IDACORP INC
Form DEF 14A
April 06, 2009

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under §240.14a-12

IDACORP, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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þ No fee required.

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(2) Aggregate number of securities to which transaction applies:

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
May 21, 2009, AT BOISE, IDAHO

April 6, 2009

TO THE SHAREHOLDERS OF IDACORP, INC.:

Notice is hereby given that the Annual Meeting of Shareholders of IDACORP, Inc. will be held on May 21, 2009 at 10:00 a.m. local time at the Idaho Power Company corporate headquarters building, 1221 West Idaho Street, Boise, Idaho, for the following purposes:

1. to elect four directors nominated by the board of directors for three-year terms and one director nominated by the board of directors for a two year-term;

2. to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009;

3. to act upon a shareholder proposal requesting that the board of directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from our products and operations, and that IDACORP report to shareholders by September 30, 2009, on its plans to achieve these goals; and

4. to transact such other business that may properly come before the meeting and any adjournment or adjournments thereof.

Common shareholders of record of IDACORP at the close of business on March 30, 2009, are entitled to notice of and to vote at the meeting.

You are cordially invited to attend the meeting in person. Shareholders interested in attending in person must make a reservation by calling (800) 635-5406. Whether or not you plan to attend, please vote your proxy promptly. It is important that your shares be represented at the meeting. Please vote your proxy, regardless of the size of your holdings, as promptly as possible. Any shareholder voting a proxy who attends the meeting may vote in person by revoking that proxy before or at the meeting.

By Order of the Board of Directors

Patrick A. Harrington
Corporate Secretary

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PROXY STATEMENT
IDACORP, Inc.
1221 West Idaho Street
P. O. Box 70
Boise, Idaho 83707

GENERAL INFORMATION

We are soliciting your proxy on behalf of our board of directors for use at our annual meeting of shareholders. The meeting will be held on May 21, 2009 at 10:00 a.m., local time, at the Idaho Power Company corporate headquarters building, 1221 West Idaho Street, Boise, Idaho.

The Securities and Exchange Commission rules permit us to make this proxy statement and our annual report available to our shareholders via the internet. We have elected to do this for most shareholders for our 2009 annual meeting of shareholders to lower the cost of our annual meeting.

On April 6, 2009, we mailed to our shareholders of record as of the close of business on March 30, 2009 a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement and our annual report and vote online. If you would like to receive a printed copy of our proxy materials, please follow the instructions for requesting such materials contained in the notice. On April 6, 2009, we also began mailing our proxy materials to some of our shareholders.

If you own IDACORP common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one notice or set of proxy materials. Please be sure to vote all your shares.

COST AND METHOD OF SOLICITATION

We will pay the cost of soliciting your proxy. Our officers and employees may solicit proxies, personally or by telephone, telegraph, fax, mail or other electronic means, without extra compensation. In addition, Laurel Hill Advisory Group will solicit proxies from brokers, banks, nominees and institutional investors at a cost of approximately $5,000 plus out-of-pocket expenses. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for their expenses in providing our proxy materials to beneficial owners.

MATTERS TO BE VOTED UPON

As of April 6, 2009, the only business we expect to be presented at the annual meeting is:

- the election of five directors nominated by the board of directors
- the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2009 and
- a shareholder proposal requesting that the board of directors adopt quantitative goals for reducing greenhouse gas emissions from our products and operations and that we report to shareholders by September 30, 2009 on our plans to achieve these goals.

RECORD DATE

You are entitled to notice of, and to vote at, the annual meeting if you owned shares of our common stock at the close of business on March 30, 2009.

OUTSTANDING VOTING SECURITIES

As of March 30, 2009, we had 47,161,016 outstanding shares of common stock entitled to one vote per share.

VOTING

How to Vote

You may vote your proxy through the internet, by telephone or, if you received a printed proxy card in the mail, by marking, signing, dating and returning the proxy card in the enclosed postage-prepaid envelope.

If a bank or broker holds your shares, please follow the instructions you receive from your bank or broker.

In addition, if you hold shares through an account with a bank or broker, your shares may be voted even if you do not provide voting instructions. Brokerage firms have the authority under the New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on routine matters. The election of directors and the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2009 are considered routine matters. The shareholder proposal is not considered routine. When a proposal is not routine and the brokerage firm has not received voting instructions from its customers, the brokerage firm cannot vote the shares on that proposal. Those shares are considered "broker non-votes."

Quorum

Under the Idaho Business Corporation Act, a majority of our outstanding common stock must be present in person or represented by proxy in order to hold the annual meeting.

Votes Needed to Approve Proposals

The following votes are required for approval of each proposal at the annual meeting:

Proposal No. 1 – our directors are elected by a plurality of the votes cast by the shares entitled to vote in the election of directors. Votes may be cast in favor or withheld; withheld votes have no effect on the results.

Proposal No. 2 – the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2009 is approved if the votes cast in favor exceed the votes cast against ratification.

Proposal No. 3 – a shareholder proposal relating to greenhouse gas emissions is approved if the votes cast in favor exceed the votes cast against the proposal. Abstentions and broker non-votes are not considered votes cast and therefore are not counted for purposes of determining the results.

If we do not receive any direction from you, properly executed proxies that we receive will be voted FOR Proposal No. 1, election of our nominees for director, FOR Proposal No. 2, ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2009, and AGAINST Proposal No. 3, a shareholder proposal relating to greenhouse gas emissions.

How to Change or Revoke Your Proxy

You may change your proxy before it is voted at the meeting by (1) granting a subsequent proxy through the internet or by telephone, or (2) delivering to us a signed proxy card with a date later than your previously delivered proxy. If you attend the meeting and wish to vote in person, you may revoke your proxy by oral notice at that time. You may also revoke your proxy by mailing your written revocation to the corporate secretary of IDACORP at 1221 West Idaho Street, Boise, Idaho 83702-5610, and we must receive it before the meeting.

Secret Ballot

It is our policy that all proxies for the annual meeting that identify shareholders, including employees, are to be kept secret. Proxies will be forwarded to the independent tabulator who receives, inspects and tabulates the proxies. No proxies are available for examination and the identity and vote of any shareholder are not disclosed to our representatives or to any third party except:

- as required by law
- to allow the independent election inspectors to certify the results of the shareholder vote
- in the event of a matter of significance where there is a proxy solicitation in opposition to the board of directors, based upon an opposition proxy statement filed with the Securities and Exchange Commission or
- to respond to shareholders who have written comments on their proxies.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

Peter S. O'Neill has reached our mandatory retirement age of 72 and will retire from the board of directors, effective immediately prior to the annual meeting, in accordance with our bylaws and corporate governance guidelines. Mr. O'Neill has served with distinction as a director of Idaho Power Company since 1995, a director of IDACORP since 1998 and a director of IDACORP Financial Services, Inc. since 1999.

Giving effect to Mr. O'Neill's retirement, our board of directors consists of 12 members. Our articles of incorporation, as amended, provide that directors are elected for three-year terms, with approximately one-third of the board of directors elected at each annual meeting of shareholders.

Four directors standing for election to our board of directors are nominees for election with terms to expire in the year 2012. Three of these nominees, Ms. King, Mr. Michael and Mr. Packwood, are incumbent directors of IDACORP and nominated for reelection. Mr. Allred was appointed to the board of directors effective March 18, 2009, is a member of the class of 2012 and is a nominee for election for the first time.

Mr. Dahl was appointed to the board of directors effective September 17, 2008, is a member of the class of 2011 and is a nominee for election for the first time.

Unless you otherwise indicate, proxies that we receive will be voted in favor of the election of the director nominees. While we expect that all of the nominees will be able to qualify for and accept office, if for any reason one or more should be unable to do so, the proxies will be voted for nominees selected by the board of directors.

Our directors are elected by a plurality of the votes cast by the shares entitled to vote in the election of directors. Votes may be cast in favor or withheld; withheld votes have no effect on the results.

The board of directors unanimously recommends a vote "FOR" the nominees listed below.

NOMINEES FOR ELECTION - TERMS EXPIRE 2012

C. STEPHEN ALLRED	Managing Member, Allred Consulting LLC, provider of consulting services for management, environmental and waste management, and real estate issues for government and the private sector, July 2004 to present; former Assistant Secretary, Land and Minerals Management, September 2006 to January 2009; former Director of Idaho Department of Environmental Quality, July 2000 to June 2004; director of

the following IDACORP subsidiary: Idaho Power Company since 2009; director of IDACORP since 2009. Age 66

CHRISTINE KING	President and Chief Executive Officer of Standard Microsystems Corporation, a global supplier of semiconductor solutions that distribute video, sound, photos and data, since October 2008; Chief Executive Officer and Director of AMI Semiconductor, designer and manufacturer of semiconductor products from 2001 to March 2008; director of Atheros Communications, Inc., a developer of semiconductor system solutions for wireless and other network communications products, since 2008; and Open-Silicon, Inc., a fabless ASIC company founded to provide customers with access to IP, foundry, test and packaging technologies since May 2008; director of the following IDACORP subsidiary: Idaho Power Company since 2006; director of IDACORP since 2006. Age 59

GARY G. MICHAEL	Former Chairman of the Board and Chief Executive Officer, 1991-2001, of Albertson’s, Inc., food-drug retailer; director of The Clorox Company, manufacturer and marketer of household products, since 2001; Questar Corporation, integrated natural gas company, since 1994; Questar Gas, provider of retail natural gas-distribution services, since 1994; Questar Pipeline, interstate gas transportation and storage, since 1994; Graham Packaging Company, designer and manufacturer of customized plastic containers, Advisory Board, since 2002; director of the following IDACORP subsidiary: Idaho Power Company since 2001; director of IDACORP since 2001. Age 68
JAN B. PACKWOOD	Former President and Chief Executive Officer of IDACORP, from 1999 to July 1, 2006; Chief Executive Officer of Idaho Power Company, 2002-2005; President and Chief Executive Officer, Idaho Power Company, 1999-2002; President and Chief Operating Officer, Idaho Power Company, 1997-1999; Executive Vice President, 1996-1997, and Vice President - Bulk Power, 1989-1996; director of the following IDACORP subsidiaries: Idaho Power Company since 1997, IDACORP Financial Services, Inc. since 1997 and Ida-West Energy Company since 1999; director of IDACORP since 1998. Age 66

