

IDACORP INC
Form DEF 14A
April 03, 2013

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

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- Preliminary Proxy Statement
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 Definitive Proxy Statement
 Definitive Additional Materials
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IDACORP, INC.

(Name of Registrant as Specified in its Charter)

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April 3, 2013

Dear Fellow Shareholders:

You are cordially invited to attend the 2013 Annual Meeting of the Shareholders of IDACORP, Inc. The Annual Meeting will be held on Thursday, May 16, 2013, at 10:00 a.m. (Mountain Time) at the IDACORP corporate headquarters building located at 1221 W. Idaho Street in Boise, Idaho.

The matters to be acted upon at the meeting are described in our proxy materials, which are being furnished to our shareholders over the Internet, other than to those shareholders who requested a paper copy. In addition, in connection with the annual meeting we will discuss the company's financial results, operational matters, and several of the company's initiatives. During the meeting, our shareholders will have the opportunity to ask questions and comment on the company's operations. Our directors and officers also will be available to visit with you before and after the formal meeting. For those unable to attend in person, we will also be providing a live listen-only audio (with slides) webcast of the Annual Meeting from the IDACORP Investor Relations website, www.idacorpinc.com/investorrelations.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy via the Internet, by telephone, or by mail, in accordance with the instructions included in the proxy statement.

For myself and on behalf of the Board of Directors, we would like to express our appreciation for your continued investment in IDACORP.

Sincerely,

J. LaMont Keen
President and Chief Executive Officer

NOTICE OF 2013 ANNUAL MEETING OF SHAREHOLDERS

Date:	May 16, 2013
Time:	10:00 a.m. Mountain Time
Place:	IDACORP, Inc. Corporate Headquarters Building 1221 W. Idaho Street Boise, Idaho 83702
Record Date:	Holders of record of IDACORP common stock at the close of business on March 28, 2013 are entitled to notice of and to vote at the meeting.
Attendance:	You are invited to attend the meeting in person. Shareholders interested in attending in person must make a reservation by calling (800) 635-5406. Proof of ownership will also be required to enter the meeting. Any shareholder voting a proxy who attends the meeting may vote in person by revoking that proxy before or at the meeting.
Proxy Voting:	Please vote your shares at your earliest convenience. Registered holders may vote (a) by Internet at www.proxypush.com/ida ; (b) by toll-free telephone by calling (866) 702-2221; or (c) by mail (if you received a paper copy of the proxy materials by mail) by marking, signing, dating, and promptly mailing the enclosed proxy card in the postage-paid envelope. If you hold your shares through an account with a bank or broker, please note that under New York Stock Exchange rules, without specific instructions from you on how to vote, brokers may not vote your shares on any of the matters to be considered at the annual meeting other than the ratification of our independent registered public accounting firm. If you hold your shares through an account with a brokerage firm, bank, or other nominee, please follow the instructions you receive from them to vote your shares.
Items of Business:	<p>To elect four directors nominated by the board of directors for a one-year term;</p> <p>To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2013;</p> <p>To vote on an advisory resolution to approve executive compensation; and</p> <p>To transact such other business that may properly come before the meeting and any adjournments thereof.</p>

Important Notice Regarding the Availability of Proxy Materials for the 2013 Annual Meeting of Shareholders: Our 2013 proxy statement and our annual report for the year ended December 31, 2012 are available free of charge on our website at www.idacorpinc.com.

By Order of the Board of Directors

Patrick A. Harrington
Corporate Secretary

Boise, Idaho
April 3, 2013

Proxy Statement Table of Contents

	Page
PART 1 INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING	
General Information	1
Questions and Answers About the Annual Meeting, this Proxy Statement, and Voting	2
PART 2 CORPORATE GOVERNANCE AT IDACORP	
Corporate Governance Principles and Practices	6
Certain Relationships and Related Transactions	11
Security Ownership of Directors, Executive Officers, and Five-Percent Shareholders	13
Section 16(a) Beneficial Ownership Reporting Compliance	14
PART 3 BOARD OF DIRECTORS	
PROPOSAL NO. 1: Election of Directors	15
Committees of the Board of Directors	20
Director Compensation for 2012	23
PART 4 EXECUTIVE COMPENSATION	
Compensation Discussion and Analysis	25
Compensation Committee Report	42
Our Compensation Policies and Practices as They Relate to Risk Management	43
Compensation Tables	44
2012 Summary Compensation Table	44
Grants of Plan-Based Awards in 2012	45
Outstanding Equity Awards at Fiscal Year-End 2012	46
Option Exercises and Stock Vested During 2012	47
Pension Benefits for 2012	48
Nonqualified Deferred Compensation for 2012	52
Potential Payments Upon Termination or Change in Control	53
PROPOSAL NO. 2: Advisory Resolution to Approve Executive Compensation	61
PART 5 AUDIT COMMITTEE MATTERS	
PROPOSAL NO. 3: Ratification of Appointment of Independent Registered Public Accounting Firm	62
Independent Accountant Billings	62
Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services	62
Report of the Audit Committee	63
PART 6 OTHER MATTERS	
Other Business	64
Shared Address Shareholders	64

	<u>Page</u>
2014 Annual Meeting of Shareholders	64
Annual Report and Financial Statements	64
APPENDIX A Compensation Survey Data Companies	A-1

IDACORP, INC.
1221 West Idaho Street
Boise, Idaho 83702

PART 1 INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING

General Information

This proxy statement contains information about the 2013 Annual Meeting of Shareholders (Annual Meeting) of IDACORP, Inc. (IDACORP). The Annual Meeting will be held on Thursday, May 16, 2013 at 10:00 a.m. local time at the Idaho Power Company corporate headquarters building, located at 1221 West Idaho Street in Boise, Idaho.

References in this proxy statement to the company, we, us, or our refer to IDACORP. We also refer to Idaho Power Company (Idaho Power) in this proxy statement. Idaho Power is an electric utility engaged in the generation, transmission, distribution, sale, and purchase of electric energy and is our principal operating subsidiary.

This proxy statement is being furnished in connection with the solicitation of proxies by the IDACORP board of directors (Board of Directors) for use at the Annual Meeting and any adjournment of the Annual Meeting. All returned proxies that are not revoked will be voted in accordance with your instructions.

You are entitled to attend the Annual Meeting only if you are an IDACORP shareholder as of the close of business on March 28, 2013, the record date, or hold a valid proxy for the meeting. In order to be admitted to the Annual Meeting, you must present proof of ownership of IDACORP common stock on the record date. This can be (a) a brokerage statement or letter from a bank or broker indicating ownership on the record date; (b) the Notice of Internet Availability of Proxy Materials (Notice of Internet Availability); (c) a printout of the proxy distribution email (if you received your materials electronically); (d) a proxy card; (e) a voting instruction form; or (f) a legal proxy provided by your broker, bank, or nominee. Any holder of a proxy from a shareholder must present the proxy card, properly executed, and a copy of the proof of ownership. Shareholders and proxy holders must also present a form of photo identification such as a driver's license. Finally, shareholders interested in attending in person must make a reservation by calling (800) 635-5406. We may not admit anyone who does not satisfy these requirements or who refuses to comply with our security procedures.

We make our proxy materials and our annual report to shareholders available on the Internet as our primary distribution method. Most shareholders will only be mailed a Notice of Internet Availability. We expect to mail the Notice of Internet Availability on or about April 3, 2013. The Notice of Internet Availability specifies how to access proxy materials on the Internet, how to submit your proxy vote, and how to request a hard copy of the proxy materials. On or about April 3, 2013, we also began mailing printed copies of our proxy materials to our shareholders who had previously requested paper copies of our proxy materials.

Note About Forward-Looking Statements: Statements in this proxy statement that relate to future plans, objectives, expectations, performance, events, and the like, including statements regarding future financial and operational performance (whether associated with compensation arrangements or otherwise), may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). Forward-looking statements may be identified by words including, but not limited to, anticipates, believes, intends, estimates, expects, targets, should, and similar expressions. Shareholders are cautioned that any such forward-looking statements are subject to risks and uncertainties. Actual results may differ materially from those projected in the forward-looking statements. We assume no obligation to update any such forward-looking statement, except as required by applicable law. Shareholders should review the risks and uncertainties listed in

our most recent Annual Report on Form 10-K and other reports we file with the Securities and Exchange Commission, including the risks described therein, which contain factors that may cause results to differ materially from those contained in any forward-looking statement.

Questions and Answers About the Annual Meeting, this Proxy Statement, and Voting

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials on the Internet. Accordingly, we are sending the Notice of Internet Availability to most of our shareholders. All shareholders will have the ability to access the proxy materials on a website referred to in the Notice of Internet Availability or may request a printed set of the proxy materials at no charge. Shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis by following the instructions provided in the Notice of Internet Availability.

Who is entitled to vote at the Annual Meeting?

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 28, 2013. This is referred to as the record date. As of the record date, we had 50,232,758 outstanding shares of common stock entitled to one vote per share on all matters.

What matters are before the Annual Meeting, and how does the Board of Directors recommend I vote?

At the Annual Meeting, our shareholders will consider and vote on the matters listed below. In determining how to vote, please consider the detailed information regarding each proposal as discussed on the referenced pages in this proxy statement.

Proposal Number	Description of Proposal	Board Recommendation
1	Elect to the Board of Directors the four nominees who are named in this proxy statement to serve until the 2014 annual meeting of shareholders, and until their successors are elected and qualified.	FOR each director nominee
2	Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2013.	FOR
3	Approval of an advisory resolution to approve our executive compensation.	FOR

Will any other business be conducted at the Annual Meeting or will other matters be voted on?

As of the date of this proxy statement, we are unaware of any matters, other than those set forth in the Notice of Annual Meeting of Shareholders, that may properly be presented at the Annual Meeting. If any other matters are properly presented for consideration at the meeting, including, among other things, consideration of a motion to adjourn the meeting to another time or place, the persons named as proxies, or their duly constituted substitutes, will be deemed authorized to vote those shares for which proxies have been given or otherwise act on such matters in accordance with their judgment.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank Shareowner Services, you are considered the shareholder of record with respect to those shares. If your shares are held by a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares, and those shares are referred to as being held in street name. As the beneficial owner of those shares, you have the right to direct your broker, bank, or nominee how to vote your shares, and you should receive separate instructions from your broker, bank, or other holder of record describing how to vote your shares. You also are invited to attend the Annual Meeting in person. However, because a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, bank, or

nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

2

How can I vote my shares before the Annual Meeting?

If you hold shares in your own name as a shareholder of record, you may vote before the Annual Meeting by following the instructions contained in the Notice of Internet Availability. If you request printed copies of the proxy materials by mail, you may also cast your vote by completing, signing, and dating the proxy card provided to you and returning it in the enclosed postage-paid envelope, which will authorize the individuals named on the proxy card to serve as your proxy to vote your shares at the Annual Meeting in the manner you indicate.

