

THOMSON REUTERS STREETEVENETS

EDITED TRANSCRIPT

IDA - Idacorp Inc Annual Shareholders Meeting

EVENT DATE/TIME: MAY 21, 2020 / 4:00PM GMT



CORPORATE PARTICIPANTS

Darrel Thomas Anderson *IDACORP, Inc. - President, CEO & Director*

Lisa A. Grow *Idaho Power Company - President & Director*

CONFERENCE CALL PARTICIPANTS

David Haslip

PRESENTATION

Darrel Thomas Anderson - *IDACORP, Inc. - President, CEO & Director*

Good morning everyone, and welcome to our new reality. I am Darrel Anderson, President and Chief Executive Officer of IDACORP and Chief Executive Officer of Idaho Power Company and a director of both companies. On behalf of the directors, officers and employees of IDACORP and Idaho Power Company, I would like to welcome everyone to the 22nd Annual Meeting of Shareholders of IDACORP. If we were holding a meeting today for Idaho Power, this would be its 105th annual meeting.

As you know, in light of the COVID-19 pandemic, this year, the annual meeting is being held as a virtual meeting through a live webcast rather than as an in-person meeting. This format helps us maintain appropriate social distancing and also allows shareholders to join the meeting without having to travel. It has the ancillary benefit of allowing all of our shareholders to attend regardless of location. I recognize this format is a little less personal, and I do miss having an opportunity to meet with many of you face-to-face. But remember that safety is a core value for IDACORP and Idaho Power, and we are working hard to keep the lights on and our employees safe.

There will be a question-and-answer session at the end of our meeting today, and we, of course, welcome questions from our shareholders outside of this meeting. As with our past in-person meetings, we do have a couple of requests for the meeting. In the interest of time and ensuring all shareholders have an opportunity to ask a question if they desire to do so, please submit only one question per shareholder. Please identify yourself by name when submitting your question as we otherwise would not be able to know who was asking the question. I do note that we have received a question already that hasn't identified the person who has submitted it, so if you could resubmit that, that would be helpful when we get to the Q&A session.

Despite the circumstances, it is a pleasure to have this opportunity to discuss with you our performance and the opportunities we see as we look to the future. As we get started, I would like to first recognize the directors of our company who are attending today's meeting remotely. You can find information on our directors in the proxy statement of the annual meeting, so I'll not go through their biographies now.

Our directors are: Tom Carlile; Richard Dahl; Annette Elg; Lisa Grow; Ron Jibson; Judi Johansen; Dennis Johnson; Christine King, Rick Navarro and myself. With the exception of Lisa Grow and myself, these directors are all outside independent directors. Lisa is a new addition to the Boards for IDACORP and Idaho Power having been appointed in February of this year and has been nominated for election at today's annual meeting. Lisa is the President of Idaho Power Company and has over 32 years of industry knowledge, gained through her career as an engineer and in various leadership roles at Idaho Power.

Before we move on, I would also like to recognize our officer team for both IDACORP and Idaho Power. I want to recognize them for their leadership and service to our organization and for their exceptional leadership to the COVID situation thus far this year. I will not call out the names today, but their biographies are included on the company website and in the annual report to shareholders. We do have some new additions to our officer ranks this year, most of whom were appointed to fill positions created by the retirement of some of our long-standing officers. We have an outstanding leadership team and one that is excited about our business and committed to serving you, our owners, as well as our customers and employees.



For our agenda today, we will first conduct the formal business meeting. And after the formal meeting adjourns, Lisa and I will provide some additional comments about our company. Following that, Lisa and I will be happy to answer your questions. Today's webcast is also being recorded. A complete replay will be available on our website starting tomorrow and continuing for the next 12 months.

I would like to remind everyone that the presentation today contains forward-looking statements, which are statements that relate to future events or expectations. It is important to note that the company's future results could differ materially from those discussed at this meeting. A discussion of factors that could cause future results to differ materially can be found in our filings with the Securities and Exchange Commission, including our 2019 annual report on Form 10-K. I encourage you to review that document as well as other documents we file with the SEC and our various press releases.

It is now my pleasure to officially call the 2020 annual meeting of IDACORP shareholders to order. This annual meeting is being held to address the items that were included in the proxy statement. IDACORP has approximately 60,000 shareholders located throughout the United States and beyond. The results of shareholder voting for the annual meeting are typically determined by the return of proxies from shareholders who are not present, and we have those results today. All shareholders or proxy holders who registered for this webcast meeting also received the link to vote their shares for the annual meeting previously.