NOMINEE FOR ELECTION - TERM EXPIRES 2011

RICHARD J. DAHL	Chairman of the Board of International Rectifiers Corp., a supplier of power semiconductors since February 2008; former President and Chief Operating Officer of Dole Food Company, Inc., a grower, processor and distributor of flowers and produce, from July 2004 to June 2007; Senior Vice President and Chief Financial Officer, 2002-2004; director from 2003-2007; director of Dine Equity, Inc., a franchisor and operator of IHOP and Applebee’s restaurants, since 2004; director of the following IDACORP subsidiary: Idaho Power Company since 2008; director of IDACORP since 2008. Age 57

CONTINUING DIRECTORS - TERMS EXPIRE 2011

RICHARD G. REITEN	Former Chairman of the Board of Northwest Natural Gas Company, provider of natural gas in Oregon and southwest Washington, 2006-2008 and from 2000-2005, President and Chief Executive Officer, 1997-2003, President and Chief Operating Officer, 1995-1997; former President and Chief Operating Officer of Portland General Electric, electric public utility, 1992-1995; former President of Portland General Corp., 1989-1992; director of U.S. Bancorp, banking services, since 1998; and National Fuel Gas Company, diversified energy company providing interstate natural gas transmission and storage, since 2004; director of the following IDACORP subsidiary: Idaho Power Company since 2004; director of IDACORP since 2004. Age 69
JOAN H. SMITH	Self-employed consultant, consulting on regulatory strategy and telecommunications, since 2003; former Oregon Public Utility Commissioner, 1990-2003; affiliate director with Wilk & Associates/ LECG LLP, public consulting organization, since 2003; director of the following IDACORP subsidiary: Idaho Power Company since 2004; director of IDACORP since 2004. Age 66

THOMAS J. WILFORD	President and Director of Alscott, Inc., real estate development and other investments, since 1993; Chief Executive Officer of J.A. and Kathryn Albertson Foundation, Inc., family foundation committed and striving to be a catalyst for positive educational change, since 2003, former President, 1995-2003; director of K12, Inc., an organization that provides individualized, one-to-one learning solutions for students from kindergarten through high school, since 2002; director of the following IDACORP subsidiary: Idaho Power Company since 2004; director of IDACORP since 2004. Age 66

CONTINUING DIRECTORS – TERMS EXPIRE 2010

JUDITH A. JOHANSEN	President of Marylhurst University, Oregon, since July 2008; former President and Chief Executive Officer, 2001 to March 2006, and Executive Vice President, 2000-2001, of PacifiCorp, electric utility serving six western states; former CEO and Administrator, 1998-2000, Director and Vice President, 1992-1996, Bonneville Power Administration, a federal power marketing agency in the Pacific Northwest; former Vice President, 1996-1998, Avista Energy, electric and natural gas utility; director of Cascade BanCorp, a financial holding company, since 2006; Schnitzer Steel, a metals recycling company, since 2006; director of the following IDACORP subsidiary: Idaho Power Company since 2007; director of IDACORP since 2007. Age 50

J. LaMONT KEEN	President and Chief Executive Officer of IDACORP since July 1, 2006 and President and Chief Executive Officer of Idaho Power Company since 2005; Executive Vice President of IDACORP, 2002-2006; President and Chief Operating Officer, Idaho Power Company, 2002-2005; Senior Vice President-Administration and Chief Financial Officer, IDACORP and Idaho Power Company, 1999-2002; Senior Vice President-Administration, Chief Financial Officer and Treasurer, IDACORP and Idaho Power, 1999; Vice President, Chief Financial Officer and Treasurer, Idaho Power Company 1996-1999; Vice President and Chief Financial Officer, Idaho Power Company 1991-1996; and Controller, Idaho Power Company, 1988-1991; director of the following IDACORP subsidiaries: Idaho Power Company since 2004 and Idaho Energy Resources Company since 1991; director of IDACORP since 2004. J. LaMont Keen and Steven R. Keen, Vice President and Treasurer of IDACORP, Inc. and Idaho Power Company, are brothers. Age 56

JON H. MILLER	Chairman of the Board of IDACORP since 1999; Private Investor; formerly President and Chief Operating Officer, 1978-1990, and a director, 1977-1990, of Boise Cascade Corporation, distributor of office products and building materials and an integrated manufacturer and distributor of paper, packaging and wood products; director of the following IDACORP subsidiary: Idaho Power Company since 1988; director of IDACORP since 1998. Age 71

ROBERT A. TINSTMAN	Former Executive Chairman of James Construction Group, a construction services company, 2002-2007; former President and Chief Executive Officer, 1995-1999, and director, 1995-1999, of Morrison Knudsen Corporation, a general contractor providing global mining, engineering and construction services; former Chairman of Contractorhub.com, an e-marketplace for contractors, subcontractors and suppliers, 2000-2001; director of the Home Federal Bancorp, Inc., banking services, since 1999; CNA Surety Corporation, surety company offering contract and commercial surety bonds, since 2004; director of the following IDACORP subsidiary: Idaho Power Company since 1999; director of IDACORP since 1999. Age 62

CORPORATE GOVERNANCE

Director Independence

Our board of directors has adopted a policy on director independence that includes categorical standards for director independence. This policy is contained in our corporate governance guidelines, which we have posted on our website at www.idacorpinc.com/corpgov/default.cfm and attached to this proxy statement as exhibit "A."

All of our board members are non-employees, except for J. LaMont Keen, our president and chief executive officer. The board of directors has determined that the following members are "independent" based on all relevant facts and circumstances and under the New York Stock Exchange listing standards and our corporate governance guidelines: C. Stephen Allred, Richard J. Dahl, Judith A. Johansen, Christine King, Gary G. Michael, Jon H. Miller, Peter S. O'Neill, who is retiring from the board of directors immediately prior to the annual meeting, Joan H. Smith, Robert A. Tinstman and Thomas J. Wilford. J. LaMont Keen, Jan B. Packwood and Richard G. Reiten are not independent. Mr. Keen is our president and chief executive officer. Jan B. Packwood retired as president and chief executive officer of IDACORP on July 1, 2006 and remained on the board of directors as a non-employee director. Mr. Packwood does not meet the director independence criteria set forth in the New York Stock Exchange listing standards and our corporate governance guidelines due to his prior service as our president and chief executive officer. In September 2006, the board of directors, acting upon a recommendation of the corporate governance committee, determined that director Richard G. Reiten had a material relationship with Idaho Power Company and no longer met the director independence criteria set forth in the New York Stock Exchange listing standards and our corporate governance guidelines. Mr. Reiten's son is president of Pacific Power which, with Idaho Power Company, owns the Jim Bridger power plant and coal mine located near Rock Springs, Wyoming. See also Related Person Transaction Disclosure.

The office of the chairman of the board and the chief executive officer have been separated since June 1999. The non-employee directors have held meetings separate from management since 1998. Mr. Miller, the independent chairman of the board, presides at board meetings and regularly-scheduled executive sessions of non-employee directors.

Code of Ethics

For many years, our principal subsidiary, Idaho Power Company, had a code of business conduct and ethics, which applied to all of its directors, officers and employees. We adopted a new code of business conduct and ethics in July 2003, which applied to all of our directors, officers and employees. In September 2005, we revised the code of business conduct and ethics and adopted a separate code of business conduct and ethics for directors. These codes of business conduct and ethics are posted at www.idacorpinc.com/corpgov/conduct_ethics.cfm. You may obtain printed copies without charge by writing to the corporate secretary of IDACORP at 1221 West Idaho Street, Boise, Idaho 83702-5610.

We will also post on our website any amendments to or waivers of our codes of business conduct and ethics, as required by Regulation S-K, Item 406 or the New York Stock Exchange listing standards at www.idacorpinc.com/corpgov/conduct_ethics.cfm.

Board Meetings and Committees; Attendance at Annual Meeting

The board of directors held seven meetings in 2008. Each director attended at least 75% of his or her board and committee meetings.

Our corporate governance guidelines provide that all directors are expected to attend our annual meeting of shareholders and be available, when requested by the chairman of the board, to answer any questions shareholders may have. All members of the board of directors attended our 2008 annual meeting, except for Ms. King.

Our standing committees are the executive committee, the audit committee, the compensation committee and the corporate governance committee. We describe our committees, their membership during 2008 and their principal responsibilities below.

We have

- written charters for the audit committee, corporate governance committee and compensation committee and
- corporate governance guidelines, which address issues including the responsibilities, qualifications and compensation of the board of directors, as well as board leadership, board committees and self-evaluation.

Our written committee charters and the corporate governance guidelines are available on our website and may be accessed at www.idacorpinc.com/corpgov/default.cfm. You may obtain printed copies without charge by writing to the corporate secretary of IDACORP at 1221 West Idaho Street, Boise, Idaho 83702-5610.

Executive Committee

The executive committee acts on behalf of the board of directors when the board is not in session, except on those matters that require action of the full board. Members of the executive committee are J. LaMont Keen, chairman, Gary G. Michael, Jon H. Miller, Peter S. O'Neill and Robert A. Tinstman. During 2008, the executive committee met one time.

Audit Committee

The audit committee is a separately-designated standing committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. All members are independent, as that term is defined in the listing standards of the New York Stock Exchange. Members of the audit committee are Gary G. Michael, chairman, Richard J. Dahl, Judith A. Johansen, Joan H. Smith and Thomas J. Wilford. The board of directors has determined that Messrs. Michael, Dahl and Wilford are "audit committee financial experts."

The audit committee

- assists the board of directors in the oversight of
  - the integrity of our financial statements
  - our compliance with legal and regulatory requirements
  - the qualifications, independence and performance of our independent registered public accounting firm and
  - the performance of our internal audit department
- monitors compliance under the code of business conduct and ethics for our officers and employees and the code of business conduct and ethics for our directors, considers and grants waivers for directors and executive officers from the codes and informs the general counsel immediately of any violation or waiver
- prepares the audit committee report required to be included in the proxy statement for our annual meeting of shareholders.

During 2008, the audit committee met ten times.

REPORT OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

The audit committee has reviewed and discussed the audited consolidated financial statements of IDACORP, Inc. with management. The audit committee has discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The audit committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence and has discussed with the independent auditors the independent auditors' independence.

Based on the audit committee's review and discussions referred to above, the audit committee recommended to the board of directors that the IDACORP audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the Securities and Exchange Commission.