If you are a beneficial owner of shares held in street name, your broker, bank, or other nominee should provide you with materials and instructions for voting your shares. Please check with your broker or bank and follow the voting procedures your broker or bank provides to vote your shares.

Submitting a proxy or voting through the telephone or the Internet will not affect your right to attend the Annual Meeting.

If I am the beneficial owner of shares held in street name by my bank or broker, how will my shares be voted?

If you complete and return the voting instruction form provided to you by your bank or broker, we expect that your shares will be voted in accordance with your instructions. If you do not provide voting instructions, brokerage firms only have authority under applicable New York Stock Exchange rules to vote shares on discretionary matters. The ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2013 is the only matter included in the proxy statement that is considered a discretionary matter. When a proposal is not discretionary 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. Please promptly follow the instructions you receive from your bank or broker so your vote can be counted.

If I am a shareholder of record, how will my shares be voted?

All proxies will be voted in accordance with the instructions you submitted via the Internet, by toll-free telephone, or, if you requested printed proxy materials, by completing, signing, and returning the proxy card provided to you. If you completed and submitted your proxy (and do not revoke it) prior to the Annual Meeting, but do not specify how your shares should be voted, the shares of IDACORP common stock represented by the proxy will be voted in accordance with the recommendation of our Board of Directors.

Can I vote in person at the Annual Meeting?

Yes. If you hold shares in your own name as a shareholder of record, you may attend the Annual Meeting and cast your vote at the meeting by properly completing and submitting a ballot. If you are the beneficial owner of shares held in street name, you must first obtain a legal proxy from your broker, bank, or other nominee giving you the right to vote those shares and submit that proxy along with a properly completed ballot at the meeting. Shareholders interested in attending in person must make a reservation by calling (800) 635-5406.

What do I need to bring to be admitted to the Annual Meeting?

In order to be admitted to the Annual Meeting, you must present proof of ownership of IDACORP common stock on March 28, 2013, the record date. This can be (a) a brokerage statement or letter from a bank or broker indicating ownership on the record date; (b) the Notice of Internet Availability; (c) a printout of the proxy distribution email (if you received your materials electronically); (d) a proxy card; (e) a voting instruction form; or (f) a legal proxy provided by your broker, bank, or nominee. If a shareholder desires to vote its shares held in street name in person at the meeting, the shareholder must obtain a legal proxy in the shareholder's name from the broker, bank, or other nominee who holds those shares in street name. Any holder of a proxy from a shareholder must present the proxy card, properly executed, and a copy of the proof of ownership. Shareholders and proxy holders must also present a form of photo identification such as a driver's license. Shareholders interested in attending in person must make a reservation by calling (800) 635-5406. We may not admit anyone who does not present the foregoing or refuses to comply with our security procedures.

Are shareholders who listen to the Annual Meeting through the live audio webcast deemed present at the Annual Meeting?

Shareholders accessing the Annual Meeting through the live audio webcast will not be considered present at the Annual Meeting and will not be able to vote through the webcast or ask questions.

May I change or revoke my proxy?

You may change your proxy before it is voted at the Annual 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 IDACORP's corporate secretary at 1221 West Idaho Street, Boise, Idaho 83702. We must receive your written revocation before the Annual Meeting for it to be effective.

What is the quorum for the Annual Meeting and what happens if a quorum is not present?

The presence at the Annual Meeting, in person or by proxy, of a majority of the shares issued and outstanding and entitled to vote as of March 28, 2013 is required to constitute a quorum. The existence of a quorum is necessary in order to take action on the matters scheduled for a vote at the Annual Meeting. If you vote by Internet or telephone, or submit a properly executed proxy card, your shares will be included for purposes of determining the existence of a quorum. Proxies marked abstain and broker non-votes also will be counted in determining the presence of a quorum. If the shares present in person or represented by proxy at the Annual Meeting are not sufficient to constitute a quorum, the chairman of the meeting or the shareholders may, by a vote of the holders of a majority of votes present in person or represented by proxy, without further notice to any shareholder (unless a new record date is set), adjourn the meeting to a different time and place to permit further solicitations of proxies sufficient to constitute a quorum.

What is an abstention ?

An abstention occurs when a shareholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. An abstention with respect to a matter submitted to a vote will not be counted for or against the matter. Consequently, an abstention with respect to any of the proposals to be presented at the Annual Meeting will not affect the outcome of the vote.

What is a broker non-vote ?

A broker non-vote occurs when a broker or other nominee who holds shares for another person does not vote on a particular proposal because that holder does not have discretionary voting power for the proposal and has not received voting instructions from the beneficial owner of the shares. If no voting instructions have been provided by the beneficial owner, brokers will have discretionary voting power to vote shares with respect to the ratification of the appointment of the independent registered public accounting firm, but not with respect to any of the other proposals. A broker non-vote will have the same effect as an abstention and, therefore, will not affect the outcome of the vote.

What vote is required to approve each proposal?

The following votes are required for approval of each proposal at the Annual Meeting:

Proposal Number	Vote Requirement	Affect of Withholding, Abstentions and Broker Non-Votes
1	Our directors are elected by a plurality of the votes cast by the shares entitled to vote in the election of directors.	Not voted, though a withhold vote is relevant under our director resignation policy
2	The ratification of the appointment of Deloitte & Touche LLP is approved if the votes cast in favor exceed the votes cast against ratification.	Abstentions are not voted; uninstructed shares are subject to a discretionary vote

Proposal Number	Vote Requirement	Affect of Withholding, Abstentions and Broker Non-Votes
3	The advisory resolution on executive compensation is approved if the votes cast in favor exceed the votes cast against the resolution.	Not voted

What happens if, under Proposal No. 1, a director receives a greater number of votes withheld than votes for such director?

As noted above, a plurality of votes cast by shareholders present, in person or by proxy, at the Annual Meeting is required for the election of our directors. Plurality means that the nominees receiving the largest number of votes cast are elected for the number of director positions that are to be filled at the meeting. However, under the resignation policy adopted by the Board of Directors in March 2012, if a director nominee in an uncontested election receives a greater number of votes withheld from his or her election than votes for such election, the director must promptly tender a resignation to the Board of Directors. The Board of Directors will then decide whether to accept the resignation within 90 days following certification of the shareholder vote (based on the recommendation of the Corporate Governance and Nominating Committee, which is comprised exclusively of independent directors). We will publicly disclose the Board of Directors' decision and its reasoning with regard to the offered resignation.

Who will count the votes?

An independent tabulator will tabulate the votes cast by mail, Internet, or telephone. Our corporate secretary will tabulate any votes cast at the Annual Meeting and will act as inspector of election to certify the results.

Where can I find the voting results?

We expect to report the voting results on a Current Report on Form 8-K filed with the Securities and Exchange Commission within four business days following the Annual Meeting.

Are the votes of specific shareholders confidential?

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 (a) as required by law or order or directive of a court or governmental agency; (b) to allow our corporate secretary to tabulate votes cast at the Annual Meeting; (c) to allow the independent election inspectors to certify the results of the shareholder vote; (d) in the event of a matter of significance where there is a proxy solicitation in opposition to the Board of Directors, based on an opposition proxy statement filed with the Securities and Exchange Commission; or (e) to respond to shareholders who include written comments on their proxies.

Who will pay the cost of this solicitation and how will these proxies be solicited?

We will pay the cost of soliciting your proxy. Our officers and employees may solicit proxies, personally or by telephone, fax, mail, or other electronic means, without extra compensation. In addition, Phoenix Advisory will solicit proxies from brokers, banks, nominees, and institutional investors at a cost of approximately \$6,500 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.

What if I have further questions not addressed in this proxy statement?

If you have any questions about voting your shares or attending the Annual Meeting, please call our Shareowner Services Department at (800) 635-5406.

Corporate Governance Principles and Practices

Overview of Our Corporate Governance Practices

The goals of our corporate governance principles and practices are to promote the long-term interests of our shareholders, as well as to maintain appropriate checks and balances and compliance systems, to strengthen management accountability, engender public trust, and facilitate prudent decision making. We evaluate our corporate governance principles and practices and modify existing, or develop new, policies and standards when appropriate. During 2012, this included the following:

- Adoption of a shareholder-approved amendment to our articles of incorporation to declassify our board of directors so that directors are subject to election annually;

- Revisions to our Corporate Governance Guidelines to expressly prohibit our directors, officers, and certain key employees from pledging our securities as collateral in order to secure personal loans or other obligations;

- An increase in the minimum stock ownership requirements for directors, from two times their base annual retainer fee to three times that fee; and

- Adoption of a director resignation policy, which provides that if any director nominee in an uncontested election receives a greater number of votes withheld from his or her election than votes for such election, the nominee must offer his or her resignation to the Board of Directors.

Other of our notable corporate governance practices include the following:

- All of our directors, other than Mr. Keen (our president and chief executive officer), are independent of the company and management;

- Our directors meet in executive session, without management present, at each regular meeting of the Board of Directors;

- All members of the audit, corporate governance and nominating, and compensation committees of the Board of Directors are independent directors;

- Any compensation consultant retained by the compensation committee must be evaluated for independence from management;

- The chairman of our Board of Directors is an independent director;

- We have minimum stock ownership requirements for both our board members and our officers;

- We prohibit the hedging of our securities by directors and officers;

- We require our directors to attend company-approved continuing education programs;

- Our Board of Directors and the audit, corporate governance and nominating, and compensation committees of the Board of Directors annually conduct a self-evaluation to assess adherence to our governing instruments and to identify opportunities to improve board performance; and

- Our Board of Directors and the committees of the Board of Directors are responsible for overseeing the risk management processes designed and implemented by our management and confirming that the processes are adequate and functioning as designed.

Director Independence and Executive Sessions

Our Board of Directors has adopted a policy, contained in our Corporate Governance Guidelines (available at www.idacorpinc.com/corpgov/default.cfm), that the Board of Directors will be composed of a majority of independent directors. The Board of Directors reviews annually the relationships that each director has with the company (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the company). Following the annual review, only those directors who the Board of Directors affirmatively determines have no material relationship with the company and can exercise independent judgment will be considered independent directors, subject to additional qualifications prescribed under the listing standards of the New York Stock Exchange and under applicable laws.

All members of our Board of Directors are non-employees, except for J. LaMont Keen, our president and chief executive officer (CEO). The Board of Directors has determined that all members of our Board of Directors, other than Mr. Keen, are independent based on all relevant facts and circumstances and under the New York Stock Exchange listing standards and our Corporate Governance Guidelines.

Our independent directors meet in executive session at each regular meeting of the Board of Directors. The independent chairman of the Board of Directors presides at board meetings, regularly scheduled executive sessions of non-employee directors, and executive sessions of independent directors.