Before moving to the business matters to be considered at this annual meeting, there are a few administrative matters that need to be addressed for conducting the meeting. First, a majority of the shareholder voting power outstanding is represented at this meeting by proxy. Therefore, a quorum does exist for the transaction of business. Second, in accordance with IDACORP's bylaws, no matters other than those stated in the proxy statement or properly raised by a shareholder in accordance with the advanced notice provisions of the bylaws can be considered at this meeting.

Finally, before I get started, note that if you have not already voted your shares or if you previously voted and wish to revoke your proxy and vote now, you may do so by following the voting instructions provided in the virtual meeting e-mail sent to you earlier this morning. Remember, if you previously voted for shares on the proxy card or online, you need not do so again today unless you so choose. If you previously voted and revoke today, it will revoke the previous vote. The voting mechanisms for this virtual meeting will remain available until we complete the formal portion of this meeting.

The first item for action by shareholders is the election of directors. 10 director nominees are up for election at this meeting. Biographies for those 10 nominees are included in the proxy statement, and I read their names at the beginning of this meeting. All 10 directors have been nominated for 1-year terms to expire at the 2021 annual meeting. The IDACORP Board of Directors has unanimously recommended a vote for the nominees.

The second order of business is the advisory resolution to approve executive compensation. This advisory resolution is commonly referred to as the say-on-pay vote. The IDACORP Board of Directors has unanimously recommended a vote for this proposal.

The third order of business is the ratification of the appointment of IDACORP's independent registered public accounting firm, Deloitte & Touche LLP, for 2020. The IDACORP Board of Directors has unanimously recommended a vote for this proposal. I will remind you at this point that you may use the virtual meeting webcast portal to vote if you have not already voted or wish to revoke the prior vote.

The IDACORP proxy committee has voted all shares represented by proxy in accordance with the instructions in each proxy on all 3 matters. Based on the proxies received prior to the start of this meeting, the preliminary results of the voting are as follows: First, each of the 10 director nominees named in the proxy statement has been elected to serve on the Board of Directors for a 1-year term. Second, the advisory resolution on executive compensation has passed. And third, the ratification of the appointment of the independent registered public accounting firm for the year 2020 has passed.

Mr. David Haslip, a partner at Deloitte & Touche LLP, our independent auditor, is invited to make any statement he desires regarding the independent auditors' audit of the books and records of IDACORP. Mr. Haslip, do you have any statements you wish to make?

David Haslip

No. I don't have any statements that I wish to make at this time. Thank you.

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

Thank you, David. At this time, I now declare the polls closed. This concludes all items scheduled for action at this annual meeting of shareholders. The business portion of the meeting is now adjourned, and we will now move to the informal portion of the meeting.

So we're going to go and share a few things about the business, taking a look at '19, and then Lisa will talk a little bit about looking forward. But I want to start this portion of the meeting by discussing briefly our company's response to the COVID-19 pandemic. And we all, as a company, are very aware of the impacts this has had not only in our state, in our country and the world. And our heart goes out to all of those that have been impacted by this, and we all likely know someone who has been impacted in some form or fashion. And as a core value of ours, the notion of respect for all of those is very important.

Our service area and our company have not been immune to the virus, with approximately 2,500 cases recorded in the state of Idaho and approximately 3,700 in the state of Oregon as of today. That number may be low relative to some areas of the country, but the impact on our customers has nonetheless been significant, particularly in light of stay-at-home orders in effect in Idaho and Oregon.

Both states have recovery programs rolling out in real time. In connection with the pandemic, I was asked by Idaho's governor to help lead the task force assemble to develop the business recovery plan. We think the plan we are rolling out for Idaho strikes a thoughtful and prudent balance of ensuring the health of our population and encouraging an economic rebound. Since the onset of this pandemic, our company has moved quickly to keep the lights on and help ensure the safety of our employees and our customers.

Our workforce is essential to maintaining and operating the critical infrastructure that powers our communities. Much of our workforce has been working remotely since mid-March. Extra safety measures have been in place at our facilities with special precautions being taken at power plants and other critical work areas. We have been proactively communicating with our customers, assuring them we are doing everything we can to ensure their safety and provide reliable energy.

In addition to serving our customers, our employees have, of course, been a top priority during this crisis. In times like these, our company's long-standing commitment to safety is more important than ever. While the COVID-19 outbreak is unlike anything our society has experienced in recent memory, our employees' ability to focus, assess the situation, make safe choices and speak up for safety has helped contribute to the health and safety of both our employees as well as our customers.