Gary G. Michael, Chairman
Richard J. Dahl
Judith A. Johansen
Joan H. Smith
Thomas J. Wilford

Compensation Committee

Members of the compensation committee are Robert A. Tinstman, chairman, Judith A. Johansen, Christine King, and Peter S. O'Neill. Each member is independent as that term is defined in the applicable New York Stock Exchange listing standards.

The compensation committee has direct responsibility to

- review and approve corporate goals and objectives relevant to our chief executive officer's compensation
- evaluate our chief executive officer's performance in light of those goals and objectives
- either as a committee or together with the other independent directors, as directed by the board, determine and approve our chief executive officer's compensation level based on this evaluation
- make recommendations to the board with respect to executive officer compensation, incentive compensation plans and equity-based plans that are subject to board approval
- review and discuss with management the compensation discussion and analysis and based upon such review and discussion determine whether to recommend to the board that the compensation discussion and analysis be included in our proxy statement for the annual meeting of shareholders
- produce the compensation committee report as required by the Securities and Exchange Commission to be included in our proxy statement for the annual meeting of shareholders and
- oversee our compensation and employee benefit plans and practices.

The compensation committee and the board of directors have sole responsibility to determine executive officer compensation, which may not be delegated. Total compensation for each executive officer is determined by the compensation committee, which then submits its recommendations to the other independent directors on the board for approval. Our chief executive officer, chief financial officer, vice president-human resources and corporate secretary attend compensation committee meetings. For additional information on the role of our executive officers in the compensation-setting process, please refer to the Compensation Discussion and Analysis. The compensation committee chair works with our management to establish an agenda for the compensation committee meetings. The committee meets in executive session, without management, as it deems necessary.

The compensation committee generally begins a review of compensation data at its September meeting, determines the performance goals and range of target awards of performance shares and restricted stock awards under the

IDACORP Restricted Stock Plan, the 2000 Long-Term Incentive and Compensation Plan and the IDACORP Executive Incentive Plan at the November or January meeting and determines new awards and determines payouts with respect to completed performance periods at its February or March meeting. The February meeting occurs after the release of earnings for the prior year. The compensation committee may also hold special meetings as necessary and may determine additional performance awards at other times in its discretion, including for promotions or new hires. However, all awards under the plans are approved by the board of directors.

Please refer to the Compensation Discussion and Analysis for a discussion of our policies and procedures for determining and establishing executive compensation.

The compensation committee has sole authority to retain and terminate consulting firms to assist the committee in carrying out its responsibilities, including sole authority to approve the consulting firm's fees and other retention terms. In addition to services provided to the compensation committee, the consulting firm provides management with employee compensation and benefits survey data, which management and the compensation committee review in evaluating our employee compensation and benefit plans. Although management may request human resources-related services, the compensation committee must pre-approve the engagement of the consulting firm for any services which are outside the compensation committee's scope of responsibility. In November 2007, the compensation committee charter and executive compensation policy were amended to reflect this pre-approval requirement. These services may not interfere with the consulting firm's advice to the compensation committee. The chairperson may pre-approve services between regularly-scheduled meetings of the compensation committee.

In addition, the compensation committee has responsibility for reviewing and making recommendations with respect to director compensation to the board. In November 2007, the compensation committee reviewed the competitiveness of our non-employee director compensation program. The committee asked Towers Perrin, a nationally recognized consulting firm with extensive experience in the area of executive compensation, to conduct an analysis of competitive marketplace data on director compensation. Towers Perrin reviewed proxy statements from the same two peer groups utilized in our executive compensation analysis, which we discuss in the Compensation Discussion and Analysis. Towers Perrin evaluated each component of non-employee director compensation and summarized the marketplace data collected on the basis of total cash compensation and total direct compensation, which is total cash compensation plus the expected value of any stock-based compensation and annual stock-based awards. Based on this review, the compensation committee recommended and the board approved increases to non-employee director compensation for 2008. See Director Compensation for 2008.

During 2008, the compensation committee met five times.

Corporate Governance Committee

The corporate governance committee is also our nominating committee. Members of the corporate governance committee are Peter S. O'Neill, chairman, C. Stephen Allred, Jon H. Miller and Joan H. Smith. Each member is independent as that term is defined in the applicable New York Stock Exchange listing standards.

The corporate governance committee's responsibilities include

- identifying individuals qualified to become directors, consistent with criteria approved by the board
- selecting, or recommending that the board select, the candidates for all directorships to be filled by the board or by the shareholders
- developing and recommending to the board our corporate governance guidelines
- overseeing the evaluation of the board and management and
- taking a leadership role in shaping our corporate governance.

During 2008, the corporate governance committee met five times.

Process for Shareholders to Recommend Candidates for Director

In November 2008, we amended the process in our corporate governance guidelines that you must follow if you wish to recommend candidates for director to our corporate governance committee. Your written recommendation previously had to include all information with respect to the candidate required under the Securities Exchange Act of 1934, including the candidate's written consent. If you recommend a candidate for director, you must now provide the following information:

- the candidate's name, age, business address, residence address, telephone number, principal occupation, the class and number of shares of our voting stock the candidate owns beneficially and of record, a statement as to how long the candidate has held such stock, a description of the candidate's qualifications to be a director, whether the candidate would be an independent director and any other information you deem relevant with respect to the recommendation and

- your name and address as they appear on our books, the class and number of shares of voting stock you own beneficially and of record and a statement as to how long you have held the stock.

Our corporate secretary will review all written recommendations and send those conforming to these requirements to the corporate governance committee.

These guidelines provide information for shareholders who wish to recommend candidates for director for consideration by the corporate governance committee. Shareholders who wish to nominate persons for election to the board, rather than recommend candidates for consideration, must follow the procedures set forth in our bylaws. Copies of our bylaws may be obtained by writing or calling our corporate secretary at IDACORP, Inc., 1221 West Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070, telephone number: (208) 388-2200. See also 2010 Annual Meeting of Shareholders.

Board Membership Criteria

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of our shareholders. Directors must also have an inquisitive and objective perspective, practical wisdom and mature judgment. We endeavor to have a board of directors representing diverse experience at policy-making levels in business, finance and accounting and in areas that are relevant to our business activities. At least one director shall be an "audit committee financial expert." Directors are automatically retired immediately prior to the first annual meeting after reaching age 72.

A substantial majority of board members should be independent under the New York Stock Exchange listing standards.

Process for Determining Director Nominees

Our corporate governance committee is responsible for selecting and recommending to the board candidates for election as directors. Our corporate governance guidelines contain procedures for the committee to identify and evaluate new director nominees, including candidates our shareholders recommend in compliance with our corporate governance guidelines.

The chairman of the corporate governance committee begins the process of identifying and evaluating nominees for director and keeps the full board informed of the nominating process. The chairman reviews candidates recommended by shareholders and may hire a search firm to identify other candidates. The chairman then presents an initial group of candidates to the corporate governance committee.

The committee gathers additional information on the candidates to determine if they qualify to be members of our board. The committee examines whether the candidates are independent, whether their election would violate any federal or state laws, rules or regulations that apply to us and whether they meet all requirements under our corporate governance guidelines, committee charters, bylaws, codes of business conduct and ethics and any other applicable corporate document or policy. The committee also considers whether the nominees will have potential conflicts of interest and whether they will represent a single or special interest before finalizing a list of candidates for the full board to approve.

Since our 2008 annual meeting, we have appointed two new board members. Mr. Dahl was appointed to the board of directors effective September 17, 2008 and Mr. Allred was appointed to the board of directors effective March 18, 2009. Both are standing for election for the first time. Mr. Jon H. Miller, a non-employee director, recommended both Messrs. Allred and Dahl to the corporate governance committee. The chairman of the corporate governance committee did not retain a search firm to identify or evaluate any nominees, and no fees were paid.

Communications with the Board of Directors and Audit Committee

Shareholders and other interested parties may communicate with members of the board of directors by

- calling 1-866-384-4277 if you have a concern to bring to the attention of the board of directors, our independent chairman of the board or non-employee directors as a group or

- logging on to www.ethicspoint.com and following the instructions to file a report if your concern is of an ethical nature.

Our general counsel receives all reports and forwards them to the chairman of the board. If your report concerns questionable accounting practices, internal accounting controls or auditing matters, our general counsel will also forward your report to the chairman of the audit committee.

RELATED PERSON TRANSACTION DISCLOSURE

Related Person Transactions Policy

On March 15, 2007 our board adopted a written related person transactions policy.

The policy defines a related person transaction as one in which the amount exceeds $100,000 and excludes:

- transactions available to all employees

- the purchase or sale of electric energy at rates authorized by law or governmental authority or

- transactions between or among companies within the IDACORP family.

The policy defines a related person as any:

- officer, director or director nominee of IDACORP or any subsidiary

- person known to be a greater than 5% beneficial owner of IDACORP voting securities

- immediate family member of the foregoing persons or

- firm or corporation in which any of the foregoing persons is employed, a partner or greater than a 5% owner.

The corporate governance committee administers the policy, which includes procedures to review related person transactions, approve related person transactions and ratify unapproved transactions. The policy requires prior (i) corporate governance committee approval of charitable contributions in excess of $100,000 in any calendar year to charities identified as related persons, except those non-discretionary contributions made pursuant to our matching contribution program and (ii) board approval of the hiring of immediate family members of directors and officers. In the case of an immediate family member, the policy also requires approval of any material change in the terms of employment including compensation. The board of directors may approve a proposed related person transaction after reviewing the information considered by the corporate governance committee and any additional information it deems necessary or desirable:

- if it determines in good faith that the transaction is, or is not inconsistent with, the best interests of the company and our shareholders and

- if the transaction is on terms comparable to those that could be obtained in arm's length dealing with an unrelated third party.

Related Person Transactions in 2008

Steven R. Keen has been vice president and treasurer of IDACORP and Idaho Power Company since June 1, 2006. Previously, Steven R. Keen was president and chief executive officer of IDACORP Financial Services, an IDACORP subsidiary. Steven R. Keen is the brother of J. LaMont Keen, president and chief executive officer and a director of IDACORP and Idaho Power Company. For 2008, Steven R. Keen had a base salary of $215,000, received an incentive payment under our short-term incentive plan of $103,290, paid in 2009 for 2008, and received an award of (i) 1,056 time vesting restricted shares with a three year restricted period through December 31, 2010 and (ii) 2,112 performance shares at target with a three year performance period through December 31, 2010. The board of directors approved all elements of Steven R. Keen's 2008 compensation.