Codes of Business Conduct

We have a Code of Business Conduct that applies to all of our officers and employees. We also have a separate Code of Business Conduct and Ethics for directors. These are posted on our website at www.idacorpinc.com/corpgov/conduct_ethics.cfm. We will also post on our website any amendments to, or waivers of, our Codes of Business Conduct, as required by Securities and Exchange Commission rules or New York Stock Exchange listing standards, at www.idacorpinc.com/corpgov/conduct_ethics.cfm.

Board Leadership Structure

The Board of Directors separated the positions of chairman of the Board of Directors and CEO in 1999. Our CEO is responsible for leadership, overall management of our business strategy, and day-to-day operations, while our chairman presides over meetings of our Board of Directors and provides guidance to our CEO regarding policies and procedures approved by our Board of Directors. Separating these two positions allows our CEO to focus on our day-to-day business and operations, while allowing the chairman of the Board of Directors to lead the Board of Directors in its fundamental role of providing advice to, and independent oversight of, management. The Board of Directors recognizes the time, effort, and energy that the CEO is required to devote to his position, as well as the increasing commitment required of the chairman position, particularly as the Board of Directors' oversight responsibilities continue to grow.

While our bylaws and Corporate Governance Guidelines do not mandate that our chairman and CEO positions be separate, the Board of Directors believes for the reasons outlined above that having separate positions and having an independent director serve as chairman is the appropriate leadership structure for the company at this time and demonstrates our commitment to good corporate governance. The Board of Directors believes that this issue is part of the succession planning process and that it is in the best interests of the company for the Board of Directors to make a determination as to the advisability of continuing to have separate positions when it elects a new CEO.

The Board of Directors' Role in Risk Oversight

Our management team is responsible for the day-to-day management of risks the company faces. We have appointed a chief risk officer, who is responsible for overseeing and coordinating risk assessment processes and mitigation efforts on an enterprise wide basis. The chief risk officer administers processes intended to identify key business risks, assists in appropriately assessing and managing these risks within stated limits, enforces policies and procedures designed to mitigate risk, and reports on these items to senior management and the Board of Directors. The chief risk officer reports regularly to the Board of Directors and appropriate board committees regarding risks the company faces and how it is managing those risks.

While the chief risk officer and other members of our senior leadership team are responsible for the day-to-day management of risk, our Board of Directors is responsible for ensuring that an appropriate culture of risk management exists within our company, for setting the right tone at the top, and assisting management in addressing specific risks that our company faces. The Board of Directors has the responsibility to oversee the risk management processes designed and implemented by management and confirm the processes are adequate and functioning as designed.

While the full Board of Directors is ultimately responsible for high-level risk oversight at our company, it is assisted by the executive committee, the audit committee, the compensation committee, and the corporate governance and nominating committee in fulfilling its oversight responsibilities in certain areas of risk. The executive committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the company's risk management process

generally. The audit committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to major financial risk exposures and our energy risk management practices (including hedging transactions and collateral requirements) and, in accordance with the listing standards of the New York Stock Exchange, discusses policies with respect to risk assessment and risk management. Representatives from our independent registered public accounting firm attend audit committee meetings, regularly make presentations to the audit committee, comment on management presentations, and engage in private sessions with the audit

committee, without members of management present, to raise any concerns they may have with our risk management practices. The compensation committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to risks arising from our compensation policies and practices. The corporate governance and nominating committee undertakes periodic reviews of processes for management of risks associated with our company's organizational structure, governing instruments, and policies. In fulfilling their respective responsibilities, the committees meet regularly with our officers and members of senior management, as well as our internal and external auditors. Each committee has full access to management, as well as the ability to engage and compensate its own independent advisors.

The Board of Directors receives reports from the executive committee, audit committee, compensation committee, and corporate governance and nominating committee relating to the oversight of risks in their areas of responsibility. Based on this and information regularly provided by management, the Board of Directors evaluates our risk management processes and considers whether any changes should be made to those processes or the Board of Directors' risk oversight function. We believe that this division of risk oversight ensures that oversight of each type of risk the company faces is allocated, at least initially, to the particular directors most qualified to oversee it. It also promotes board efficiency because the committees are able to select the most timely or important risk-related issues for the full Board of Directors to consider.

We believe that one of the risks our company faces is the potential for a significant number of employee retirements in the coming years. As a result, our Board of Directors is actively involved in and monitors our succession planning process. The Board of Directors reviews the succession plans developed by members of senior management at least annually, with a focus on ensuring a talent pipeline at the senior officer level and for specific critical roles. We seek to ensure that our directors are exposed to a variety of members of our leadership team, and not just the senior-most officers, on a regular basis, through formal presentations and informal events. Our Board of Directors is also informed of general workforce trends, expected retirement levels or turnover, and recruiting and development programs, of particular importance given Idaho Power's specialized workforce and anticipated near-term rate of employee retirements.

Board Meetings and Director Attendance

The members of our Board of Directors are expected to attend board meetings and meetings of board committees on which they serve, and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. The Board of Directors held six meetings in 2012, with our directors having a 100 percent attendance rate at those meetings. Our directors also attended 100 percent of the meetings of the committees on which he or she was a member in 2012, with the exception of one member of our corporate governance and nominating committee who attended 75 percent (3 of 4 meetings) of that committee's meetings in 2012. 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 of Directors, to answer any questions shareholders may have. All members of the Board of Directors attended our 2012 annual meeting of shareholders.

Board Committee Charters

Our standing committees of the Board of Directors are the executive committee, the audit committee, the compensation committee, and the corporate governance and nominating committee. We have:

charters for the audit committee, compensation committee, and corporate governance and nominating 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, director resignation, and self-evaluation.

8

Our committee charters and our Corporate Governance Guidelines may be accessed on our website at www.idacorpinc.com/corpgov/default.cfm. Information on our committees of the Board of Directors is set forth in Part 3 Board of Directors Committees of the Board of Directors.

Board Membership Criteria and Consideration of Diversity

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. Although the corporate governance and nominating committee and the Board of Directors do not have a formal policy for considering diversity in identifying director nominees, we endeavor to have a board representing diverse experience at policy-making levels in business, finance, and accounting and in areas that are relevant to our business activities. We believe our

current directors bring a strong diversity of experiences to the Board of Directors as leaders in business, finance, accounting, regulation, and the utility industry.

Under the oversight of the corporate governance and nominating committee, the Board of Directors conducts an annual self-evaluation of its performance and utilizes the results to assess and determine the characteristics and critical skills required of directors. In addition, our Corporate Governance Guidelines and the corporate governance and nominating committee charter provide that the corporate governance and nominating committee will annually review board committee assignments and consider the rotation of the chairman and members of the committees with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors. At least one member of our audit committee must be an audit committee financial expert. Directors are automatically retired immediately prior to the first annual meeting of shareholders after they reach age 72. A majority of board members must be independent under our Corporate Governance Guidelines and applicable New York Stock Exchange listing standards.

Director Resignation Policy

In March 2012, our Board of Directors adopted a policy that provides that if any director nominee in an uncontested election receives a greater number of votes withheld from his or her election than votes for such election, the director nominee must offer his or her resignation to the Board of Directors promptly after the voting results are certified. The corporate governance and nominating committee, comprised entirely of independent directors and which will specifically exclude any director who is required to offer his or her own resignation, will consider the tendered resignation and make a recommendation to the Board of Directors, taking into account all factors deemed relevant. These factors include, without limitation, the underlying reasons why shareholders withheld votes from the director (if ascertainable) and whether the underlying reasons are curable, the length of service and qualifications of the director whose resignation has been tendered, the director's contributions to our company, whether by accepting the resignation we will no longer be in compliance with any applicable law, rule, regulation, or governing document, and whether or not accepting the resignation is in the best interests of our company and our shareholders. Our Board of Directors will act upon the corporate governance and nominating committee's recommendation within 90 days following certification of the shareholder vote and will consider the factors considered by the corporate governance and nominating committee and any additional information and factors as the Board of Directors believes to be relevant. We will publicly disclose the Board of Directors decision and rationale with regard to any resignation offered under these circumstances.

Process for Determining Director Nominees

In determining the composition of our Board of Directors, we seek a balanced mix of local experience, which we believe is specifically relevant for a utility, and nationwide public company experience, among other factors of experience. As a utility company with operations predominantly in Idaho and Oregon, we believe it is important for our company and our local directors to be involved in and otherwise support local community and charitable organizations.

Our corporate governance and nominating committee is responsible for selecting and recommending to the Board of Directors 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 corporate governance and nominating committee begins the process of identifying and evaluating nominees for director and keeps the full Board of Directors informed of the nominating process. The corporate governance and nominating committee reviews candidates recommended by shareholders and may hire a search firm to identify other candidates.

The corporate governance and nominating committee gathers additional information on the candidates to determine if they qualify to be members of our Board of Directors. The corporate governance and nominating 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 corporate governance and nominating 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 of Directors to approve.

Process for Shareholders to Recommend Candidates for Director

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Our Corporate Governance Guidelines set forth the requirements that you must follow if you wish to recommend director candidates to our corporate governance and nominating committee. If you recommend a candidate for director, you must 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 stock records, 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.

Recommendations must be sent to our corporate secretary at the address provided below. Our corporate secretary will review all written recommendations and send those conforming to the requirements described above to the corporate governance and nominating committee for review and consideration. The corporate governance and nominating committee evaluates the qualifications of candidates properly submitted by shareholders in the same manner as it evaluates the qualifications of director candidates identified by the committee or the Board of Directors.

Shareholders who wish to nominate persons for election to the Board of Directors, 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, Boise, Idaho 83702, telephone number: (208) 388-2200. See also the section entitled *2014 Annual Meeting of Shareholders* in this proxy statement.

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 (866) 384-4277 if they have a concern to bring to the attention of the Board of Directors, our chairman of the Board of Directors, or our non-employee directors as a group; or

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

Our general counsel receives all such communications and forwards them to the chairman of the Board of Directors. 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.

10

The acceptance and forwarding of communication to any director does not imply that the director owes or assumes any fiduciary duty to the person submitting the communication, all such duties being only as prescribed by applicable law.

Environmental and Sustainability Initiatives

Our Board of Directors is responsible for the oversight of our sustainability initiatives and is regularly informed of the goals, measures, and results of our sustainability programs. As described in the inaugural sustainability report we issued in May 2012, our sustainability platform for 2012 consisted of five areas: balanced and responsible management; operational excellence; environmental stewardship; engaged, empowered workforce; and strong community partnerships. In connection with our sustainability initiatives, we have implemented steps that recognize the importance of environmental, social, and governance issues and policies.