I cannot thank our employees enough for continuing to [show] (corrected by the company after the call) their commitment to safety as well as for all the extra work that has gone into keeping our operations running smoothly over the past few months. As we look ahead, we are also working on our company's reconnection plan, which is likely to be a phase reentry of our workforce back into the offices and operation centers on a more normal or at least new normal basis.

So just going off script here a little bit. I just want to share a couple of thoughts here over the last few weeks, just an example of what our employees have been up against. We've had a series of storms that have rolled through here over the last few weeks, wind and rain and what have you. And to see our folks who are being -- trying to be mindful of the pandemic situation but also mindful of ensuring to get the lights back on for our customers, but they have gone above and beyond to ensure that, that happens. And our leadership team has had an opportunity to be out talking with these folks during these times. And just to watch them go about their work and being very safe about doing it, despite, you have customers who want to come up and thank you and give you things, they're being, very mindful of all of that with safety being top of mind. So it's really a heartwarming observation when you get a chance to see that in action, and that is your employees that you have invested in who are doing such an outstanding job.

Today's meeting is a good example of our ability to adapt and accomplish our work during these unprecedented times. As I noted when we started this meeting, this is IDACORP's first virtual annual meeting, implemented as part of our social distancing efforts. I want to thank our staff for making this virtual meeting happen as well as you, our owners, for your flexibility and understanding.

So let's turn our attention a little bit to reviewing what happened in 2019 where we had a number of successes. But given where we are -- but given what we are going through today, this seems like a long time ago. IDACORP enjoyed another record-setting year in 2019. As you probably already know, we achieved our 12th consecutive year of growth in earnings per share, an achievement, we believe, is unprecedented among investor-owned electric utilities over that time period.

Idaho Power benefited from a strong year of customer growth and effective cost management. Coupled with good performance across IDACORP's other subsidiaries, we achieved earnings growth while again preserving the full \$45 million in tax credits available for future earnings support under Idaho's regulatory stipulation, which can help support earnings in the future.

In addition to our earnings success, IDACORP and Idaho Power achieved our best employee safety results ever, attained all-time high residential and business customer satisfaction scores, maintained reliability numbers just slightly behind our record performance achieved in 2018, increased our quarterly common stock dividend from \$0.63 per share to \$0.67 per share and announced a new policy that provides for a target long-term dividend payout ratio between 60% and 70% of sustainable IDACORP earnings. We have accomplished this while keeping residential prices 20% lower than the national average, while business customers' prices were 30% lower than the national average.

Customer growth remains strong for our company. In 2019, Idaho was again the fastest-growing state in the nation, and Idaho Power's customer base grew 2.5%. We now serve more than 570,000 customers and over 1.3 million people. And we view the reliable, affordable clean energy Idaho Power provides as a key driver for continuing to attract new residents and businesses. We continue to expect long-term growth within our service areas as the states we serve and our entire country move past the pandemic.

IDACORP continues to provide a sound investment for investors focused on environmental, social and governance matters, or ESG. The sustainability of our company has long informed the way we do business, and we know that acting in the best interest of the environment and our communities has many benefits, financial and otherwise. Our integration of ESG into our business helps us find innovative ways to serve customers, protect the environment, care for our employees and communities and provide strong returns for our owners, among other things.

In March 2019, we launched our goal of providing 100% clean energy by 2045. Our Clean Today, Cleaner Tomorrow plan builds on our long history as a clean energy leader. With nearly half our energy today coming from clean hydro power, we believe we can achieve this goal while continuing to provide reliable energy at some of the lowest prices in the nation.

As we move toward the cleaner tomorrow, we believe new technologies and new resources will help us reach our goal. Idaho Power has entered into a contract to buy 120 megawatts of energy from Jackpot Solar at a price that is among the lowest in the country for solar energy, a solar array that will be located in Southern Idaho. Additional clean energy will allow Idaho Power to continue exceeding its carbon emissions reduction goals as it works towards 100% clean energy by 2045. Lisa Grow will talk more about these goals and our plans a little bit later.

Idaho Power made progress on several other key initiatives in 2019. On the Boardman to Hemingway transmission line project, the Oregon Department of Energy recommended approval to build this 300-mile energy pipeline, which will help move clean energy within the northwest region. We are currently targeting construction to begin in 2023.

We also reached a significant milestone on relicensing the 3-dam Hells Canyon Complex, our company's largest generation resource. Idaho and Oregon have certified our plan for meeting water quality standards in the Snake River, and we are working through the legal and regulatory process on that certification. A new license will likely come in 2022 or after. And in the meantime, we continue to work on our Snake River stewardship program aimed at further improving water quality in the river system.