In September 2006, the board of directors, acting upon a recommendation of the corporate governance committee, determined that director Richard G. Reiten had a material relationship with Idaho Power Company and no longer met the director independence criteria set forth in the New York Stock Exchange listing standards and our corporate governance guidelines. In September 2006, Mr. Reiten's son became president of Pacific Power, a division of PacifiCorp, which, with Idaho Power Company, owns the Jim Bridger power plant and coal mine located near Rock Springs, Wyoming. Idaho Power Company owns one-third of the power plant and mine, and PacifiCorp owns the other two-thirds. Mr. Reiten's son was not affiliated with PacifiCorp prior to his selection as president of Pacific Power.

Idaho Power Company funded $60.1 million in 2008 to PacifiCorp for its one-third share of the annual operating and capital costs for the Jim Bridger plant. Idaho Power Company also purchased $59.6 million of coal from the coal mine in 2008, for its one-third share of coal delivered from the mine to the Jim Bridger plant. In 2008, Idaho Power Company funded $45.4 million to the mine to cover its share of operating and capital costs and the mine distributed $42.2 million back to Idaho Power Company.

In addition, Idaho Power Company purchases wholesale energy and transmission from PacifiCorp. In 2008, these expenses totaled $11.3 million. PacifiCorp also purchases energy and transmission from Idaho Power Company. In 2008, these revenues totaled $16.3 million.

PROPOSAL NO. 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At the annual meeting, we will ask you to ratify the audit committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year 2009. This firm has conducted our consolidated annual audits since 1998 and is one of the world's largest firms of independent certified public accountants. We expect a representative of Deloitte & Touche LLP to be present at the meeting. He or she will have an opportunity to make a statement and to respond to appropriate questions.

In connection with the audit of our financial statements for 2009, we expect the engagement letter with Deloitte & Touche LLP to contain provisions similar to those in our 2008 engagement letter for alternative dispute resolution and for the exclusion of punitive damages. The 2008 letter provides that disputes arising out of our engagement of Deloitte & Touche LLP will be resolved through mediation or arbitration, commonly referred to as alternative dispute resolution procedures, and that Deloitte & Touche LLP's and our rights to punitive damages or other forms of relief not based upon actual damages are waived.

Your vote will not affect our appointment or retention of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2009. However, the audit committee will consider your vote as a factor in selecting our independent registered public accounting firm for 2010. The audit committee reserves the right, in its sole discretion, to change the appointment of the independent registered public accounting firm at any time during a fiscal year if it determines that such a change would be in the best interests of the company and our shareholders.

The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2009 is approved if the votes cast in favor exceed the votes cast against ratification.

The board of directors unanimously recommends a vote "FOR" ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2009.

INDEPENDENT ACCOUNTANT BILLINGS

The aggregate fees our principal independent accountants, Deloitte & Touche LLP, billed or are expected to bill us for the fiscal years ended December 31, 2008 and 2007 are:

Fees Billed	2008	2007
Audit Fees	$ 1,179,170	$ 1,148,354
Audit-Related Fees (1)	59,800	62,520
Tax Fees (2)	155,106	114,486
All Other Fees (3)	2,000	-0-
Total Fees	$ 1,396,076	$ 1,325,360

(1) Includes fees for audits of our benefit plans and agreed upon procedures at a subsidiary.
(2) Includes fees for tax consulting in connection with the application of Internal Revenue Code §263A simplified service cost method settlement guidelines, uniform capitalization issues, and benefit plan filings.
(3) Accounting research tool subscription.

Policy on Audit Committee Pre-Approval. We and our audit committee are committed to ensuring the independence of the accountants, both in fact and in appearance. The audit committee has established a pre-approval policy, which is included as exhibit "B" to this proxy statement. The audit committee pre-approved all fees in 2008 and 2007.

PROPOSAL NO. 3: SHAREHOLDER PROPOSAL

Shareholders of IDACORP common stock have notified IDACORP that they intend to present a resolution for action by the shareholders at the annual meeting. We will provide the names, addresses and share holdings of the proponents to shareholders promptly after receiving an oral or written request. The text of the resolution and the supporting statement submitted by the proponents are as follows:

Shareholder Proposal

IDACORP – 2009 Greenhouse Gas Emissions Reduction

WHEREAS

In 2007, the Intergovernmental Panel on Climate Change found that "warming of the climate system is unequivocal" and that man-made greenhouse gas emissions are now believed to be the cause with greater than 90 percent certainty.

In October 2007, a group representing the world's 150 scientific and engineering academies, including the U.S. National Academy of Sciences, issued a report urging governments to lower greenhouse gas emissions by establishing a firm and rising price for such emissions and by doubling energy research budgets to accelerate deployment of cleaner and more efficient technologies.

In October 2006, a report authored by former chief economist of the World Bank, Sir Nicolas Stern, estimated that climate change will cost between 5% and 20% of global domestic product if emissions are not reduced, and that greenhouse gases can be reduced at a cost of approximately 1% of global economic growth.

The electric industry accounts for more carbon dioxide emissions than any other sector, including the transportation and industrial sectors. U.S. power plants are responsible for nearly 40 percent of U.S. carbon dioxide emissions, and 10 percent of global carbon dioxide emissions.

Coal is the most carbon-polluting type of power generation. Coal accounted for 53% of power generation from Idaho Power Company owned resources in 2007 and 38% of its energy portfolio source. Numerous studies including the 2007 Idaho energy plan have indicated adequate renewable resources and efficiency opportunities within state of Idaho to handle Idaho Power's load growth over the next 20 years.

A majority of U.S. states are involved in initiatives to reduce greenhouse gas emissions, and at least 34 states have enacted renewable portfolio standards. National climate change legislation is expected to be a priority for the Obama administration and the 111th Congress.

In the Carbon Disclosure Project's most recent annual survey of the S&P 500 (released 2008), 37% of utility respondents disclosed absolute greenhouse gas emission reduction targets, and 52% disclosed intensity reduction targets.

Some of Idacorp's electric industry peers who have set absolute reduction targets include American Electric Power, the nation's largest electric generator, Entergy, Duke Energy, Exelon, National Grid and Consolidated Edison. Those with intensity targets include CMS Energy, PSEG, NiSource and Pinnacle West.

Duke, Exelon, FPL, NRG, and others, through their participation in the U.S. Climate Action Partnership, have also publicly stated that the U.S. should reduce its GHG footprint by 60% to 80% from current levels by 2050. They have endorsed adoption of mandatory federal policy to limit CO2 emissions as a way to provide economic and regulatory certainty needed for major investments in our energy future.

THEREFORE, BE IT RESOLVED: shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company's products and operations; and that the Company report to shareholders by September 30, 2009, on its plans to achieve these goals. Such a report will omit proprietary information and be prepared at reasonable cost.

The board has considered this proposal and recommends that shareholders vote "AGAINST" it for the following reasons:

This proposal requests that the board adopt quantitative goals, based on current technologies, to reduce greenhouse gas emissions from our products and operations and report on our plans to achieve these goals by September 30, 2009.

Because the President has asked Congress and the Environmental Protection Agency to develop proposals to reduce greenhouse gas emissions and because debate continues on the direction and scope of these proposals, we believe that it is premature for us to establish quantitative goals to reduce these emissions. We do have extensive disclosure of greenhouse gas emissions, as well as other environmental matters, in our reports filed with the Securities and Exchange Commission ("SEC") and in other documents that are publicly available.

Idaho Power Company is one of the few investor-owned electric utilities with a predominantly hydroelectric generating base. We own 17 hydroelectric generation developments, two natural gas-fired plants and one diesel-powered generator and share ownership in three coal-fired generating plants. We are not the operators of any of our coal-fired generating plants. Under normal stream flow conditions, our system generation mix is approximately 55 percent hydroelectric and 45 percent thermal. Our carbon dioxide emissions fluctuate with the amount of our hydroelectric generation, which in turn depends on water conditions, including snow pack, snow pack run-off, river flows, rainfall and other weather and stream flow management considerations.

In May 2008, the Ceres investor coalition, the Natural Resources Defense Council, Public Service Enterprise Group and PG&E Corporation released a report entitled Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States. This report shows our 2006 carbon dioxide emissions at 937.9 lbs per megawatt-hour, over 400 lbs per megawatt-hour less than the average of 1,343.6 lbs per megawatt-hour for all companies in the report. The report also indicated that our carbon dioxide emission rate per megawatt-hour of electricity produced was better than 75 of the 100 largest electric power producers. Our carbon dioxide emissions from our electric generation facilities in 2008 were approximately 1,097 lbs per megawatt-hour.

Our Annual Report on Form 10-K for the year ended December 31, 2008 ("2008 Form 10-K"), which has been filed with the SEC and is available at our website, contains an extensive discussion of environmental issues affecting our company, including those relating to air quality, greenhouse gas emissions, climate change and renewable portfolio standards. We discussed current and proposed legislation and regulations, our environmental operating costs and capital expenditures for 2008 and our projected environmental operating costs and capital expenditures for 2009.

In the greenhouse gas section of our 2008 Form 10-K, we discussed the status of federal, regional and state initiatives relating to greenhouse gases as well as relevant judicial decisions. We discussed our consideration of greenhouse gas emissions and the risk analysis of costs associated with carbon dioxide emissions that are contained in our 2006 Integrated Resource Plan, which is our forecast of load and resources for the next 20 years and which is publicly filed with the Idaho and Oregon state public service commissions. We discussed our planning process for a proposed new base load resource scheduled to come online in 2012 or 2013 and our decision that this resource should be combined-cycle natural gas rather than coal-fired, in part because of environmental concerns. We discussed our ongoing efforts to expand our wind and geothermal generation and our efforts to implement energy efficiency programs.

We also discussed in the environmental section and in the risk factors section of our 2008 Form 10-K the potential risks that greenhouse gas emissions, climate change and the costs of complying with environmental laws and regulations could have on our company.

We believe the ongoing 2009 integrated resource planning process, which includes involvement by and input from government, public and non-governmental organization stakeholders is the proper forum to address these issues. The integrated resource planning process evaluates future resource needs by accounting for forecast load growth, energy efficiency and demand response program performance, and the uncertainty associated with proposed regulatory requirements such as the regulation of greenhouse gas emissions and the adoption of state or federal renewable portfolio standards. The integrated resource planning process is the best way for us to balance goals to reduce greenhouse gas emissions with reliability, cost and government-mandated obligations.