Our Board of Directors supported management's creation of a new position focused on environmental sustainability, to drive progress and facilitate expansion in that area;

Idaho Power extended its CO₂ emission intensity reduction goal for an additional two years, to 2015;

In connection with its integrated resource planning process, Idaho Power conducted cost studies related to its jointly-owned coal-fired power plants, to determine whether plant upgrades that may be necessary to comply with environmental regulations will be prudently incurred investments, or whether it is economically preferable to replace that generation with other resources;

Idaho Power has conducted a comprehensive wind integration study, to better understand the impact of wind generation on its system and the methods and costs to integrate that power;

We developed a sustainability education program for our employees, to raise their awareness of the initiatives and to foster their participation; and

We continued to address river- and watershed-related environmental issues, advocating for the implementation of cost-effective, sustainable solutions to preserve the long-term health of the Snake River and the Eastern Snake River Plain Aquifer.

Certain Relationships and Related Transactions

Our Related Person Transactions Policy

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

- transactions available to all employees generally;
- the purchase or sale of electric energy at rates fixed in conformity with law or governmental authority;
- transactions involving compensation, employment agreements, or special supplemental benefits for directors or officers that are reviewed and approved by the compensation committee; and
- transactions between or among companies within the IDACORP family.

The related person transactions 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 person (other than a tenant or employee) sharing the household of the foregoing persons; or
- firm, corporation, or other entity in which any person named above is employed, is a partner or principal or in a similar position, or is a greater than 5% beneficial owner.

The corporate governance and nominating committee administers the policy, which includes procedures to review related person transactions, approve or disapprove related person transactions, and ratify unapproved transactions. The policy also specifically requires (a) prior corporate governance and nominating committee approval of proposed charitable contributions or pledges of charitable contributions in excess of \$100,000 in any calendar year to a charitable or not-for-profit organization identified as a related person, except those nondiscretionary contributions made

pursuant to our matching contribution program; and (b) prior board approval of the hiring of immediate family members of directors and officers. The policy also requires approval of any material change in the terms of employment of an immediate family member, including compensation, in the event a person becomes a director or officer and the immediate family member is already an employee of our company. 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 in, or is not inconsistent with, the best interests of our company and the shareholders; and
- if the transaction is on terms comparable to those that could be obtained in an arm's-length dealing with an unrelated third party.

Related Person Transactions in 2012

Steven R. Keen, our vice president of finance and treasurer and Idaho Power's senior vice president of finance and treasurer, is the brother of J. LaMont Keen, our president and CEO and a member of our Board of Directors. J. LaMont Keen is also the CEO of Idaho Power. For 2012, Steven Keen had a base salary of \$260,000, received an incentive payment under our short-term incentive plan of \$215,105, paid in 2013 for service during 2012, and received an award of (a) 1,478 time-vesting restricted shares with a three-year restricted period through December 31, 2014 and (b) 2,956 performance-based shares at target with a three-year performance period through December 31, 2014. The compensation committee and Board of Directors approved all elements of Steven Keen's 2012 compensation.

Mr. Richard Reiten retired from our Board of Directors in May 2012. Since 2006, Mr. Reiten's son has been the president of Pacific Power, a division of PacifiCorp, which, with Idaho Power, owns the Jim Bridger power plant and Bridger coal mine located in Wyoming. Idaho Power owns one-third of the power plant and mine, and PacifiCorp owns the other two-thirds. During 2012, Idaho Power funded \$52.7 million to PacifiCorp for its one-third share of the annual operating and capital costs for the Jim Bridger power

plant. Idaho Power also purchased \$78.0 million of coal from the Jim Bridger coal mine in 2012, for its one-third share of coal delivered from the mine to the Jim Bridger power plant. In 2012, Idaho Power funded \$30.8 million to the mine to cover its share of operating and capital costs and the mine distributed \$48.7 million back to Idaho Power. In addition, Idaho Power purchases wholesale energy and transmission from PacifiCorp. In 2012, these expenses totaled \$2.5 million. PacifiCorp also purchases energy and transmission from Idaho Power, and in 2012 revenues from these sales totaled \$19.2 million. Idaho Power and PacifiCorp are also parties to a number of joint funding arrangements for the permitting of two 500-kV transmission projects.

Security Ownership of Directors, Executive Officers, and Five-Percent Shareholders

The table below sets forth the number of shares of our common stock beneficially owned on March 1, 2013, by our directors and nominees, by our named executive officers listed in the *2012 Summary Compensation Table*, and by our directors and executive officers as a group. Under Securities and Exchange Commission rules, beneficial ownership for purposes of this table takes into account shares as to which the individual has or shares voting and/or investment power as well as shares that may be acquired within 60 days (such as by exercising vested stock options). The beneficial owners listed have sole voting and investment power with respect to shares beneficially owned, including shares they own through the Idaho Power Company Employee Savings Plan and our Dividend Reinvestment and Stock Purchase Plan, except as to the interests of spouses or as otherwise indicated.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership ¹	Stock Options ²	Percent of Class
Non-Employee Directors				
C. Stephen Allred ³	Common Stock	7,536		*
Richard J. Dahl	Common Stock	8,167		*
Judith A. Johansen ⁴	Common Stock	7,716		*
Dennis L. Johnson ⁵	Common Stock			*
Christine King	Common Stock	9,761		*
Gary G. Michael	Common Stock	18,132		*
Jan B. Packwood	Common Stock	12,822		*
Joan H. Smith ⁶	Common Stock	13,565	3,000	*
Robert A. Tinstman ⁷	Common Stock	21,338	5,250	*
Thomas J. Wilford	Common Stock	16,660	3,000	*
Named Executive Officers				
J. LaMont Keen ⁸	Common Stock	172,319		*
Darrel T. Anderson	Common Stock	69,589		*
Rex Blackburn	Common Stock	24,875		*
Daniel B. Minor	Common Stock	52,885		*
Lisa A. Grow	Common Stock	23,502		*
All directors and executive officers as a group (24 persons)⁹				
	Common Stock	615,351	11,250	1.20%

* Less than 1%.

¹ Includes shares of common stock subject to forfeiture and restrictions on transfer granted pursuant to the IDACORP Restricted Stock Plan or the IDACORP 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. Share numbers are rounded to the nearest whole share.

² Exercisable within 60 days of March 1, 2013 and included in the *Amount and Nature of Beneficial Ownership* column.

³ Includes 7,436 stock units and dividend equivalents for deferred annual stock awards. The deferred compensation is payable in stock upon separation from service from the Board of Directors.

⁴ Includes 7,716 stock units and dividend equivalents for deferred annual stock awards. The deferred compensation is payable in stock upon separation from service from the Board of Directors.

⁵ Mr. Johnson was appointed to our Board of Directors on March 20, 2013, and held no shares of IDACORP common stock as of March 1, 2013.

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- ⁶ Includes 7,716 stock units and dividend equivalents for deferred annual stock awards. The deferred compensation is payable in stock upon separation from service from the Board of Directors.
- ⁷ Includes 7,716 stock units and dividend equivalents for deferred annual stock awards. The deferred compensation is payable in stock upon separation from service from the Board of Directors.
- ⁸ Mr. Keen maintains margin securities accounts at brokerage firms, which may from time to time include shares of IDACORP common stock. However, pursuant to our Corporate Governance Guidelines and our Insider Trading and Transactions in Company Securities Standard, Mr. Keen is prohibited from using the margin feature of the accounts so long as any IDACORP common stock is owned in the account. At March 1, 2013, Mr. Keen held 988 shares of common stock in these accounts.
- ⁹ Includes 103,008 shares owned by six persons who are executive officers of Idaho Power but not of IDACORP, of which no shares are represented by options to purchase common stock.

13

The table below sets forth information with respect to each person we know to be the beneficial owner of more than five percent of our outstanding common stock as of March 1, 2013.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
First Eagle Investment Management, LLC 1345 Avenue of the Americas New York, NY 10105	4,436,519 ¹	8.84%
BlackRock, Inc. 40 East 52 nd Street New York, NY 10022	3,737,686 ²	7.45%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	2,814,330 ³	5.61%

¹ Based on a Schedule 13G/A filed on February 11, 2013, by First Eagle Investment Management, LLC. First Eagle Investment Management, LLC reported sole voting power as to 4,336,142 shares and sole dispositive power with respect to 4,436,519 shares. The First Eagle Global Fund, a registered investment company for which First Eagle Investment Management, LLC acts as investment advisor, may be deemed to beneficially own 3,760,485 of such shares.

² Based on a Schedule 13G/A filed on February 8, 2013, by BlackRock, Inc. BlackRock, Inc. reported sole voting and dispositive power with respect to 3,737,686 shares as the parent holding company or control person of BlackRock Japan Co. Ltd.; BlackRock Advisors (UK) Limited; BlackRock Institutional Trust Company, N.A.; BlackRock Fund Advisors; BlackRock Asset Management Canada Limited; BlackRock Asset Management Australia Limited; BlackRock Advisors, LLC; BlackRock International Limited; and BlackRock Investment Management, LLC.

³ Based on a Schedule 13G filed on February 13, 2013, by The Vanguard Group, Inc. The Vanguard Group, Inc. reported sole voting power as to 84,244 shares, sole dispositive power as to 2,739,286 shares, and shared dispositive power as to 75,044 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 75,044 shares as a result of its serving as the investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 9,200 shares as a result of its serving as investment manager of Australian investment offerings.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who beneficially own more than 10% of our common stock, to file reports of beneficial ownership and changes in beneficial ownership with the Securities and Exchange Commission. Our directors, executive officers, and holders of more than ten percent of our outstanding common stock are required by Securities and Exchange Commission rules to furnish us with copies of all Section 16(a) reports that they file. We file Section 16(a) reports on behalf of our directors and executive officers to report their initial and subsequent changes in beneficial ownership of our common stock. To our knowledge, based solely on a review of the reports we filed on behalf of our directors and executive officers and written representations from these persons that no other reports were required and all reports were provided to us, all Section 16(a) filing requirements applicable to our directors and executive officers were complied with for 2012.

14

PROPOSAL NO. 1: Election of Directors

Overview

One member of our Board of Directors, Mr. Gary G. Michael, 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. Michael has served with distinction as a director of IDACORP and Idaho Power since 2001. Upon Mr. Michael's retirement, the Board of Directors will consist of 10 members, including Dennis L. Johnson, who was appointed to our Board of Directors in March 2013 and who is nominated for election for the first time at the Annual Meeting. As Mr. Michael is the Chairman of our Board of Directors, chairman of the corporate governance and nominating committee, and a member of the executive committee of the Board of Directors, his retirement from the Board of Directors will require appointment of a new chairperson and will affect the composition of the Board of Directors' committees in May 2013.