Employee engagement continues to be a focus for Idaho Power. Even as much of our workforce is working remotely, we are staying engaged with one another, often virtually, to remain focused and aligned on our goals. As I noted earlier, I am proud of our employees by navigating through

the challenges this time and for their active and impressive work to keep our business running smoothly. It is our strong culture that has kept us focused and functioning at a continued high level.

I will now turn the time over to Idaho Power President, Lisa Grow, who will talk more about employee engagement, diversity, inclusion and ESG issues and provide more insight on our company's future. For those that have not had a chance to get to know Lisa, she earned her electrical engineering credential from the University of Idaho and her Master of Business Administration from Boise State University. She has over 32 years of experience with Idaho Power, serving a variety of roles across the company, and one little known fact is her grandfather was a lineman at Idaho Power. Please join me in welcoming Lisa to the virtual microphone.

Lisa A. Grow - Idaho Power Company - President & Director

Thank you, Darrel, and good morning, everyone. Our company did have a remarkable year in 2019, and I agree, that seems like a very long time ago. And I echo Darrel's thanks to our outstanding employees for making it all happen and for continuing that dedication now during these challenging times. I know we would all like to know how this pandemic is going to shape things in the future, but the truth is we just don't know. What I do know is that this will end and that our employees, customers and owners need us now and will need us in the future. Resilience is in our DNA and will be key to our path forward. So many of the things we've been focused on will continue to be relevant as this recent disruption gets sorted out. Therefore, I would like to focus my remarks today on sustaining our success into the future.

I will frame my discussion around what we refer to as Idaho Power's circle of success. This circle, which you can see on the slide, is new to Idaho Power. Coming into my new role, I wanted to have a visual representation to share with our employees, customers and owners to explain what makes our company succeed year after year. As I thought about this, one thing became clear. Everything our company does revolves around our core purpose of powering lives with reliable, affordable, clean energy, as well as our core values of safety first, integrity always and respect for all. We rely on our purpose and values to execute on 3 key pillars of our strategy: employee culture, customer experience and owner value.

As to the first pillar, for more than 100 years, we have been -- we have developed a strong employee culture built on operating in a safe, secure, efficient and reliable manner. This culture has served Idaho Power well. Although we continue to honor our history and embrace what has worked, we also work hard to plan, adapt and innovate for the future. Our employee culture is strengthened by our commitment to an inclusive environment where we are all valued and respected and where we seek out and value diverse backgrounds and perspectives. In our commitment to each other, we believe we are a stronger company when we stand together and embrace our differences. We have worked hard over the years in fostering a culture of diversity and inclusion at our company. And as the first woman CEO, I can personally attest to the company's efforts to encourage and support development and advancement opportunities for all. In my 32-year career from an entry engineer to the current Idaho Power President and upcoming CEO, I have received the support of my colleagues and leaders, and that's the type of culture we will continue at this company to help ensure everyone who works hard and dedicate themselves to development has exciting opportunities here.

For our second pillar, our customers' experience has been a key focus for Idaho Power in recent years. We are committed to delivering an I matter experience for them. This means meaningfully connecting with them and electrifying their lives and businesses, which will be critical to their prosperity in these times. Our customer solutions are focused on 3 primary areas: transforming the digital customer experience, driving electrification and ensuring we are our customers' trusted energy adviser.

Owner value is the third pillar. You, our owners, expect us to deliver long-term financial returns, which are key to our financial strength. Our 12 consecutive years of earnings growth is an amazing achievement. We intend to continue to manage our costs by standardizing, optimizing and automating while executing on constructive regulatory strategies and growing our customer base through exceptional service to help sustain strong returns for our owners into the future.

As we execute on these 3 pillars, we also remain focused on modernizing and orchestrating the grid. The grid begins with generation and touches every part of our business as it delivers energy to the customers we serve. Idaho Power will continue to build, operate and maintain that system and will ultimately implement new technologies and analytics to enhance the system and maintain resiliency and reliability. This work is already in motion. Darrel provided updates on our clean energy goal, the B2H transmission line, Jackpot Solar and other projects that will help meet our customers' needs in the future. These and other emerging technologies will allow us to continue adapting as the energy industry evolves.

An important component of our mission is electrification. As Darrel mentioned, our customer base has grown at one of the highest rates in the country. Our growing residential population and attractiveness to new and expanding business customers presents opportunities to expand our business through the electrification of consumer vehicles, fleet vehicles, public transportation, residences, businesses and more.

