (FMSHRC) are as of June 30, 2021. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA at www.msha.gov.

	Three-month period ended June 30, 2021 (unaudited)	
	Surface Mine (MSHA ID No. 4800677)	Underground Mine (MSHA ID No. 4801646)
Mine Safety Act Citations and Orders:		
Section 104(a) Significant & Substantial Citations [(1)]	—	5
Section 104(b) Orders [(2)]	—	—
Section 104(d) Citations & Orders [(3)]	—	—
Section 107(a) Imminent Danger Orders [(4)]	—	—
Total Value of Proposed MSHA Assessments (in thousands)	$ 1	$ 2
Legal Actions Pending[(5)]	1	1
Legal Actions Issued During Period	1	—
Legal Actions Closed During Period	—	—
Number of Fatalities	—	—

[(1)] For alleged violations of a mandatory mining safety standard or regulation where such violation contributed to a discrete safety hazard and there exists a reasonable likelihood that the hazard will result in an injury or illness and there is a reasonable likelihood that such injury will be of a reasonably serious nature.

[(2)] For alleged failure to totally abate the subject matter of a Mine Safety Act Section 104(a) citation within the period specified in the citation or as subsequently extended.

[(3)] For an alleged unwarrantable failure (i.e., aggravated conduct constituting more than ordinary negligence) to comply with a mining safety standard or regulation.

[(4)] The existence of any condition or practice in a coal or other mine that could reasonably be expected to cause death or serious physical harm if normal mining operations were permitted to proceed in the area before such condition or practice is eliminated.

[(5)] For each of the surface mine and the underground mine, the two pending legal actions were categorized as a contest of proposed civil penalties for violations contained in a citation or order under Subpart C of the FMSHRC Procedural Rules.

For the three-month period ended June 30, 2021, the Mine did not receive written notice from MSHA of (i) a flagrant violation under Section 110(b)(2) of the Mine Safety Act; (ii) a pattern of violations of mandatory health or safety standards that are of such a nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under Section 104(e) of the Mine Safety Act; or (iii) the potential to have such a pattern.