Prior to May 2012, our articles of incorporation, as amended (which we refer to as the articles of incorporation in this proxy statement), provided that directors are elected for three-year terms, with approximately one-third of the Board of Directors elected at each annual meeting of shareholders. Effective May 2012, we amended our articles of incorporation, following a shareholder vote, to provide that the company's classified (three-year, staggered term) board structure would be phased out, and the annual election of the entire Board of Directors for a one-year term would be phased in over a three-year period commencing at the 2013 Annual Meeting and concluding at the 2015 annual meeting of shareholders. The director-nominees elected at the 2013 Annual Meeting are the first group of directors elected to serve for an annual term; director-nominees elected at all annual meetings subsequent to the 2013 Annual Meeting will also be elected to serve for an annual term expiring at the following annual meeting of shareholders.

Under the resignation policy adopted by the Board of Directors and included in our Corporate Governance Guidelines, if a director nominee in an uncontested election receives a greater number of votes withheld from his or her election than votes for such election, the director must promptly tender a resignation to the Board of Directors. The Board of Directors will then decide whether to accept the tendered resignation within 90 days following certification of the shareholder vote (based on the recommendation of the Corporate Governance and Nominating Committee, which is comprised exclusively of independent directors). We will publicly disclose the Board of Directors' decision and its reasoning with regard to the offered resignation.

Information about our directors as of the date of this proxy statement is included below. There are no family relationships among the directors. 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. The composition of our Board of Directors is identical to the composition of Idaho Power's board of directors. Where indicated by an ^ the company is a public reporting company. Where indicated by an * the company is a subsidiary of IDACORP.

Nominees for Election One-Year Term to Expire in 2014

<p>JUDITH A. JOHANSEN Age: 54 Director Since: 2007</p>	<p>Committees: Corp. Gov. & Nominating Compensation</p>	<p>Other Directorships (since): Cascade Bancorp (2006)^ Schnitzer Steel (2006)^ Idaho Power Company (2007)** Roseburg Forest Products (2011) Kaiser Permanente (2006)</p>
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Additional Information

President of Marylhurst University, Oregon, since July 2008
 Former president and CEO from 2001 to 2006, and executive vice president from 2000 to 2001, of PacifiCorp
 Former CEO and Administrator from 1998 to 2000, and vice president from 1992 to 1996, of the Bonneville Power Administration
 Former vice president, from 1996 to 1998, of Avista Energy

Other Skills and Qualifications

Ms. Johansen brings a wealth of electric utility industry knowledge and experience to our Board of Directors. Based on her prior service as president and CEO of PacifiCorp, as CEO and Administrator of the Bonneville Power Administration, and as vice president of

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Avista Energy, Ms. Johansen provides valuable industry insight and guidance regarding our regulated utility business as well as financial reporting and risk management as it relates to utility companies. She also brings to our Board of Directors her experience from service on the boards of two other unaffiliated public companies.

J. LAMONT KEEN

Age: 60

Director Since: 2004

Committees:

Executive

Other Directorships (since):

Cascade Bancorp (2011)^

Idaho Power Company (2004)*^

Idaho Energy Resources Co. (2004)*

Additional Information

President and CEO of IDACORP since July 2006 and CEO of Idaho Power since January 2012

Former President and CEO of Idaho Power Company from 2005 to 2011; executive vice president of IDACORP from 2002 to 2006; president and chief operating officer of Idaho Power Company from 2002 to 2005; senior vice president administration and chief financial officer of IDACORP and Idaho Power Company from 1999 to 2002; senior vice president administration, chief financial officer and treasurer of IDACORP and Idaho Power Company in 1999; vice president, chief financial officer and treasurer of Idaho Power Company from 1996 to 1999; vice president and chief financial officer of Idaho Power Company from 1991 to 1996; controller of Idaho Power Company from 1988 to 1991

Other Skills and Qualifications

As our CEO, with over 38 years of experience at Idaho Power Company, including over 24 years in a capacity as an officer, Mr. Keen has developed an expansive understanding of our company, our state, and the electric utility industry. Mr. Keen's detailed knowledge of our operations, finances, and executive administration and his active industry involvement make him a key resource and contributor to our Board of Directors. Mr. Keen is the only IDACORP executive officer serving on our Board of Directors.

ROBERT A.

TINSTMAN

Age: 66

Director Since: 1999

Committees:

Compensation

Executive

Other Directorships (since):

Home Federal Bancorp (1999)^

Primoris Services Corp. (2009)

Idaho Power Company (1999)*^

Additional Information

Former executive chairman of James Construction Group from 2002 to 2007

Former president and CEO from 1995 to 1999, and director from 1995 to 1999, of Morrison Knudsen Corporation

Former chairman of Contractorhub.com from 2000 to 2001

Former director of CNA Surety Corporation from 2004 to 2011

Other Skills and Qualifications

Mr. Tinstman brings extensive operational and executive experience in the construction industry to our Board of Directors. The electric utility business is capital intensive, involving heavy construction work for generation, transmission, and distribution projects. Mr. Tinstman's construction industry knowledge and expertise provide a valuable contribution to the Board of Directors' oversight function at a time when Idaho Power Company has embarked on major generation and transmission line construction projects. Mr. Tinstman's experience from serving on the compensation committees of other public company boards also provides the company with an experienced compensation committee chairman, a position he has held at IDACORP for almost nine years.

DENNIS L. JOHNSON Age: 58 Director Since: 2013	Committees: None	Other Directorships (since): United Heritage Mutual Holding Co. (2001) United Heritage Financial Group (2001) United Heritage Life Insurance Co. (1998) Sublimity Insurance Company (2003) Idaho Power Company (2013)*^
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Additional Information

President and CEO of United Heritage Mutual Holding Company since 2001, and United Heritage Financial Group and United Heritage Life Insurance Company since 1999

Former president and CEO of United Heritage Financial Services, a broker-dealer, from 1994 to 1998

Former general counsel of United Heritage Mutual Holding Company and certain of its affiliates since 1983

Former director of the Public Employee Retirement System of Idaho (1995-2005) and Idaho Banking Company (1996-2003)

Other Skills and Qualifications

Mr. Johnson, who was appointed to our Board of Directors in March 2013, brings financial, risk management, and legal experience to our Board of Directors. Mr. Johnson acquired his extensive experience through his positions at the insurance companies at which he is the President and CEO, and from his former position as the companies' general counsel. He also brings to the Board of Directors his knowledge of economics and finance and experience with employee benefits and auditing matters. Mr. Johnson's long-standing ties to Idaho also provide an important connection to Idaho Power Company's service territory and allow him to offer insight into local, state, and regional issues where Idaho Power Company conducts business.

Board of Directors Recommendation

The Board of Directors unanimously recommends a vote **FOR** the nominees listed above for one-year terms expiring in 2014.

Information About Continuing Directors Terms to Expire in 2014 (One-Year Terms Thereafter)

RICHARD J. DAHL Age: 61 Director Since: 2008	Committees: Audit Executive	Other Directorships (since): International Rectifier Corp. (2008)^ DineEquity, Inc. (2004)^ Idaho Power Company (2008)*^
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Additional Information

Chairman of the board, president and CEO of James Campbell Company LLC, a privately held real estate investment and development company, since July 2010

Former president and chief operating officer of Dole Food Company, Inc. from 2004 to 2007, senior vice president and chief financial officer from 2002 to 2004, and a director from 2003 to 2007

Former director, president, and chief operating officer of Bank of Hawaii Corp. from 1994 to 2002

Former director of Pacific Health Research Institute, a not-for-profit biomedical research organization, from 1990 to 2010

Other Skills and Qualifications

Mr. Dahl's financial, operational, and executive experience make him an outstanding asset to our Board of Directors. Mr. Dahl acquired his extensive financial background through his former positions at major corporations, as well as with the Ernst & Young accounting firm. His service on other public company boards, including as chairman of the board of International Rectifiers and as lead director and an audit committee member of DineEquity's board, enable him to provide valuable experience to our Board of Directors and audit committee, of which he is the chairman.

JOAN H. SMITH

Age: 70
Director Since: 2004

Committees:
Audit
Corp. Gov. &
Nominating

Other Directorships (since):
Idaho Power Company (2004)**

Additional Information

Self-employed consultant, consulting on regulatory strategy and telecommunications, since 2003
Former senior fellow at the University of Maryland's Center for International Development and Conflict Management from 2004 to 2009

Former Oregon Public Utility Commissioner from 1990 to 2003

Former affiliate director with Wilk & Associates/ LECG LLP, a public consulting organization, from 2003 to 2008

Other Skills and Qualifications

Ms. Smith's experience in the state regulatory setting, particularly in her role as former Oregon Public Utility Commissioner, provides a key component to our Board of Directors' knowledge base. Appropriate rate recovery at the state level is critical to Idaho Power Company's and our success, and Ms. Smith provides a high level of knowledge and expertise in this area. This knowledge and experience allows her to make valuable contributions to the Board of Directors' deliberations and decision making.

THOMAS J. WILFORD

Age: 70
Director Since: 2004

Committees:
Audit

Other Directorships (since):
Idaho Power Company (2004)**

Additional Information

Former president and director of Alscott, Inc., involved in real estate development and other investments, from 1993 to 2012

Former CEO of J.A. and Kathryn Albertson Foundation, Inc., a family foundation committed and striving to be a catalyst for positive educational change, from 2003 to 2012, and former president from 1995 to 2003

Former director of K12, Inc., an organization that provides individualized, one-to-one learning solutions for students from kindergarten through high school, from 2002 to 2010

Other Skills and Qualifications

Mr. Wilford's extensive business, accounting, and investment background is valuable to our Board of Directors and audit committee. As a Certified Public Accountant and a former partner with Ernst & Young, Mr. Wilford also brings significant auditing, finance, and risk management experience to our Board of Directors. His expertise continues to be critical to the Board of Directors' ongoing oversight of financial reporting and risk management.

Information About Continuing Directors Terms Expiring in 2015 (One-Year Terms Thereafter)

C. STEPHEN ALLRED

Age: 71
Director Since: 2009
Retirement: 2014

Committees:
Audit

Other Directorships (since):
Idaho Power Company (2009)**
Longenecker & Associates (2009)

Additional Information

Managing member, Allred Consulting LLC, a provider of consulting services for management, environmental, waste management, and real estate issues, since 2004

Former Assistant Secretary, Land and Minerals Management for the U.S. Department of the Interior from 2006 to 2009

Former Director of the Idaho Department of Environmental Quality from 2000 to 2004

Other Skills and Qualifications

Mr. Allred, through his former positions as Assistant Secretary, Land and Minerals Management for the U.S. Department of the Interior and as Director of the Idaho Department of Environmental Quality and Director of the Idaho Department of Water Resources, as well as his role at Allred Consulting and Longenecker & Associates, brings perspective and experience to the Board of Directors in several key areas of Idaho Power Company's business, including engineering, environmental quality, and water resources. Mr. Allred's experience in these areas provides a critical skill set for our Board of Directors' oversight of Idaho Power Company's operations (including water management and environmental resource issues) and strategic planning.