We've touched on several strategic initiatives we've been pursuing this year. On the screen are our 2020 business strategy cornerstones. We clearly have a lot to do now and into the future as we pursue continued analysis and development of regional energy markets based on a very successful experience with the energy imbalance market, data analytics and asset management, constructive regulatory proceedings and continued business development initiatives, just to highlight a few.

Our initiatives this year are driven by the 4 main categories that you see on the screen: growing financial strength, improving our core business, enhancing our brand and keeping employees safe and engaged.

I also want to expand on something Darrel talked about relating to ESG efforts. Included in our 2020 business strategy cornerstones is continuing to evaluate and enhance our sustainability report and the efforts around it. This year's report is our ninth. It is available today on our website. And you will see that this year, we incorporated the Edison Electric Institute ESG framework into the report. Some of our owners, including BlackRock, our largest shareholder, have indicated a share of interest in seeing ESG disclosures consistent with the SASB format and climate change disclosure under the TCFD format. In answer to that interest, we are planning to convert to those formats, so stay tuned for next year's report.

One related area I would like to highlight is our progress on our current emission intensity goal, which was set to reduce the average CO2 emission intensity of our energy resources during the period of 2010 to 2020 by 15% to 20% lower than 2005 levels. I am pleased to say that our average emission intensity over that period was actually 29% lower than our base year of 2005.

Yesterday, our Board of Directors approved a new carbon emission goal. For the next 5 years, we will reduce our average CO2 emission intensity to 35% below 2005 levels, another milestone in the pursuit of our 2045 100% clean energy initiative.

Looking beyond this near-term goal, our integrated resource plan calls for new major transmission lines to import and export clean energy throughout the region. It also calls for additional renewable energy resources as well as coal plant retirement. We exited one unit at our Valmy coal plant in 2019, and we are retiring our entire share of the Boardman plant this year. The most recent IRP anticipates ending our participation in the second Valmy unit in 2025 and then exit from all coal resources by 2030.

We are committed to working with our plant co-owners, regulators and other stakeholders to help us achieve that target while reliably meeting power demand. These efforts, along with research and development of clean generation and storage solutions, are aimed at achieving our ultimate clean energy goal, 100% clean energy by 2045, which we announced last year. These steps have taken -- the steps we have taken in the past, along with the new goals and actions I mentioned today, will help get us there. We hope you'll support us as we work on these ambitious plans for our clean energy future.

As we move ahead on our strategy, we remain committed to hard work, shared commitment and exceptional leadership. It will be done as it has always been done at Idaho Power deliberately and diligently and with a focus on ensuring long-term value for our owners. I want to thank you all for the trust you have placed in our company and in me.

With that, I will turn things back over to Darrel.

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

Thank you, Lisa. Appreciate those comments. This is a bitter sweet meeting for me. As most of you know, I'll be retiring January -- June 1. And this is my last opportunity to be in front of you as CEO and President of IDACORP. I wish we could have met in person under different circumstances for this annual meeting this year. But I do want to say thank you to all the owners who are attending today and have participated over the years. I have certainly appreciated your support, your passion, your energy, your feedback as well as your willingness to engage in thoughtful, meaningful discussions that have helped us to make and keep IDACORP and Idaho Power such amazing companies as they are.



Lisa will take over as President and CEO of IDACORP and Idaho Power on June 1. As you have seen from her work over the years and her remarks here today, we are in great hands. As has been my good fortune, Lisa will have an exceptional team around her as she leads this organization into the future. I could not ask for a better person to hand the reins over to and lead this company into the future.

I want to thank you for your continued investment in IDACORP. We appreciate your support. Lisa and I are now going to be happy to take your questions and comments. However, before we take some questions, we want to cover a few logistics of the Q&A session. On your webcast screen, you will see a Q&A icon near the bottom of the screen that you can click to submit a question. As I mentioned at the beginning of this meeting, we would ask each shareholder submit a question -- one question so that all shareholders have an opportunity to participate and include your name when submitting your question. If you've already submitted a question that did not include your name, please resubmit. So as the questions arrive, we will read or summarize them, and Lisa and I will respond or call on other officers on the call to respond where their experience may be necessary.

We have received a few questions in advance, and we will start with those questions. And for any of the finance people in the room, we're going to do the FIFO method. You know that old accounting person and you can never get around it, first in, first out. So we will start with those that came in, in advance. So what we will do is read the entire question, and then we will respond.

One thing I want to say in responding to the question is when I stepped into this role in May of 2014, one of the things I shared with all the shareholders at that meeting was the notion that we would be transparent and respectful and be upfront in everything that we do. And I hope over my tenure here over these 6 years that, that has been the case. And so it will be no different today as we look to respond to your questions. So we will start, and I'll start with the ones that were pre-submitted as part of the registration.