Because we expect that federal legislation and/or regulations requiring the reduction of greenhouse gas emissions will be adopted, we believe that it is premature for us to voluntarily adopt quantitative goals to reduce these emissions. There is no guarantee that such reductions will be given credit under such legislation and/or regulations and result in a quantifiable benefit to our customers and shareholders. Our SEC reports and other publicly available documents contain extensive information about the risks associated with greenhouse gas emissions and climate change and we plan to include additional information on these topics in our submission to the Carbon Disclosure Project in 2009. We believe that preparing additional reports on our efforts to reduce greenhouse gas emissions will not provide any meaningful benefits to our shareholders.

Therefore, our board of directors unanimously recommends a vote “AGAINST” this shareholder proposal.

This shareholder proposal is approved if the votes cast in favor exceed the votes cast against the proposal. Abstentions and broker non-votes are not considered votes cast and therefore are not counted for purposes of determining the results.

OTHER BUSINESS

Neither the board of directors nor management intends to bring before the meeting any business other than the matters referred to in the notice of annual meeting and this proxy statement. In addition, we have not been informed that any other matter will be presented to the meeting by others. If any other business should properly come before the meeting, or any adjournment thereof, the persons named in the proxy will vote on such matters according to their best judgment.

SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND FIVE PERCENT SHAREHOLDERS

The following table sets forth the number of shares of our common stock beneficially owned on March 2, 2009, by our directors and nominees, by our named executive officers and by our directors and executive officers as a group:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Stock Options(2)	Percent of Class
Common Stock	C. Stephen Allred (3)	100	0	*
Common Stock	Richard J. Dahl (4)	3,163	0	*
Common Stock	Judith A. Johansen	4,366	0	*
Common Stock	J. LaMont Keen (5)	278,519	163,403	*
Common Stock	Christine King	4,440	0	*
Common Stock	Gary G. Michael	21,061	8,250	*
Common Stock	Jon H. Miller	15,928	8,250	*
Common Stock	Peter S. O’Neill	16,602	8,250	*
Common Stock	Jan B. Packwood	147,582	132,800	*
Common Stock	Richard G. Reiten	11,639	3,000	*
Common Stock	Joan H. Smith	8,339	2,400	*
Common Stock	Robert A. Tinstman	19,970	8,250	*
Common Stock	Thomas J. Wilford	11,339	3,000	*
Common Stock	Darrel T. Anderson	83,855	44,544	*
Common Stock	James C. Miller (6)	122,102	94,412	*
Common Stock	Daniel B. Minor	33,731	8,236	*
Common Stock	Thomas R. Saldin (7)	32,586	6,400	*
Common Stock	All directors and executive officers of IDACORP as a group (24 persons) (8)	922,036	526,289	1.96%

* Less than 1 percent.

(1) Includes shares of common stock subject to forfeiture and restrictions on transfer granted pursuant to the IDACORP Restricted Stock Plan or the 2000 Long-Term Incentive and Compensation Plan. Also includes shares of common stock that the beneficial owner has the right to acquire within 60 days upon exercise of stock options.

(2) Exercisable within 60 days and included in the amount of beneficial ownership column.

(3) Elected to the board effective March 18, 2009.

(4) Mr. Dahl disclaims all beneficial ownership of the 400 shares owned by his wife. These shares are not included in the table.

(5) Mr. Keen disclaims all beneficial ownership of the 229 shares owned by his wife. These shares are not included in the table. Mr. Keen maintains margin securities accounts at brokerage firms, and the positions held in such margin accounts, which may from time to time include shares of common stock, are pledged as collateral security for the repayment of debit balances, if any, in the accounts. At March 2, 2009, Mr. Keen held 858 shares of common stock in these accounts.

(6) Mr. Miller disclaims all beneficial ownership of the 6 shares owned by his wife through the Employee Savings Plan. These shares are not included in the table.

(7) Includes 100 shares owned jointly with his spouse.
(8) Includes 3,840 shares owned by the spouse of an executive officer.

Except as indicated above, all directors and executive officers have sole voting and investment power for the shares held by them including shares they own through our Employee Savings Plan and our Dividend Reinvestment and Stock Purchase Plan.

The following table sets forth certain information with respect to each person we know to be the beneficial owner of more than five percent of our common stock as of March 2, 2009.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	Arnhold and S. Bleichroeder Advisers, LLC 1345 Avenue of the Americas New York, NY 10105	4,642,010(1)	10.19%
Common Stock	Barclays Global Investors, NA 400 Howard Street San Francisco, CA 94105	2,712,449(2)	5.95%

(1) Based on a Schedule 13G/A, Amendment No. 1, dated February 12, 2009, filed by Arnhold and S. Bleichroeder Advisers, LLC, Arnhold and S. Bleichroeder Advisers, LLC reported sole voting and dispositive power with respect to 4,642,010 shares.

(2) Based on a Schedule 13G, dated February 6, 2009, jointly filed by Barclays Global Investors, NA, Barclays Global Fund Advisors, Barclays Global Investors, Ltd, Barclays Global Investors Japan Limited, Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited and Barclays Global Investors (Deutschland) AG, Barclays Global Investors, NA reported sole voting power with respect to 879,908 shares and sole dispositive power with respect to 1,040,442 shares. Barclays Global Fund Advisors reported sole voting power with respect to 1,383,623 shares and sole dispositive power with respect to 1,640,928. Barclays Global Investors, Ltd reported sole dispositive power with respect to 31,079 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Our directors and executive officers are required to file initial reports of ownership and to report changes of ownership of our common stock with the Securities and Exchange Commission. Based solely upon a review of these filings furnished to us for 2008 or written representations from our directors and executive officers that no Form 5 was required, we believe that all required filings were timely made in 2008.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis contains statements regarding future corporate performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Our review of executive compensation begins with a description of our overall executive compensation philosophy and policy. These are the general principles that guide our executive compensation decisions. We then describe the process that our compensation committee uses to set executive compensation. Finally, and most importantly, we explain how the compensation committee applied its compensation process to establish each named executive officer's level of compensation for 2008.

OUR COMPENSATION PHILOSOPHY AND POLICY

Compensation Philosophy

Our executive compensation philosophy is to provide balanced and competitive compensation to our executive officers to:

- assure that we are able to attract and retain high-quality executive officers and
- motivate our executive officers to achieve performance goals that will benefit our shareholders and customers and contribute to the long-term success and stability of our business without excessive risk-taking.

Compensation Policy

Our board of directors adopted a formal executive compensation policy on January 18, 2007, upon the recommendation of the compensation committee. The policy was most recently updated by the board on November 20, 2008 and includes the following compensation-related objectives:

- manage officer compensation as an investment with the expectation that officers will contribute to our overall success

- recognize officers for their demonstrated ability to perform their responsibilities and create long-term shareholder value

- be competitive with respect to those companies in the markets in which we compete to attract and retain the qualified executives necessary for long-term success

- be fair from an internal pay equity perspective

- ensure effective utilization and development of talent by working in concert with other management processes, such as performance appraisal, succession planning and management development and

- balance total compensation with our ability to pay.

The policy also prohibits executive officers from hedging their ownership of company common stock. Executives may not enter into transactions that allow the executive to benefit from devaluation of our stock or otherwise own stock technically but without the full benefits and risks of such ownership.

Components of Executive Compensation

Total compensation for our named executive officers has the following components:

- Base salary – Base salary is the foundational component of executive officer compensation and consists of fixed cash salary. We pay base salaries in order to provide our executive officers with sufficient regularly paid income and to secure officers with the knowledge, skills and abilities necessary to successfully execute their job duties and responsibilities. Base salary is not based upon or adjusted pursuant to corporate performance goals but rather is based or adjusted upon a series of factors related to the officer's position, experience and individual performance. Executive officers may defer up to 50% of their base salary pursuant to the Idaho Power Company Executive Deferred Compensation Plan.

- Bonus – We may grant bonuses to recognize executive officers for special achievements.

- Incentive compensation – We pay incentive compensation to motivate executive officers to achieve performance goals that will benefit our shareholders and customers.

– Short-term incentive compensation – Short-term incentive compensation is intended to encourage and reward short-term performance and is based upon performance goals achievable annually. We award executive officers the opportunity to earn short-term incentives in order to be competitive from a total compensation standpoint and to ensure focus on annual financial, operational and/or customer service goals. The award opportunities vary by position based upon a percentage of base salary with awards paid in cash. Executive officers may defer up to 50% of their short-term incentive awards pursuant to the Idaho Power Company Executive Deferred Compensation Plan.

– Long-term incentive compensation – Long-term incentive compensation is intended to encourage and reward long-term performance and promote retention and is based upon performance goals achievable over a period of years. We grant executive officers the opportunity to earn long-term compensation in order to be competitive from a total compensation standpoint, to ensure focus on long-term financial goals, to develop and retain a strong management team through share ownership, to recognize future performance and to maximize shareholder value by aligning executive interests with shareholder interests. The award opportunities vary by position based upon a percentage of base salary with awards paid in common stock. We grant long-term incentives under the IDACORP Restricted Stock Plan and the 2000 Long-Term Incentive and Compensation Plan. The IDACORP Restricted Stock Plan provides for awards of restricted stock, which may be time vesting or performance vesting. The 2000 Long-Term Incentive and Compensation Plan provides for many types of awards, including restricted stock, performance shares and stock options.

- Retirement benefit plans – We provide executive officers with income for their retirement through qualified and non-qualified defined benefit pension plans. We believe these retirement benefits encourage our employees to make long-term commitments to our company and serve as an important retention tool because benefits under our pension plan increase with an employee's period of service and earnings.

- Other benefits – Other benefits include our 401(k) match and perquisites. Perquisites may include dining club memberships, officer physicals, guaranteed relocation assistance and family travel with an officer who is traveling for business purposes. We believe these other benefits are important in recruiting and retaining executive talent.

Impact of Tax and Accounting Treatment

The compensation committee may consider the impact of tax and/or accounting treatment in determining compensation, but we may pay compensation to our officers that is not deductible. Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount of compensation paid to certain officers that we may deduct as a business expense in any tax year unless, among other things, the compensation qualifies as performance-based compensation, as that term is used in section 162(m). Generally, stock options and performance shares are structured to be deductible for purposes of section 162(m) of the Internal Revenue Code; short-term incentive awards and time vesting restricted stock are not.