CHRISTINE KING Age: 63 Director Since: 2006	Committees: Compensation	Other Directorships (since): Idaho Power Company (2006)**
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Additional Information

Former president and CEO and director of Standard Microsystems Corporation from 2008 to 2012
 Former CEO and director of AMI Semiconductor from 2001 to 2008
 Former director of Open Silicon, Inc. from 2008 to 2012
 Former director of Atheros Communications, Inc., a developer of semiconductor system solutions for wireless and other network communications products, from 2008 to 2011
 Former director of ON Semiconductor, a supplier of silicon solutions for green electronics, from March 2008 to October 2008
 Former director of Analog Devices, a manufacturer of analog and digital signal processing circuits, from 2001 to 2008

Other Skills and Qualifications

Ms. King brings a key element of business diversity to our Board of Directors with her advanced level of experience and success in the high-tech industry. Her experience from serving as the former CEO of Standard Microsystems Corporation and former CEO of AMI Semiconductor, as well as her prior service on the boards of other public companies, provides important perspectives for our Board of Directors' deliberations.

JAN B. PACKWOOD Age: 69 Director Since: 1998	Committees: None	Other Directorships (since): Westmoreland Coal Co. (2011)^ Idaho Power Company (1997)** IDACORP Financial Services (1997)* Ida-West Energy Company (1999)*
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Additional Information

Former president and CEO of IDACORP from 1999 to 2006; CEO of Idaho Power Company from 2002 to 2005; president and CEO of Idaho Power Company from 1999 to 2002; president and chief operating officer of Idaho Power Company from 1997 to 1999; executive vice president from 1996 to 1997, and vice president - bulk power from 1989 to 1996, of Idaho Power Company

Other Skills and Qualifications

Former director of the BSU Foundation from 2002 to 2011
 As the former president and CEO of IDACORP and Idaho Power Company, Mr. Packwood brings to the Board of Directors vast knowledge of the companies, including an understanding of the risks they face. His engineering and operations background complement the backgrounds of our other board members. Mr. Packwood's operational experience is especially important as Idaho Power Company proceeds with major transmission expansion plans in the current and coming years.

Information About Our Retiring Director - Term to Expire Immediately Prior to the 2013 Annual Meeting

GARY G. MICHAEL Age: 72 Director Since: 2001	Committees: Corp. Gov. & Nominating Executive	Other Directorships (since): The Clorox Company (2001)^ Questar Corporation (1994)^ Questar Pipeline (1994)^ Idaho Power Company (2001)**
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Additional Information

Former chairman of the board of directors and CEO, 1991 to 2001, of Albertson's, Inc.
Former director on the Advisory Board of Graham Packaging Company from 2002 to 2011

Director of OfficeMax Incorporated from 2004 to 2008

Director of Harrah's Entertainment, Inc. from 2001 to 2008

Other Skills and Qualifications

Mr. Michael has brought to our Board of Directors a wealth of public company leadership experience at the board and executive levels. His 10 years of service as Chairman and CEO of Albertson's, Inc. and his service on multiple public company boards of directors has provided an invaluable source of knowledge and experience for our Board of Directors. Mr. Michael's long-standing ties to Idaho have also provided an important connection to Idaho Power Company's service territory and gave him a firm grasp of the local, state, and regional issues where our utility operations are conducted.

Committees of the Board of Directors**Overview**

Our standing committees of the Board of Directors are the audit committee, the compensation committee, the corporate governance and nominating committee, and the executive committee. The committee memberships as of the date of this proxy statement are set forth below. We also describe our board committees and their principal responsibilities in the table that follows.

Name	Audit Committee	Compensation Committee	Corp. Gov. & Nomin. Committee	Executive Committee
C. Stephen Allred ¹	n			
Richard J. Dahl ¹	n ²			n
Judith A. Johansen ¹		n	n	
J. LaMont Keen				n ²
Christine King ¹		n		
Gary G. Michael ^{1,3}			n ^{2,3}	n ³
Jan B. Packwood ¹				
Dennis L. Johnson ¹				
Joan H. Smith ¹	n		n	
Robert A. Tinstman ¹		n ²	n	n
Thomas J. Wilford ¹	n			

¹ Independent according to New York Stock Exchange listing standards and our Corporate Governance Guidelines

² Committee chairperson

³ Will retire from the Board of Directors effective immediately prior to the Annual Meeting

Audit Committee

The audit committee is a separately designated standing committee. 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; the performance of our internal audit department; and our major financial risk exposures;

monitors compliance under the code of business conduct for our officers and employees and the code of business conduct and ethics for our directors, and is responsible for considering and granting any waivers for directors and

executive officers from the codes, and informs the general counsel immediately of any violation or waiver; and prepares the audit committee report required to be included in the proxy statement for our annual meeting of shareholders.

As of the date of this proxy statement, the members of the audit committee include Mr. Allred, Mr. Dahl, Mr. Wilford, and Ms. Smith. All members of the audit committee are independent under our Corporate Governance Guidelines and applicable New York Stock Exchange listing standards, including the Securities and Exchange Commission's audit committee member independence standards. The Board of Directors has determined that committee members Mr. Dahl and Mr. Wilford are audit committee financial experts as defined by the rules of the Securities and Exchange Commission. During 2012, the audit committee met nine times.

Compensation Committee

The compensation committee has direct responsibility to:

- review and approve corporate goals and objectives relevant to our CEO's compensation;
- evaluate our CEO'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 of Directors, determine and approve our CEO's compensation based on this evaluation;
- make recommendations to the Board of Directors with respect to executive officer compensation, incentive compensation plans, and equity-based plans that are subject to Board of Director approval;
- review and discuss with management the compensation discussion and analysis and based on such review and discussion determine whether to recommend to the Board of Directors 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;
- oversee our compensation and employee benefit plans and practices; and
- assist the Board of Directors in the oversight of risks arising from our compensation policies and practices.

The compensation committee and the Board of Directors have sole responsibility to determine executive officer compensation, which responsibility may not be delegated. The compensation committee has sole authority to retain and terminate any consulting firm to assist the compensation committee in carrying out its responsibilities, including sole authority to approve the consulting firm's fees and other retention terms. In retaining compensation consultants, the compensation committee's charter provides that the committee is required to consider factors bearing on the independence from management of the compensation consultant and whether the work performed by the compensation consultant will raise any conflict of interest. The consulting firm also provides compensation and benefits survey data, which management and the compensation committee review in evaluating our compensation and benefit plans. Although management may request services, the compensation committee must pre-approve the engagement of the consulting firm for any services to be provided to management. 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. Pre-approval of services by the chairperson must be reported to the compensation committee at its next meeting.

In addition, the compensation committee has responsibility for reviewing and making recommendations with respect to director compensation to the Board of Directors. For information on director compensation, refer to *Director Compensation for 2012* in this proxy statement.

Each member of the compensation committee is independent under our Corporate Governance Guidelines and applicable New York Stock Exchange listing standards. During 2012, the compensation committee met five times.

Compensation Committee Interlocks and Insider Participation

No person who served as a member of the compensation committee during 2012 has (a) served as one of our officers or employees or (b) any relationship requiring disclosure under Item 404 of the Securities and Exchange Commission's Regulation S-K. None of our executive officers serve as a member of the board of directors or compensation committee of any other company that has an executive officer serving as a member of our Board of Directors or our compensation committee.

Corporate Governance and Nominating Committee

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The corporate governance and nominating committee's responsibilities include:

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

Each member of the corporate governance and nominating committee is independent under our Corporate Governance Guidelines and the applicable New York Stock Exchange listing standards. During 2012, the corporate governance and nominating committee met four times.

Executive Committee

The executive committee acts on behalf of the Board of Directors when the Board of Directors is not in session, except on those matters that require action of the full Board of Directors. The executive committee also assists the Board of Directors in overseeing risk management. The executive committee is composed of our CEO and the chairpersons of each of our other standing committees. During 2012, the executive committee met once.

Director Compensation for 2012

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards (\$) (c) ¹	Option Award (\$) (d) ²	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (f)	All Other Compensation (\$) (g)	Total (\$) (h)
C. Stephen Allred	69,000	59,991					128,991
Richard J. Dahl	83,000	59,991					142,991
Judith A. Johansen	67,500	59,991					127,491
J. LaMont Keen ³	3	3	3	3	3	3	3
Christine King	63,000	59,991					122,991
Gary G. Michael	143,500	59,991			19,130		222,621
Jan B. Packwood	75,300	59,991					135,291
Richard G. Reiten ⁵	23,250	59,991			10,407		93,648
Joan H. Smith	75,000	59,991					134,991
Robert A. Tinstman	77,500	59,991			46,326		183,817
Thomas J. Wilford	69,000	59,991			11,576		140,567

¹ This column reflects the grant date fair value of IDACORP common stock awarded to our non-employee directors measured in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 *Stock Compensation*. The grant date fair value is based on the closing price of IDACORP common stock on the business day before the grant date. The grant date fair value for the awards included in this column is based on the closing price of IDACORP common stock on February 29, 2012, which was \$40.48.

² No options were awarded to directors in 2012. The following table represents options outstanding at December 31, 2012 for each non-employee director:

Name	Options Outstanding	Name	Options Outstanding
C. Stephen Allred	0	Jan B. Packwood	0
Richard J. Dahl	0	Richard G. Reiten	0

Name	Options Outstanding	Name	Options Outstanding
Judith A. Johansen	0	Joan H. Smith	3,000
J. LaMont Keen	0	Robert A. Tinstman	5,250
Christine King	0	Thomas J. Wilford	3,000
Gary G. Michael	0		

³ Mr. Keen is also our CEO, and thus does not receive fees or awards for his service as a member of our Board of Directors. Mr. Keen's compensation as our CEO is discussed in *Part 4 Executive Compensation* in this proxy statement.

⁴ Represents above-market interest on deferred fees.

⁵ Retired from the Board of Directors effective as of May 17, 2012.

⁶ Represents \$29,238 in above-market interest accrued on deferred fees and \$17,088 relating to the change in present value of Mr. Tinstman's retirement benefit payments under the Idaho Power Company Security Plan for Directors, which was terminated on April 1, 2002.

Director Compensation Amounts for 2012

In late 2011, our compensation committee requested that Pay Governance LLC, a national compensation advisory service, perform an analysis of the competitive positioning of our non-employee director compensation program. Pay Governance evaluated the competitiveness, mix, and form of pay vehicles, stock ownership guidelines, and other elements of director compensation. After comparing our non-employee directors' compensation against a utility peer group, Pacific Northwest peer group, and blended group, Pay Governance determined that our non-employee director compensation was below market median levels, primarily due to below market equity awards, with stock-based compensation in the 25th percentile of the utility group and blended group, and between the 25th and 50th percentile of the Pacific Northwest peer group. Pay Governance presented the results of its analysis to our Board of Directors in January 2012. Based on the results of the analysis, the Board of Directors elected to leave the base retainer fee unchanged but increase the dollar amount of annual stock awards from \$45,000 to \$60,000, and increase the annual retainer fee for the chairman from \$75,000 to \$85,000.