QUESTIONS AND ANSWERS

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

So our first question comes from Kiki Leslie Tidwell. And it starts out, given that the best phone that one owned in 2006 is probably a Blackberry and that the rest of the world is replacing expensive transmission with renewables/battery solutions that provide power next to load without a 7% line loss, isn't it time that Idaho Power build its own solar and wind farm in Idaho?

The \$600 million scheduled to be spent on Boardman to Hemingway will be much better spent on power plants in Idaho. There is fuel availability and cost risk in the B2H transmission project plan. It leads the company and ratepayers vulnerable to market risk beyond its control in the future. In building renewable projects in Idaho, there would be a significant contribution to Idaho's recovery of its GDP and property tax base throughout rural communities in Idaho. Idaho Power should not be motivated by the extra 2% it earns on a transmission project, but instead contribute to the state of Idaho's recovery from the pandemic by building renewable projects in Idaho. Idaho Power shareholders and ratepayers will benefit by abandoning the B2H boondoggle.

Why are excessively paid Idaho Power executives not pivoting to a 2020 technology plan with in-state power plants with batteries and renewables now? Are they still attached to their Blackberries?

So there's a lot to unravel in that question. And so I want to just start, first of all, by just clarifying a couple of points that were made in this question. The notion that this project is a \$600 million project scheduled to be spent on B2H by Idaho Power is not what we have included in our integrated resource planning process really. The number is more than -- is less than half of that as we take a look at the \$1 billion to \$1.2 billion project, and our current expected ownership is around 21%. So that's just to clarify that point.

The other point I just want to clarify in the comments before we respond to the rest of it is the extra -- the "extra 2%" on transmission projects is generally for merchant transmission projects, which we are -- this is a transmission project being built for our customers. And so, therefore, it would be included in the same sort of rate base ask that would be the same return that we'd be asking for all the rest of our assets as we [keep up] today. So just to clarify a couple of those points.



So Lisa and I are going to tag team this one. I will start a little bit as it relates to Boardman to Hemingway. We have been talking about this project, you're correct, for quite some time. We actually thought this would be in service by 2012. However, as we look at this effort every 2 years as part of our integrated resource planning effort, this resource continues to be the lowest-cost resource for our customers. And so that is why we continue to pursue it. Yes, it has taken us a long time, but when we look at it as part of the IRP, we look at it and on a portfolio basis on a lot of different resources, including renewables, including transmission and imports and exports and all the things in between that you cover in here.

And so we believe it goes under a significant amount of scrutiny. It's an open door effort. We have a lot of people that participate in our advisory committee as it relates to looking at the IRP. So it's an incredible amount of feedback and incredible amount of transparency on what makes the most sense for our customers. And remember, our focus is reliable, affordable, clean, in that order. And we believe that's in the best interest of our customers as well as our owners.

So I'll stop there. Actually, one other point I will make, and I mentioned this in my prepared remarks, we talked about building renewables in Idaho. As part of our decision for our 2045 -- as part of -- in conjunction with that, we also entered into an agreement to have built Jackpot Solar, which is a 120-megawatt solar facility located in Southern Idaho. Again, having some of that at the point in time we entered into that with some of the lowest pricing in the country. So we believe a portfolio approach for our customers and for our owners is the best approach. And I'll let Lisa add any further comments.

Lisa A. Grow - Idaho Power Company - President & Director

Thank you. I would just like to add that the notion that every state is going to build enough renewables to meet their clean energy goals is just -- first of all, I don't think it's possible. I don't know if there's enough real estate, and really, each state has a variety of fuel sources, if you will. And so when you pull back and look at the entire western interconnection, all of which -- I don't think there's any state that's not trying -- and/or utility trying to move towards a clean portfolio. So that's -- that should be celebrated.

But if you think about what transmission adds to that -- I know there are some that don't like transmission, and I appreciate that that's your right to do so, but it is critical to make all of this work. So if you look at the whole Western United States, we are blessed with hydro up here in the Northwest. We have some solar, we have some wind, but really, the higher-quality wind is in Wyoming and Montana. And if you think about the Desert Southwest, that's really where the high-value solar is, high concentration, again, from a fuel source.

And the lovely thing about -- when you think about it as the west wide interconnection, we have load diversity as well. So Idaho peak at a different time as the other areas. And so having a super highway where we can move these resources around and utilize them when they're created, that provides a much lower cost, much more reliable and much more resilient grid for everybody. And so we are looking at it in -- the grid is only as good as its weakest link. And so we really have to look at it in totality, in the total interconnection, and there's a lot of really great efforts going on right now and a lot of studies that show that, that is, in fact, the most reliable, least cost and most resilient way to get to clean energy future.