Section 409A of the Internal Revenue Code imposes additional income taxes on executive officers for certain types of deferred compensation if the deferral does not comply with Section 409A. We have amended our compensation plans and arrangements affected by Section 409A with the objective of not triggering any additional income taxes under Section 409A.

ROLE OF OUR COMPENSATION COMMITTEE, COMPENSATION CONSULTANT AND MANAGEMENT

Our compensation committee, the compensation consultant and our management all participate in the process of setting executive compensation.

Compensation Committee

The compensation committee of the board of directors has primary responsibility for determining the compensation provided to our executive officers. The compensation committee receives information and advice from its compensation consultant and from management and makes a determination of executive officer compensation, which the committee then recommends to the board of directors for approval.

Compensation Consultant

The committee has retained Towers Perrin for advice regarding compensation matters. Towers Perrin is a nationally recognized consulting firm with extensive experience in the area of executive compensation. The consulting firm closely monitors executive compensation practices and trends and maintains an extensive executive compensation private survey database covering general industry and the energy industry in particular.

Company Management

Our executive officers are also involved in the process of reviewing executive compensation, and our president and chief executive officer, our senior vice president-administrative services and chief financial officer and our vice president – human resources regularly attend compensation committee meetings. The president and chief executive officer and the senior vice presidents review and comment on the market compensation data provided by the consulting firm, including the makeup of market comparison groups and the description of comparable officer positions. The president and chief executive officer and the senior vice presidents utilize the competitive market data, along with other factors related to an officer's position, experience and individual performance, to develop proposed compensation levels for those senior vice presidents or vice presidents that report to them. Our executive officers also review and recommend performance goals, goal weightings and types of long-term incentive awards. Our senior vice president-administrative services and chief financial officer presents these compensation proposals to the compensation committee, which reviews and may modify the proposals before approving them.

OUR PROCESS FOR SETTING EXECUTIVE COMPENSATION

The key steps our compensation committee follows in setting executive compensation are to:

- review the components of executive compensation, including base salary, bonus, short-term incentive compensation, long-term incentive compensation, retirement benefits and other benefits
- analyze executive compensation market data to ensure competitive compensation
- review total compensation structure and allocation of compensation and
- review executive officer performance and experience to determine individual compensation levels.

Market Compensation Analysis

Each year our consulting firm performs an extensive market compensation analysis to determine levels of compensation that comparable companies pay for executive officer positions. This information is important because it indicates what levels of compensation are needed to allow us to remain competitive with other companies in attracting and retaining executive officers. The market analysis also identifies emerging trends in executive compensation that our compensation consultant reviews with the committee.

The market compensation analysis focuses on base salary, short-term incentive and long-term incentive, which we refer to as direct compensation. The analysis includes an extensive review of market compensation data. The consulting firm then analyzes the market data to provide a competitive market compensation range for base salary, short-term incentive and long-term incentive, and combinations of these elements, for each of our executive officer positions.

The consulting firm's market data for the market compensation analysis is drawn from two sources:

- the consulting firm's annual private survey of corporate executive compensation and
- public proxy statement data from designated peer group companies.
- Private Survey Compensation Information

Towers Perrin conducts a private, nationwide survey each year of corporate executive compensation. The consulting firm reviews data from two of its survey groups that are most comparable to us.

Survey*	Annual Revenues Less Than $1 Billion			Annual Revenues Between $1 Billion and $3 Billion		
	Number of Companies Participating (#)	Average Market Capitalization ($)	Number of Publicly-Traded Companies (#)	Number of Companies Participating (#)	Average Market Capitalization ($)	Number of Publicly-Traded Companies (#)
Towers Perrin 2007 Executive Compensation Database	47	804 million	38	114	2.6 billion	97
Towers Perrin 2007 Energy Services Industry Executive Compensation Database	17	1.2 billion	8	29	2.3 billion	22

* The information in the table is based solely upon information provided by the publishers of the surveys and is not deemed filed or a part of this compensation discussion and analysis for certification purposes.

Our annual revenues were approximately $920 million for 2006, $880 million for 2007 and $960 million for 2008, which places us near the division point of these survey groups. As we discuss later, we believe that our revenues tend to be lower as compared with other companies of similar size and complexity, due to our low electricity prices.

The consulting firm then identifies those executive officer positions within the private survey comparison groups that are most similar to our executive officer positions, subject to review by management and approval by the compensation committee. Once the comparable executive officer positions are established, the consulting firm reviews the survey data for those positions and develops compensation tables showing the levels of base salary, short-term incentive and long-term incentive that are provided to the comparison group executive officers. The compensation tables show the 25th, 50th and 75th percentiles of base salary, short-term incentive and long-term incentive that are paid to the comparison group executive officers. The consulting firm provides separate percentile breakdowns for executive officers from three comparison groups - energy industry comparison group, general industry comparison group and a blended comparison group consisting of 80% energy industry data and 20% general industry data. The consulting firm blends the data for our chief executive officer, chief financial officer and general counsel positions on an 80% energy company and 20% general industry company basis to reflect our primary business as an electric utility. Because our senior vice president-power supply and senior vice president-delivery positions are unique to the energy industry, Towers Perrin uses only the energy industry data to determine comparable market compensation for these positions.

The consulting firm then compares the comparison group executive officer compensation with our current executive officer compensation. The consulting firm uses a range of 85% to 115% of comparison group mid-point compensation to represent the typical range of market compensation for each executive officer position. The mid-point is the 50th percentile of the comparison group data. Our executive officer compensation typically will fall within the 85%-115% of mid-point range, but we may set compensation levels above or below this range depending on the experience and performance of the particular executive officer.

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- Public Proxy Compensation Data

In addition to its private survey data discussed above, the consulting firm reviews public proxy compensation data from the proxy statements that are filed with the Securities and Exchange Commission each year. The consulting firm draws its proxy compensation data from two peer groups of companies that are comparable to us in terms of annual sales, market capitalization, number of employees and total assets. Our management and the compensation committee have worked extensively with the consulting firm in developing and approving these peer groups. The two peer groups as of November 2007 consisted of a regional general industry peer group of 16 companies and a national energy industry peer group of 12 companies. The regional general industry peer group companies were:

AMIS Holdings, Inc	Nu Skin Enterprises Inc.
Avista Corp.	Plum Creek Timber Co. Inc.
Coldwater Creek Inc.	Portland General Electric
Columbia Sportswear Co.	Puget Energy Inc.
Getty Images Inc.	Questar Corp.
Micron Technology Inc.	Schnitzer Steel Industries Inc.
Nautilus Inc.	Sky West Inc.
Northwest Natural Gas Co.	Washington Group International

The national energy industry companies were:

Avista Corp.	PNM Resources Inc.
Cleco Corp.	Portland General Electric
DPL Inc.	Puget Energy Inc.
El Paso Electric Co.	Sierra Pacific Resources
Empire District Electric Co.	UniSource Energy Corp
Great Plains Energy Inc.	Westar Energy Inc.

The peer group companies were selected based on revenues, market capitalization, number of employees and total assets. While we have lower revenues than a number of the peer group companies, this reflects our electricity prices, which are among the lowest in the nation. The compensation committee believes that our low electricity prices do not reduce the size or complexity of our business and that our peer groups are appropriate for executive officer compensation comparison purposes. Our assets are above the average of the two peer groups, and our market capitalization is similar in size to the peer group averages.

For our performance graph peer group, we use the Edison Electric Institute 100 Electric Utilities Index. While the peer groups above are different from the Edison Electric Institute 100 Electric Utilities Index used in the performance graph, the committee believes these smaller, more focused groups are representative of our size, complexity and diversity and are appropriate for compensation purposes.

As with the private survey data, the consulting firm then identifies comparable executive officer positions within the public proxy peer group companies and develops compensation tables showing what the comparable executive officers receive for base salary, short-term incentive and long-term incentive and combinations of these elements. The consulting firm then compares our current executive officer compensation with the mid-point executive officer compensation from the public proxy peer groups.

Total Compensation Structure

The committee reviewed the total compensation structure for each named executive officer. This review allows the committee to consider all elements of executive compensation as part of the compensation setting process. The committee begins with a review of the compensation elements set forth in the summary compensation table from our proxy statement - base salary, bonus, stock awards, option awards, short-term incentive, changes in pension value, and all other compensation. This breakdown includes actual compensation levels for the prior two years and the proposed compensation levels for the upcoming year.

The committee also reviewed the potential termination and change in control payments that the named executive officers would be entitled to under existing plans as presented in the 2007 proxy statement. These plans are:

- the Idaho Power Company Retirement Plan
- the Idaho Power Company Security Plan for Senior Management Employees I and II
- the Idaho Power Company Executive Deferred Compensation Plan and
- the executive change in control agreements.

The compensation committee used this information to get a "snapshot" view of each named executive officer's proposed 2008 compensation as well as of his compensation for the prior two years. This served as one of several information resources provided to the compensation committee for its reference. The compensation committee's review of this information was not a material factor in its compensation decisions for 2008.

The committee also reviewed an internal pay equity analysis, which compares our chief executive officer's total compensation with the average total compensation levels for (i) our senior vice presidents and (ii) our senior managers. When the committee reviewed internal pay equity in February 2008, the ratios were as follows:

- chief executive officer to senior vice presidents: 2.82 x
- chief executive officer to senior managers: 8.91 x

The committee reviewed our executive officers' termination and retirement benefits, levels of past compensation and IDACORP stock ownership as part of establishing the executive officers' direct compensation levels – base salary, short-term incentive and long-term incentive. The review helps the committee determine whether the levels of termination and retirement benefits, past compensation and IDACORP stock ownership are so high or low that the committee should adjust an executive officer's direct compensation.

Based on its review, the committee did not observe any extraordinary or unexpected levels of benefits, past compensation or IDACORP stock ownership that caused it to reevaluate or adjust proposed executive compensation levels for 2008. In making this determination, the committee exercised its subjective judgment and did not rely on specific information resources.

Executive Stock Ownership Guidelines

Our board, upon recommendation of the corporate governance committee, adopted minimum stock ownership guidelines for our executive officers in November 2007. The board considers stock ownership by executive officers to be important. Company stock ownership enhances executive commitment to our future and further aligns our executives' interests with those of our shareholders.

The guidelines require ownership of IDACORP common stock valued at a multiple of the executive's annual base salary, as follows:

- president and chief executive officer – three times annual base salary
- senior vice presidents – two times annual base salary and
- vice presidents – one times annual base salary.