The table that follows sets forth the fees payable to our non-employee directors as of the date of this proxy statement. The fees and other compensation shown in the table and discussed below are for service on both boards as well as for service on any subsidiary board. All directors of IDACORP also serve as directors of Idaho Power. Employee directors receive no compensation for service on the boards.

Form of Fee	Amount
Base Retainer	\$ 45,000
Additional Retainers:	
Chairman of the board	85,000
Chairman of audit committee	12,500
Chairman of compensation committee	10,000
Chairman of corporate governance committee	6,000
Meeting Fees: ¹	
Board meeting	1,500
Committee meeting	1,500
Shareholder meeting	1,500
Annual Stock Awards	60,000
Subsidiary Board Fees:	
IDACORP Financial Services: ²	
Monthly retainer	750
Meeting fees	600
Ida-West Energy: ³	
Monthly retainer	750

Form of Fee	Amount
Meeting fees	600

23

- 1 The chairman of the board does not receive fees for attendance at full board or shareholder meetings.
- 2 Mr. Packwood serves on the IDACORP Financial Services board.
- 3 Mr. Packwood serves on the Ida-West Energy board.

Deferral Arrangements

Directors may defer all or a portion of their annual IDACORP, Idaho Power, IDACORP Financial Services, Inc., and Ida-West Energy retainers and meeting fees and receive a lump-sum payment of all amounts deferred with interest or a series of up to 10 equal annual payments after they separate from service with IDACORP and Idaho Power. Any cash fees that were deferred before 2009 for service as a member of the Board of Directors are credited with the preceding month's average Moody's Long-Term Corporate Bond Yield for utilities, or the Moody's Rate, plus 3%, until January 1, 2019 when the interest rate will change to the Moody's Rate. All cash fees that are deferred for service as a member of the Board of Directors beginning January 1, 2009 are credited with interest at the Moody's Rate. Interest is calculated on a pro rata basis each month using a 360-day year and the average Moody's Rate for the preceding month.

Directors may also defer their annual stock awards, which are then held as deferred stock units with dividend equivalents reinvested in additional deferred stock units. Upon separation from service with IDACORP and Idaho Power, directors will receive either a lump-sum distribution or a series of up to 10 equal annual installments. Upon a change in control the directors' deferral accounts will be distributed to each participating director in a lump sum. The distributions will be in shares of our common stock, with each deferred stock unit equal to one share of our common stock and any fractional shares paid in cash.

Stock Ownership Guidelines for Directors

The Board of Directors adopted stock ownership guidelines for non-employee directors in January 2006, which provided that each non-employee director is expected to own IDACORP common stock equal in value to two times his or her current base annual retainer fee. A director is allowed three years to meet these requirements. In January 2012, commensurate with the increase in dollar amount of annual stock awards, the stock ownership guidelines were amended to provide that each non-employee director is expected to own IDACORP common stock equal in value to three times his or her current base annual retainer fee. As of December 31, 2012, all of our directors were in compliance with the amended guidelines. Once a director reaches the stock ownership target under the guidelines, based on the then-current stock price, the director will remain in compliance with the guidelines, despite future changes in stock price, as long as the director continues to own the minimum number of shares that brought the director into compliance with the stock ownership target. If the base annual retainer fee increases, directors who have already met their stock ownership targets will need to meet the stock ownership guidelines only for the amount of increase in the base annual retainer fee.

Anti-Hedging and Anti-Pledging Policy for Directors

The same prohibitions on hedging ownership of our common stock and the pledging of our securities as collateral that apply to our executive officers, which are described in Part 4 Executive Compensation Other Compensation Policies and Information of this proxy statement, apply equally to members of our Board of Directors.

Retirement Benefits

Effective April 1, 2002, we terminated the Idaho Power Company Security Plan for Directors. At that time, current directors were entitled to their vested benefits under the plan as of January 15, 2002. The plan was a nonqualified deferred compensation plan that provided for retirement benefit payments. The maximum payment is \$17,500 per year for a period of 15 years. Directors elected prior to November 30, 1994 could elect 180 monthly installments or a single life annuity with a joint and survivor option. Directors elected after November 1994 receive a single life annuity with a joint and survivor option. Benefits are paid to inside directors on the 10th day of the month after severance from service on the Board of Directors. Benefits are paid to outside directors on the 10th date of the month after the later of severance from service on the board or reaching age 65. During 2012, Mr. Tinstman, who was elected after November 30, 1994, was the only director with vested benefits in the plan.

PART 4 EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our review of executive compensation in this *Compensation Discussion and Analysis* begins with an overview of our 2012 performance and related executive-level compensation, followed by a description of our overall executive compensation philosophy and policy, which are the general principles that guide our executive compensation decisions. We then describe the components of our executive compensation and the process that our compensation committee uses to set executive compensation. Finally, we explain how the compensation committee applied this process to establish our named executive officers (referred to as NEOs) compensation for 2012. For 2012, our NEOs were:

J. LaMont Keen, president and CEO of IDACORP and CEO of Idaho Power;
Darrel T. Anderson, executive vice president administrative services and chief financial officer (CFO) of IDACORP and president and CFO of Idaho Power;
Daniel B. Minor, executive vice president of IDACORP and executive vice president and chief operating officer of Idaho Power;
Rex Blackburn, senior vice president and general counsel of IDACORP and Idaho Power; and
Lisa A. Grow, senior vice president power supply of Idaho Power.

This *Compensation Discussion and Analysis* contains statements regarding future 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 caution readers not to apply these statements to other contexts.

Executive Overview***General Compensation Goals and Emphasis on At-Risk Compensation for NEOs***

The general design of our 2012 executive compensation program was largely unchanged relative to 2011, and has remained substantially the same for several years, other than changes to metrics to incent continuous improvement and changes to conform to what we view as best practices. Our retention of the general program design has been influenced in part by the voice of our shareholders, as indicated by the results of the say-on-pay vote at the 2011 annual meeting. At that meeting, and again at the 2012 annual meeting, approximately 95 percent of votes cast were cast in favor of our executive compensation program.

We believe strong performance by our executive officers is essential to achieving long-term growth in shareholder value and to delivering superior service to our utility customers. We seek to accomplish this by making the majority of an executive officer's pay at risk, meaning we tie executive compensation to our financial and operational performance of interest to both our shareholders and our customers. The amount of the at-risk portion of our executives' compensation depends on our achieving successful results over one- and three-year performance periods. As an executive's level of responsibility increases, so does the percentage of total compensation at risk, which we believe aligns the interests of our executives who have the highest level of decision-making authority with the interests of our stakeholders.

Our 2012 Financial and Operational Performance

The year 2012 was a successful one for our company. There were a number of achievements during 2012 that we believe are representative of that success, most notably the following:

our 2012 earnings per diluted share were \$3.37, compared to \$3.36 per diluted share in 2011;
in furtherance of the previously adopted dividend policy, our Board of Directors voted to increase the quarterly dividend from \$0.30 per share to \$0.38 per share;

Idaho Power placed its Langley Gulch natural gas-fired power plant into service in June 2012, ahead of schedule and within budget, and received orders from regulators authorizing increases in Idaho and Oregon base rates for recovery of Idaho Power's investment in the power plant and associated costs;

Idaho Power extended for two years its voluntary CO₂ emission intensity reduction goal, through 2015;

Idaho Power ranked in the top quartile of the 126 largest utilities in the country for customer satisfaction in the J.D. Power and Associates 2012 Electric Utility Residential Customer Satisfaction Survey, and was recognized for Highest Customer Satisfaction with Business Electric Service in the Western U.S. among Midsize Utilities in a Tie in the J.D. Power and Associates 2012 Electric Utility Business Customer Satisfaction Study of more than 90 utility brands across the U.S.; and Idaho Power ranked among the 40 Best Energy Companies by *Public Utilities Fortnightly*.

2012 NEO Compensation Design and Mix

A significant aspect of our compensation-setting process is our annual market compensation analysis. We use the competitive data as one important element in determining base salaries and target incentive compensation for our executives. In general, the compensation committee seeks to compensate our executive officers near the market median of the peer groups used in our market compensation analysis. In determining the 2012 base salary and target incentive compensation of each executive officer, the compensation committee also considered incentive pay weighting, differentials related to experience and job responsibilities, individual performance, company performance, external market conditions, and pay equity among the officer team.

Consistent with prior years, we designed our 2012 executive compensation program to provide fixed compensation (base salary) to promote retention of our executives and provide at-risk compensation (short-term and long-term incentive compensation) to help ensure a focus on operational and financial performance for the benefit of our company, our shareholders, and our other stakeholders. Our short-term incentive compensation is paid in cash, if earned, based on single-year performance. Our long-term incentive compensation is paid in IDACORP common stock based on performance over a three-year period. The allocation of the target direct compensation mix for 2012 is illustrated below.

We set rigorous performance goals for our short- and long-term incentive compensation programs to assure that payouts are only earned upon positive performance benefiting our shareholders and other stakeholders. The nature of the 2012 performance goals and their respective weightings for our short- and long-term incentive compensation were unchanged from 2011 and are illustrated in the charts that follow (CEPS refers to cumulative earnings per share and TSR refers to relative total shareholder return).

Short-term Incentive (One Year)

Long-term Incentive (Three Year)

By using metrics tied to both operational and financial performance, as shown in the charts above, our executives' annual compensation can vary considerably depending on our actual operational and financial performance in any period. This is the at risk component of our executives' compensation.

Each year our compensation committee reviews and establishes a threshold, target, and maximum performance level for each of our short- and long-term incentive plan goals. The compensation committee seeks to establish performance levels that assure the goals properly reflect our performance, are realistic enough to be achievable, and are difficult enough to incentivize outstanding performance. The compensation committee has adjusted the required performance levels for our incentive plan goals over time to encourage year-over-year performance improvement. For our two short-term incentive operational goals of customer satisfaction and service reliability, we have either maintained or increased the target performance levels each year since the operational goals were first adopted in 2006. For our short-term incentive financial goal of consolidated net income, we have increased the target performance level significantly, from a target of \$87 million in 2007 to \$150 million in 2012. For our long-term incentive goal of CEPS, we have also increased the target performance level significantly, from \$6.20 for the 2007-2009 performance period to \$9.50 for the 2012-2014 performance period. Our other long-term incentive goal, TSR, is a relative goal and thus we have not increased the target performance level for that goal, which for 2012 grants remained at the 55th percentile of our total shareholder return peer group.