So we would ask that you continue to think about that, and we're more than willing to continue those conversations. But we do an analysis every 2 years, and it continues to show that, that's true. And there are lots of studies that support that. So we appreciate the question, and I think we can move on.

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

Thank you. Thank you, Lisa. And thank you, Kiki, for your question. We appreciate that. And you also submitted a companion question that appears online that I think addresses most of the same things that you had in the first comments. So hopefully, that covers that. Sometimes we would agree to disagree on things, and this might be one of those things where we stand to, but we do have to take the input, and we have a very robust process.

The second question that was pre-submitted, it came in from [Lisa Hecht]. And [Lisa] asked the question, as Idaho recovers some of the pandemic and begins regrowing our economy, how will IDACORP be a good citizen in supporting customer generation and opportunities for solar, PV installers



to regrow our economy and also achieve Idaho Power's stated 2045 goal of 100% clean energy? Does Idaho Power support state-level PUCs as the body which should govern net metering as opposed to FERC?

So again, we'll start on this question. And first and foremost, I just want to talk about the pandemic. And I appreciate, Lisa, your concern about the pandemic because we, too, have a high level of concern with the pandemic and the impact it can have on our customers as well as our employees. And first and foremost, one of the things to think of -- one of the things that we did early on in the process is we stopped collections, and we discontinued charging disconnect fees for our customers. So for those that have not -- so that basically is a moratorium on shutoffs and/or collection notices.

And so I think that's an important step that we took for all of our customers throughout Idaho that we serve as it relates to the pandemic. And for those -- we were also then working hard with others -- commercial customers and others on payment plans, being very flexible there in order to recognize the challenges -- the financial challenges that our customers are facing. So that's one thing.

The other thing was -- and I mentioned this earlier, but the way our customers -- we have about half of our customers working remotely. We have the other half that are out there every day working on the front lines, keeping the lights on. And those folks are out there in the storms and the bad weather. And as we add new business, they're out there doing that. They're doing what they do every day and then doing in a safe manner, in light of the pandemic taking all the appropriate precaution. So we've done a lot that way.

As it relates to your specific question with respect to solar PV installers. Those entities are no different than any other businesses in the state of Idaho. We encourage all of them to apply for the state grant program that's out there that can help support their business as a bridge to the other side of the pandemic. Hopefully, they took advantage of the PPP program that was available at the federal level. And so we encourage them to do that. There's a small business program to get appropriate PPE that they could take advantage of also. But we don't have any specific things that we are doing as it relates to them because there's a lot of businesses that are suffering and that are hurting. And we do understand that the installers are continuing to knock on doors, and so we understand that.

So the second part of your question as it relates to supporting state-level PUCs, support the state level as it relates to net metering. We do think that's the right place for it to be. We think the state understands the issues, and they understand the customers. And so that is the appropriate place we think where that should reside. So we'll continue with that. Thank you.

So the third question we have submitted in advance came from Zack Waterman representing Sierra Club. And Zack says, first, I commend Idaho Power's foresight, and it's not only establishing the Clean Today, Cleaner Tomorrow goal but also on the actual progress towards those goals that you are making via exiting Valmy 1 and the Boardman coal units.

Thank you, Zack, for those comments. We truly appreciate that.

You go on to say I note that the preferred portfolio and the 2019 integrated resource plan shows total systems CO2 are not on a trajectory to achieve your 2045 goal. Could you please describe what steps Idaho Power will be taking in both your current operations and future resource planning to further reduce emissions and achieve your 2045 goal?

Lisa talked a little bit about this, and I'll let her go ahead and follow up on this question a little bit more, Zack. Thank you.

Lisa A. Grow - Idaho Power Company - President & Director

Hi Zack, I appreciate your question. And I had seen the graph that you guys had submitted with the question with a straight line going to 0 in 2025. And I wish it was that simple. I wish life were just a straight line. Unfortunately, as you know, it isn't. So if you look at the IRP, remember that it's a 20-year look. So it's only taking us part of the way to 2045. And we have been really open and transparent about the fact that we're going to need new technology to get us to the final 25% of getting to clean energy.

But the line that was drawn that sort of has a -- it has a downward trajectory for sure, it's just not a straight line. And the hard part is that it's sort of chunky. So with things coming off, it was chunky as we built it, and then it will be sort of chunky on the way down as well. So the fact that the line isn't straight, is not an indication that we're not committed to getting to 0 in 2045. I think our demonstrated glide path out of our coal plants is a great demonstration of that. And then the signing of the contract with Jackpot Solar, et cetera, all really important. Boardman to Hemingway is that other key point of getting to the other sources of renewable energy, clean energy to serve our load.