When recommending the minimum stock ownership guidelines for our executive officers, the corporate governance committee reviewed the Stock Ownership Guidelines and Stock Retention Policies: Practices and Trends Among S&P 500 Companies study prepared by Towers Perrin, dated December 14, 2006.[1] According to this study, the majority of companies that structure guidelines as a multiple of salary require chief executive officers to own stock valued at five times their annual base salary, presidents and chief operating officers to own stock valued at three or four times annual base salary, senior vice presidents to own stock valued at two or three times their annual base salary and vice presidents to own stock valued at one times annual base salary. This study also reported that companies typically specify a period of five years for executive officers to satisfy their stock ownership guidelines.

The corporate governance committee recommended to the board and the board approved the same minimum ownership levels for vice presidents and senior vice presidents as the majority of companies in the study and a three times multiple for our president and chief executive officer. Sixteen percent of the companies selected multiples of three times or less for their chief executive officers.

Our graduated stock ownership requirement reflects the fact that our president and chief executive officer's and senior vice presidents' compensation is weighted more heavily toward equity compensation than our vice presidents' compensation. However, our overall executive officer compensation tends to be weighted less heavily toward equity compensation than many other companies, making it more difficult for our executives to accumulate stock equal to a stated multiple of base salary. Based on these considerations, we believe that our stock ownership requirements are appropriate for our executives.

Executives are allowed five years to meet the guidelines, beginning on the later of April 1, 2008 and the effective date of appointment as a vice president, senior vice president or president. In circumstances where the stock ownership guidelines would result in a severe financial hardship, the executive may request an extension of time from the corporate governance committee to meet the guidelines.

Executive Stock Retention Guidelines

Our board has also adopted minimum stock retention guidelines for our executive officers to further align our executives' interests with shareholder interests. The guidelines state that until the executive has achieved the minimum stock ownership requirements described above, the executive must retain at least 50% of the net shares he or she receives from the vesting of restricted and performance share awards and stock option exercises. The retention guidelines apply to restricted and performance share awards and stock options granted on and after April 1, 2009. For restricted and performance shares, "net shares" means the number of shares acquired upon vesting, less the number of shares withheld or sold to pay withholding taxes. For stock options, "net shares" means the number of shares acquired upon exercise, less the number of shares sold to pay the exercise price and withholding taxes.

Allocation of Compensation

In order to remain competitive and encourage and reward short-term performance and long-term growth, we use short-term and long-term incentive compensation. The short-term incentive compensation target varies by position but ranges from 15% to 25% of total target compensation. Long-term incentive compensation at target for the executive officers ranges from 20% to 50% of total target compensation. The higher the executive officer's position, the greater the emphasis on long-term results, and therefore, on equity-based compensation.

The compensation committee believes incentive compensation comprising 35% to 75% of total target compensation is appropriate because:

- our named executive officers are in positions to drive, and therefore bear high levels of responsibility for, our corporate performance

[1] This information is based solely upon information provided by the publisher of this study and is not deemed filed or a part of this compensation discussion and analysis for certification purposes.

- incentive compensation is at risk and dependent upon our performance and

- making a significant amount of our named executive officers' target compensation contingent upon results that are beneficial to shareholders helps ensure focus on the goals that are aligned with our overall strategy.

Cash compensation includes base salary and short-term incentive payments. Cash compensation at target for the executive officers ranges from 55% to 80% of total target compensation. As discussed above, non-cash or long-term incentive compensation at target for the executive officers ranges from 20% to 50% of total target compensation with higher non-cash compensation for our higher level executive officers.

Non-cash compensation consists of two-thirds performance shares and one-third time-vesting restricted stock. We believe this structure provides the appropriate balance between at risk compensation tied to executive performance and guaranteed compensation that promotes executive retention.

The following table shows the allocation of total 2008 direct target compensation for our named executive officers among the individual components of base salary, short-term incentive and long-term incentive:

Executive	Base Salary as a % of Total Target Compensation	Short-Term Incentive as a % of Total Target Compensation	Long-Term Incentive as a % of Total Target Compensation
J. LaMont Keen	32	25	43
Darrel T. Anderson	42	21	37
Thomas R. Saldin	48	19	33
James C. Miller	48	19	33
Daniel B. Minor	48	19	33

The compensation committee believes that our executive compensation structure is well-balanced in addressing our compensation objectives. In particular, base salary and severance/retirement benefits provide competitive income security for our executives, and short-term and long-term incentive awards provide additional compensation opportunities for outstanding performance. Our short-term and long-term incentive awards also provide motivation to our executive officers to achieve our operational and financial goals.

The compensation committee also believes that our executive compensation structure is meeting our fundamental compensation objectives of attracting and retaining qualified executives and motivating those executives to achieve key performance goals for the benefit of our customers and shareholders. We have been able to secure qualified executive officers from both within our organization, in the case of Mr. Keen, Mr. Miller and Mr. Minor, and from outside of our company, in the case of Mr. Anderson and Mr. Saldin. We have further been able to retain these executive officers to establish a cohesive executive team.

Perquisites

As we stated in the beginning of the compensation discussion and analysis, the primary objectives of our executive compensation programs include attracting and retaining highly qualified executive officers, motivating our executive officers to achieve performance goals that will benefit our shareholders and customers and managing executive officer compensation as an investment with the expectation that our executive officers will contribute to our overall success. The compensation committee views perquisites as one element of our executive compensation program designed to attract, retain and reward our executive officers.

We describe the perquisites we offer to our executive officers and the reasons for offering them below:

- Dining club membership

We paid membership dues to a dining club in Boise, Idaho for three of our named executive officers. The aggregate amount of dues for all three named executive officers totaled approximately $6,480 in 2008. The compensation committee believes that the dining club memberships promote positive relations between these executive officers and other business leaders in the community. The compensation committee also believes that membership encourages these executive officers to participate in business and civic activities within our service territory and promotes our business and the goodwill of the company.

- Annual executive officer physical examination

Each of our named executive officers is entitled to receive an annual comprehensive physical examination and related tests. Our maximum contribution for this benefit is $1,500 per year. We provide this benefit to encourage the proactive management of our executives' health, to provide an opportunity for early diagnosis and management of health issues and to promote the executive officers' productivity and continued service to the company. We expended no monies for this benefit in 2008.

- Relocation assistance

We offer relocation assistance to supervisors, managers and executives who are required to move for job-related reasons from one location to another. We pay reasonable and customary costs of transporting the employee's household goods and expenses for packing and unpacking. We also offer assistance in selling or purchasing the employee's home. A moving allowance may also be available for other expenses related to the move.

Our relocation benefit facilitates the relocation of our executive officers and others from one business location to another to meet our management needs throughout our service territory. There were no payments to our named executive officers for relocation assistance in 2008.

- Family travel with an executive officer who is traveling for business purposes

Our executive family travel practice allows an executive's spouse or other family member to accompany the executive for business travel on the company airplane if space permits. This practice is intended to facilitate executive business travel at minimal additional cost to the company. No family members traveled with a named executive officer at the company's expense in 2008.

The compensation committee believes that providing these perquisites is a relatively inexpensive way to enhance the competitiveness of the executive officers' compensation packages and that each perquisite represents a cost-effective investment in executive performance. We have historically provided each of these perquisites and have continued to provide them to facilitate and enhance our executive officers' service to the company. The compensation committee's decisions regarding perquisites did not affect any other decisions the committee made with respect to other elements of compensation.

Executive Officer Evaluation

After the compensation committee reviews the market compensation data, it reviews each executive officer's level of experience and performance to determine what the executive officer's compensation should be relative to the market range.

For the chief executive officer review, each of our directors completes an annual written evaluation, which addresses positive and negative aspects of the chief executive officer's performance. This evaluation covers fourteen executive attributes categorized under three headings: strategic capability, leadership and performance.

Strategic Capability

- vision – builds and articulates a shared vision
- strategy – develops a sound, long-term strategy
- implementation – ensures successful implementation; makes timely adjustments when external conditions change

Leadership

- character – committed to personal and business values and serves as a trusted example
- temperament – emotionally stable and mature in the use of power
- insight – understands own strengths and weaknesses and is sensitive to the needs of others
- courage – handles adversity and makes the tough calls when necessary
- charisma – paints an exciting picture of change; sets the pace of change and orchestrates it well

Performance
- financial – financial performance meets or exceeds plan and is competitive relative to industry peers
- leadership – dynamic, decisive, strong confidence in self and others; demonstrates personal sacrifice, determination and courage
- relationships – builds and maintains relationships with key stakeholders
- operational – establishes performance standards and clearly defines expectations
- succession – develops and enables a talented team
- compliance – establishes strong auditing and internal controls, and fosters a culture of ethical behavior

For other executive officer reviews, the chief executive officer provides a thorough evaluation of each executive officer's accomplishments during the year and overall performance under the categories of operational excellence, financial/customer performance, customer/operational excellence, employee/operational excellence and financial/operational excellence. In addition, each executive officer is evaluated against eight competencies:

- establishing strategic direction
- customer orientation
- business acumen
- developing strategic relationships
- building organizational talent
- operational decision making
- leadership and
- driving for results.

2008 NAMED EXECUTIVE OFFICER COMPENSATION

2008 Incentive Awards

The committee's first step in setting 2008 compensation for our named executive officers was to establish the performance goals for the short-term and long-term incentive awards.

2008 Short-Term Incentive Performance Goals

The 2008 short-term incentive goals were designed to motivate our executives to achieve certain key corporate operational and net income goals for the benefit of our customers and shareholders. The goals and weightings established by our committee were as follows:

Goal	Weighting
Customer satisfaction	15%
Other O&M expense, as adjusted	15%
Network reliability	10%
IDACORP 2008 consolidated net income	20%
Idaho Power 2008 net	40%

income

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These goals are the same as those for 2007. For 2008, we increased the weighting of the Idaho Power 2008 net income goal from 30% to 40% and decreased the weighting of the IDACORP 2008 consolidated net income goal from 30% to 20%. These changes reflect the reduction of non-regulated business activity at IDACORP and the focus on the capital expansion requirements at Idaho Power Company.

- The customer satisfaction goal focuses us on our relationship with our customers and on serving our small and large general service customers. We measure customer satisfaction by quarterly surveys by an independent survey firm. The customer relationship index details our performance through the eyes of a customer and was based on a rolling 4-quarter average for the period beginning January 1, 2008 through December 31, 2008. The survey data covered five specific performance qualities: overall satisfaction, quality, value, advocacy and loyalty.