Our incentive plan goals are intended to motivate our executive officers to achieve results that will benefit our shareholders and customers. We have needed to produce significantly increased net income over the past five years to reach our increasing short- and long-term incentive goals. And, in fact, our net income has increased every year over the five-year period, from \$98.4 million for 2008 to \$168.8 million for 2012.

Impact of Change in Pension Value on Reported Total CEO Compensation

As we noted in last year's proxy statement for the 2012 annual meeting of shareholders, we believe the significant levels of Change in Pension Value and Nonqualified Deferred Compensation Earnings in the 2012 Summary Compensation Table, and inclusion of that amount in the calculation of total compensation shown in the Total column in the 2012 Summary Compensation Table as required by the rules of the Securities and Exchange Commission, distort Mr. Keen's actual compensation and underemphasize the degree to which his compensation is dependent upon the achievement of performance-related goals. Of the amount listed as Total 2011 compensation for Mr. Keen in the 2012 proxy statement, nearly half was attributable to the change in actuarial present value of his estimated pension benefits, reflective of his over 38-year tenure with our company and changes in the various actuarial assumptions (like discount rates) that are used to derive the change in present value of pension benefits. For 2012, the result is similar. While we have presented Mr. Keen's compensation in the 2012 Summary Compensation Table in the manner required by Securities and Exchange Commission rules, we believe it results in a Total compensation amount that is not useful for direct comparison of Mr. Keen's 2012 compensation to the compensation of our peers' CEOs. We instead believe a focus on his salary and performance-based (at risk) compensation is more appropriate.

27

Our Compensation Philosophy and Policy

Compensation decisions for our executive officers, including our NEOs, are made in the context of our overall compensation philosophy. Our executive compensation philosophy is to provide balanced and competitive compensation to our executive officers to ensure that we are able to attract and retain high-quality executive officers, and to 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. Our Board of Directors adopted a formal executive compensation policy in January 2007, upon the recommendation of the compensation committee, and the compensation committee reviews the policy annually. The policy 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, management succession planning, and management development; and
- balance total compensation with our ability to pay.

In addition to the process and tools our compensation committee uses for setting executive compensation, our compensation philosophy involves a number of governance principles, including:

- stock ownership and retention requirements for our officers and directors;
- an independent compensation committee, and retention by the compensation committee of an independent compensation consultant;
- maintaining the separation of the roles of chairman of our Board of Directors and CEO, and strong board committee chairs;
- prohibitions on insider trading and on hedging and pledging of our common stock by our officers;
- an annual review of compensation-related risks, and mitigating risk by capping the maximum payout of incentive compensation;
- limiting the availability and use of executive perquisites; and
- considering the results of the annual say-on-pay advisory vote.

Components of Our Executive Compensation

Compensation for our executive officers is comprised of:

<p>Base Salary</p>	<p>Base salary consists of fixed cash payments. 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 on or adjusted pursuant to pre-determined numeric enterprise performance goals, but rather is based on or adjusted pursuant to a series of factors related to the officer's position, experience, and individual and company performance.</p>
<p>Short-Term Incentive Compensation</p>	<p>Short-term incentive compensation under our Executive Incentive Plan is based on annual performance goals and is intended to encourage and reward short-term financial and operational performance results. We provide executive officers the opportunity to earn cash-based short-term incentives in order to be competitive from a total compensation standpoint and to ensure focus on annual financial, operational, and customer service goals.</p>

<p>Long-Term Incentive Compensation</p>	<p>Long-term incentive compensation is intended to encourage and reward long-term performance and promote retention and is based on performance goals achievable over a period of years. We grant executive officers the opportunity to earn stock-based 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.</p>
<p>Health and Welfare Benefits</p>	<p>We make available general employee benefits for medical, dental, and vision insurance, an employee stock purchase plan (a 401(k) plan), and disability coverage to all management employees, including our NEOs. Our NEOs are also eligible to participate in an executive physical program, which provides executive management employees access to a comprehensive physical exam.</p>
<p>Post-Termination Benefits</p>	<p>We offer two tax-qualified retirement plans, including the 401(k) plan, to provide retirement savings opportunities. Both of these plans are available to most employees. Our NEOs are also entitled to benefits under our Senior Management Security Plans. We believe the retirement benefits we provide encourage our executive officers to make long-term commitments to our company and serve as an important retention tool because benefits under our retirement benefit plans (including our defined benefit pension plan) increase with an employee's period of service and earnings and, with respect to the pension plan and Senior Management Security Plans, are not portable. We also have change in control severance agreements with each of our NEOs. We believe the change in control severance agreements promote retention during periods of uncertainty. Details and specific amounts and calculations of retirement</p>

Other Benefits

benefits and change in control arrangements for our NEOs are set forth below under Post-Termination Compensation Programs and in the compensation tables provided later in this proxy statement. Other benefits include an Executive Deferred Compensation Plan and limited perquisites. We believe these other benefits, though limited, are important in recruiting and retaining executive talent.

Role of the Compensation Consultant and Management in Establishing Executive Compensation

The compensation committee, our compensation consultant, and management all participate in the process of setting executive compensation. The compensation committee 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 full Board of Directors for approval.

The compensation committee retained Pay Governance, LLC (Pay Governance) for advice regarding executive officer compensation for 2012, primarily to provide the compensation committee with general compensation market information and trends, to review the structure of our compensation programs, and to provide insight and analysis to the compensation committee at committee meetings. During 2012, Pay Governance did not provide services to us beyond its advice regarding executive officer and director compensation. In connection with its retention of Pay Governance as an advisor, the compensation committee assessed the independence of Pay Governance and determined that Pay Governance was independent. In September 2012, and again in January 2013 in connection with the execution of a new engagement agreement, the compensation committee evaluated whether the work to be performed by Pay Governance would raise any conflicts of interest, and determined that no such conflicts of interest existed.

Our executive officers are also involved in the process of reviewing executive compensation, and Mr. Keen, Mr. Anderson, our vice president of human resources, and our corporate secretary regularly attend compensation committee meetings. Mr. Keen and several of our executive and senior vice presidents review and comment on the market compensation data provided by our human resources department, including the make-up of market comparison groups and the description of comparable officer positions. Mr. Keen and the other participating executive and senior vice presidents utilize the competitive market data, along with other factors related to an executive officer s position,

experience, and individual performance, to develop proposed compensation levels for those executive vice presidents, senior vice presidents, or vice presidents that report to them. Our executive officers also review and recommend performance goals and goal weightings for our short-term and long-term incentive plans. Mr. Anderson presents these compensation proposals to the compensation committee, which reviews and may modify the proposals before approving them. Mr. Keen is not involved in the review of his own compensation, though he does prepare and deliver a self-evaluation to the compensation committee, and performs and delivers to the compensation committee an evaluation of the performance of other executive officers.

The Process, Data, and Metrics We Use for Establishing Executive Compensation

Consistent with prior years, our 2012 executive compensation decisions were made in the following four steps:

- Conduct a general review of the components of executive compensation and industry practices and consider potential changes;
- Analyze peer groups and market data to assess competitiveness of compensation and consider potential changes;
- Review total compensation structure, internal pay equity analysis, and the allocation of various forms of compensation; and
- Review organizational results and individual executive officer performance, responsibility, and experience to determine compensation levels and opportunities for each executive officer.

Market Compensation Data and Analysis

Overview of Our Use of Market Compensation Data

In September 2011, our human resources department used market compensation data to prepare a market compensation analysis, which our compensation committee then used to assist with setting base salaries and target incentive compensation levels for our executive officers. The market compensation analysis provides a market compensation range for each of our executive officer positions for base salary, short-term incentive compensation, and long-term incentive compensation, and for combinations of these three elements, based on compensation provided to officers in similar positions at peer group companies. We believe the market compensation information is important because it provides an indication of the levels of compensation that are needed to enable us to remain competitive with other companies in attracting and retaining executive officers. An individual executive officer's compensation may be positioned above or below the market level for his or her position, depending on the level of experience, responsibility, and performance. The compensation committee uses its judgment and Mr. Keen's performance feedback in assessing experience, responsibility, and performance in determining where an executive officer's compensation should align relative to the market level.

The two sources of market compensation data we used to prepare the market compensation analysis for the development of our 2012 executive officer compensation were:

Towers Watson's 2011 annual private nationwide survey of corporate executive compensation; and
2011 public proxy statement compensation data from designated peer group companies.

30

Our Private Survey Compensation Data Source

Following is a breakdown of Towers Watson's 2011 private survey data used in our market compensation analysis (see Appendix A to this proxy statement for the names of the companies included in the survey data):

Survey ¹	Annual Revenues Less Than \$1 Billion		Publicly Traded Companies Participating		Annual Revenues Between \$1 Billion and \$3 Billion	
	Companies Participating (#)	Average Revenues (\$)	(#)	(#)	Average Revenues (\$)	Publicly Traded Companies (#)
General Industry Executive Compensation Database	38	\$699 million	32	105	\$2.0 billion	82
Energy Services Industry Executive Compensation Database	25	\$513 million	7	36	\$1.9 billion	25

¹ The information in the table is based solely on 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 \$1.1 billion in 2012 and approximately \$1.0 billion in each of 2010 and 2011, which places us in close proximity to the \$1.0 billion annual revenue division point between the two survey groups indicated above. However, we believe that our revenues tend to be lower, as compared with other companies of similar size and complexity, due to our relatively low electricity prices, and thus we believe companies with revenues in the \$1 billion to \$3 billion range of annual revenues are suitable peers for compensation comparison purposes.

For purposes of determining 2012 compensation, the private survey groups were divided into an energy industry comparison group, a general industry comparison group, and a blended comparison group weighted 80 percent for energy companies and 20 percent for general industry companies.

Our Public Proxy Compensation Data Source

Our second source of market compensation data comes from the public proxy statements of our selected peer group companies. Our management and the compensation committee worked together in developing and approving two peer groups of companies consisting of a national energy industry peer group and a regional general industry peer group, which were the same companies we used for the prior year. The national energy industry peer group companies were:

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

The regional general industry peer group companies were:

Avista Corp.	Nautilus Inc.	Portland General Electric Co.
Coldwater Creek Inc.	Northwest Natural Gas Co.	Questar Corp.
Columbia Sportswear Co.	Nu Skin Enterprises Inc.	Schnitzer Steel Industries Inc.
Micron Technology Inc.	Plum Creek Timber Co. Inc.	Sky West Inc.

While we have lower revenues than a number of the peer group companies, this reflects the fact that our electricity prices 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 total assets are above the average of the two peer groups, and our market capitalization is similar in size to the peer group averages.

While the Towers Watson private survey data apply to all of our executive officer positions, the public proxy compensation data are limited to the NEO positions of the peer group companies reviewed. Accordingly, our use of public proxy compensation data in the market compensation analysis is focused on our NEOs.