So as we go through this IRP process and new technologies become commercially available, and that would put storage in there as well, then we will add them into the portfolio and we will continue to revise our plan and execute on it as we go through time. So 2045 is a long ways out there, and that's why we set the 25-year goal so that we could take advantage of technologies as they're being developed. And I'm hopeful that with the economic struggles we're having right now, hopefully, that research will continue on. We're certainly depending on it, and we will adjust accordingly.

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

Thank you, Lisa. So we'll now turn to the online questions, with some of them were similar to the questions that were submitted previous in advance. So I'll try to work with technology best as we can. So we have another question from [Lisa Hecht]. [Lisa's] question is, what is the outlook you see for a fleet electrification in 2020 and beyond?

[Lisa], thank you for that question, and I would probably expand that to not only just fleet electrification but electrification in general because we think that, that is a good solution going forward as we move away from the reliance on fossil fuels. One thing I would say as it relates to electrification, one of the things that I'm bullish on electrification in the vehicle side of things is because of the advent of the number of new models that will be forthcoming over the next couple of years. And so the general public will be much more accessible to the general public with a lot more choices.

So still, I don't think we're expecting large loads coming out of electrification in the longer term. But the opportunity for urban fleet electrification is going to be enhanced by -- because of the manufacturers' introduction of new models. My understanding is in the next couple of years, we're going to see upwards of 50 to 60 choices in the all-electric fleet choices, which I think will be huge. And the fact that some of these vehicles now are more -- look a lot similar to what people are driving today, it's just not they're all electric, I think will also go a long ways. And the fact that they're working on -- especially in Idaho, on all-electric midsize pickup truck is going to be -- will, I think, also help enhance adoption in the state of Idaho. Lisa, if you want to talk about some of the things we're doing on electrification?

Lisa A. Grow - Idaho Power Company - President & Director

Yes. So we have a work group that we're working with interested stakeholders on how do we deploy this and what kind of infrastructure will we need, what kind of incentives might we be able to deploy in terms of -- we deployed already a bunch of grants for workplace charging. We're looking at some for in-home charging. We're looking -- we're considering some for vehicle purchase and working with the car sales folks as well.

So there's a pretty -- I feel like a good community that's growing around this. I'm certainly excited about it. I think, though, not to be as the downer, but I am very concerned about the economic recovery. I don't know that people are going to prioritize an electric vehicle if they're out of work. So it may slow it down to some degree. But hopefully, it will return to a robust economy very soon, and we will be there to help guide this. And I think people look to us for that kind of leadership, and we embrace it.

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

Thank you, Lisa. Lisa, we have a question here for you. This is from Kiki Tidwell. I'm building an all-electric apartment building for workforce housing in Hailey. I believe that we can demonstrate lower cost of energy for tenants with all-electric energy efficiency. Could I use your help in this demonstration project? Thanks, Kiki.



Lisa A. Grow - Idaho Power Company - President & Director

Well, that's exciting, Kiki. I'm glad to hear that. I know workforce housing is a big issue up in Hailey, and I appreciate you doing a project like that. And we have a bunch of programs that you can take advantage of. So if you haven't already, please contact us, and we can -- it's online as well, but there are lots of incentive programs for all-electric and energy-efficient construction. So let us know if you need to get ahold of us. If you don't find what you need online, we're here to help you. So good luck.

Darrel Thomas Anderson - IDACORP, Inc. - President, CEO & Director

And Kiki, you have one other comment, and I appreciate this. You note the fact that Jackpot Solar is one of the lowest costs for customers, and that is a true statement. And part of the reason they're able to do that is their increased transmission capacity because of the fact that Valmy is going away. And so that transmission becomes available. It also helps in bringing some of that renewable energy within our system and being able to move it around, which also assumes the importance of transmission to better move that energy around. So thank you for that question.

Now I will check our technology here to make sure that we answered all your questions, if there's anything else in the queue. So we don't see any further questions in the queue. So we want to thank you all who have participated and submitted their questions. This wraps up the Q&A portion of our meeting. We appreciate your interest and your questions. We thank you all again for attending the annual meeting and our first virtual annual meeting. We appreciate your investment in IDACORP. Please stay safe. Do social distancing, wear mask where appropriate, and then have a great rest of your day. Thank you all.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2020, Thomson Reuters. All Rights Reserved.