- The Other O&M expense goal focuses on the effective use of assets and capital. The operational target was to manage to budgeted levels of forecasted amounts. For 2008, we defined Other O&M expense, as adjusted, as other operation expense, as shown on our audited year-end financial statements, but excluding third party transmission expense, short-term employee and executive incentive expense and fixed cost adjustment – and maintenance expense, as shown on our audited year-end financial statements.

- The network reliability goal is also intended to focus executives on our relationships with our customers. We measure this goal by the number of interruptions greater than five minutes in duration. The goal also includes a cap of no more than 10 percent of small and large general service customers subjected to more than six interruptions during the 2008 calendar year. If the cap is exceeded, no payout will be made.

- IDACORP consolidated net income and Idaho Power net income goals provide the most important overall measure of our financial performance. The net income goals align management and shareholder interests by motivating our executive officers to increase company earnings for the benefit of shareholders. IDACORP consolidated net income is net income in the audited year-end financial statements, with target amounts as those amounts are reported after considering all applicable incentive amounts. Idaho Power net income is net income reported in the audited year-end financial statements, exclusive of short-term employee and executive incentive expense net of tax.

The table below shows the performance goals and results for the 2008 short-term incentive awards.

2008 Short-Term Incentive Performance Goals

Performance Goals	Performance Levels		Qualifying Multiplier	2008 Results
Customer Satisfaction –	Threshold	81.5%	7.5%	
Customer Relations	Target	82.5%	15%	82.26%
Index Score	Maximum	84.0%	30%	(above threshold)
Other O&M Expense, as	Threshold	$277.0M	7.5%	
adjusted	Target	$274.2M	15%	$275.1
	Maximum	$266.0M	30%	(above threshold)
Network Reliability –	Threshold	< 2.5	5%	
Number of	Target	< 2.1	10%	1.937
Outage Incidents	Maximum	< 1.7	20%	(above target)
IDACORP 2008	Threshold	$81.0M	10%	
Consolidated Net Income	Target	$88.0M	20%	$98.4M
	Maximum	$98.0M	40%	(above maximum)
Idaho Power 2008 Net	Threshold	$76.0M	20%	
Income	Target	$84.0M	40%	$94.1M
	Maximum	$94.0M	80%	(above maximum)

2008 Short-Term Incentive Award Opportunities and Results

Award opportunities under the IDACORP Executive Incentive Plan were established at threshold, target and maximum, based on a percentage of each named executive officer's 2008 base salary. The table below shows the award opportunities and the actual amounts earned for each named executive officer, based on the 2008 actual short-term incentive performance results of 160.14% of target level performance. We discuss the reasons for each named executive officer's award opportunities in the sections relating to each officer below.

2008 Short-Term Incentive Awards

Executive	2008 Base Salary ($)	Threshold	Target	Maximum	Market (Target)	2008 Award Earned (% of Base Salary)	2008 Award Earned ($)
Mr. Keen	600,000	40% ($240,000)	80% ($480,000)	160% ($960,000)	102% ($643,620)	128	768,672
Mr. Anderson	340,000	25% ($85,000)	50% ($170,000)	100% ($340,000)	51% ($178,500)	80	272,238
Mr. Saldin	300,000	20% ($60,0000)	40% ($120,000)	80% ($240,000)	41% ($115,620)	64	192,168
Mr. Miller	300,000	20% ($60,000)	40% ($120,000)	80% ($240,000)	40% ($110,400)	64	192,168
Mr. Minor	290,000	20% ($58,0000)	40% ($116,000)	80% ($232,000)	50% ($150,000)	64	185,762

The short-term executive incentive plan does not permit the payment of awards if there is no payment of awards under the employee incentive plan or if IDACORP does not have net income sufficient to pay dividends on its common stock.

2008 Long-Term Incentive Awards

Our 2008 long-term incentive awards cover a three-year period. The 2008-2010 awards included:

- time-vesting restricted stock, representing one-third of the 2008-2010 awards and

- performance shares, representing two-thirds of the 2008-2010 awards.

The compensation committee recommended, and the board approved, awards of time-vesting restricted stock and performance shares at their February 2008 meetings, which occurred after we released our 2007 earnings.

Prior to 2006, the long-term incentive awards were comprised of stock options, time-vesting restricted stock and performance shares with a single goal of cumulative earnings per share. With assistance from Towers Perrin, the compensation committee reviewed the components of long-term incentive compensation during 2005. The committee determined to eliminate stock options and to use only restricted stock and performance shares in 2006. In addition, with respect to the performance shares, the compensation committee decided to use two goals weighted equally, cumulative earnings per share and relative total shareholder return, rather than a single goal of cumulative earnings per share. The committee believes that these two goals provide an effective measure of financial performance of our company and align our executive officers' management efforts with our shareholders' performance objectives.

Time-Vesting Restricted Stock

The time-vesting restricted stock awards vest on January 1, 2011, as long as the executive officer remains employed by us throughout the restricted period. The restricted stock provides a strong incentive for the executive to continue working for us for the entire three-year restricted period. Because the restricted stock is intended to serve as a retention tool, the committee decided to use cliff vesting, rather than pro rata vesting, during the restricted period. If the executive officer’s employment terminates before the vesting date, subject to board approval, the executive officer may receive a pro-rated payout, depending on the reason for the termination.

Performance Shares

Two-thirds of the target long-term incentive award is comprised of performance shares. These shares are based entirely on our financial performance and will not be earned at any level if our minimum performance goals are not met at the end of the performance period. Performance shares with a three-year cumulative earnings per share goal awarded for the performance periods ending in the years 2003, 2004, 2005 and 2007 were forfeited. The performance shares may be earned by the executive officers based on two equally weighted financial goals over the 2008-2010 performance period: IDACORP cumulative earnings per share and relative IDACORP total shareholder return.

The cumulative earnings per share levels are tied to management performance as this goal relates to revenue enhancement and cost containment. The cumulative earnings per share goals for the 2008-2010 period are as follows:

- Threshold $5.80
- Target $6.20
- Maximum $6.70

Total shareholder return is determined by our common stock price change and dividends paid over the 2008-2010 performance period. We then compare our 2008-2010 total shareholder return with the total shareholder returns achieved by a comparison group of companies over the same three-year period. The comparison group consists of the utility companies in the S&P MidCap 400 Index at the end of the performance period.

We compare our total shareholder return with these companies' total shareholder returns on a percentile basis. For example, if our total shareholder return falls exactly in the middle of the total shareholder returns of the comparison companies, we would rank in the 50th percentile of the comparison group. The total shareholder return performance levels for the 2008-2010 performance period are:

- Threshold 40th percentile of companies
- Target 55th percentile of companies
- Maximum 75th percentile of companies

The compensation committee approved these percentile levels to provide a range of goals that are challenging yet potentially achievable by our company.

As with base salary and 2008 short-term incentive opportunities, in establishing the named executive officers' long-term incentive awards, the compensation committee reviewed the competitive compensation analysis. The long-term incentive opportunities for Mr. Keen, Mr. Anderson, Mr. Saldin and Mr. Minor are below the market levels for their respective positions, and the long-term incentive opportunity for Mr. Miller is at the market level for his position. The committee will consider increasing below-market long-term incentive levels in the future as the executives continue to gain experience and expertise in their respective positions.

The compensation committee believes that the 2008 long-term incentive awards will be very effective in aligning our executive officers' management efforts with our shareholders' performance objectives. Earnings per share and total shareholder return represent key measures of performance for the benefit of our shareholders. The compensation committee believes that the 2008 long-term incentive awards provide significant incentive to our executive officers to achieve those goals.

The table below shows the long-term incentive award opportunities for each named executive officer.

2008-2010 Long-Term Incentive Award Opportunities

Executive	Time-Vesting Restricted Stock (Percent of Base Salary) (%)	Performance Shares (CEPS and TSR) (Percent of Base Salary) (%)	Total Long-Term Incentive Award (Percent of Base Salary) (%)	Total Long-Term Incentive (Dollar Value based on 2008 Base Salary) ($)	2008 Market Target ($)
Mr. Keen	45	Threshold - 45 Target - 90 Maximum - 135	Threshold -90 Target - 135 Maximum - 180	Threshold -540,000 Target - 810,000 Maximum - 1,080,000	1,037,000
Mr. Anderson	30	Threshold - 30 Target - 60 Maximum - 90	Threshold -60 Target - 90 Maximum - 120	Threshold -204,000 Target - 306,000 Maximum - 408,000	407,000
Mr. Saldin	23.3	Threshold - 23.3 Target - 46.6 Maximum - 70	Threshold -46.6 Target - 70 Maximum - 93.3	Threshold -139,800 Target - 210,000 Maximum - 280,000	245,000
Mr. Miller	23.3	Threshold - 23.3 Target - 46.6 Maximum - 70	Threshold -46.6 Target - 70 Maximum - 93.3	Threshold -139,800 Target - 210,000 Maximum - 280,000	210,000
Mr. Minor	23.3	Threshold - 23.3 Target - 46.6 Maximum - 70	Threshold -46.6 Target - 70 Maximum - 93.3	Threshold -135,140 Target - 203,000 Maximum - 270,570	249,000

The named executive officers receive dividends on the time-vesting restricted stock during the vesting period. This reflects the fact that the IDACORP stock is assured of being paid to the named executive officer over the 2008-2010 vesting period as long as the named executive officer remains employed by the company. However, dividends on the performance shares are not paid to our named executive officers during the 2008-2010 performance period. Instead, they are paid at the end of the performance period only on performance shares that are actually earned.

Forfeiture of Performance Share Awards in 2008

The 2005-2007 performance share awards under the IDACORP 2000 Long-Term Incentive and Compensation Plan were forfeited based on IDACORP's below threshold cumulative earnings per share of $5.87 for the 2005-2007 period. The table below lists the shares awarded on January 20, 2005 and the shares and dividend equivalents forfeited on February 21, 2008.

Name	Shares Awarded on January 20, 2005 (#)	Shares Forfeited on February 21, 2008 (#)	Dividend Equivalents ($)
Mr. Keen	4,675	4,675	16,830
Mr. Anderson	1,613	1,613	5,807
Mr. Saldin	1,681	1,681	6,052
Mr. Miller	1,815	1,815	6,534

Mr. Minor	1,378	1,378	4,961

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