

June 22, 2026

The Honorable Brad Little
State of Idaho
P.O. Box 83720
Boise, Idaho 83720-0034

RECEIVED

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DEPARTMENT OF
WATER RESOURCES

Re: Swan Falls

Dear Governor Little,

As you know, southern Idaho is currently experiencing drought conditions that are placing a strain on the region's water resources. As a result of these conditions and reduced aquifer contributions to stream flows, Idaho Power Company ("Idaho Power") anticipates the state may not meet its obligations to maintain minimum streamflow requirements at the Murphy Gage near Swan Falls Dam and, consequently, may result in the state breaching its obligations under the 1984 Swan Falls Agreement ("Agreement") with Idaho Power.

The Agreement resolved a longstanding dispute over water rights in the Snake River Basin, and established a framework for balancing hydropower generation, irrigation development, and state water administration. As part of that resolution, Idaho Power agreed to subordinate a significant portion of its original, unsubordinated water rights at Swan Falls, approximately 8,400 cubic feet per second ("cfs"), in exchange for regulatory certainty and the state's commitment to establish and hold minimum stream flows. Idaho Power made this concession in the broader interest of advancing Idaho's economic development.

Importantly, the Agreement confirms a portion of Idaho Power's remaining water rights at Swan Falls and establishes a minimum streamflow of 3,900 cfs from April 1 to October 31 and 5,900 cfs from November 1 through March 31 each year. These minimum stream flows, held by the state, are intended to ensure the flows necessary for Idaho Power to provide reliable and affordable energy to our customers across southern Idaho. The minimum flows function as a floor for river management, not a ceiling on Idaho Power's rights. When flows are constrained at or near the minimums, it limits Idaho Power's ability to fully utilize its hydropower resources, resulting in increased costs for our customers and less flexibility on our system.

This year, it appears the state's minimum streamflow could drop below the 3,900 cfs, which would represent the first known summertime breach of the Agreement. While the state has previously experienced wintertime shortfalls of the 5,600 cfs minimum flow — in 2015 and again this March — those occurrences took place under non-irrigation season conditions. A summer violation would mark an unprecedented development under the Agreement.

Director Mathew Weaver of the Idaho Department of Water Resources has issued correspondence to Trust Water Right holders notifying them of the potential for curtailment in light of this possibility and due to the state's obligations to meet minimum stream flows. To address the immediate situation, while minimizing impacts to Trust Water Right holders and other Idaho Power customers, the company is not advocating for curtailment. Rather, and expressly without waiving its rights under the Agreement, Idaho Power is willing to consider the use of storage as a potential compromise. At the same time, we believe it is critical that a longer-term solution be developed, and we expect the state and water users to work collaboratively with Idaho Power toward a mitigation plan that can be approved and implemented by March 1, 2027, before next year's irrigation season.

In the near term, and to support Trust Water Right holders during these challenging conditions, we propose that water users, in coordination with the state, identify and provide up to 5,900 acre-feet in available storage to help mitigate the anticipated shortfalls during the 2026 irrigation season. These efforts will ensure Idaho Power can reliably serve its customers and provide some relief to Trust Water Right holders in their time of need.

In addition, Idaho Power believes the state would benefit from a more comprehensive and consistent administrative framework for Trust Water Rights. Specifically, Idaho Power encourages Director Weaver to take steps to incorporate all Trust Water Rights into organized water districts so the Idaho Department of Water Resources can actively manage and administer those rights in a coordinated and transparent manner. We believe this effort should be undertaken on a defined timeline, with a goal of full implementation within the next three years.

Notwithstanding the foregoing and any interim measures described above, Idaho Power emphasizes any actions it may take in response to current conditions, including consideration of storage or other accommodations, are intended solely as a temporary and case-specific response to extraordinary circumstances. Such actions are non-precedential and should not be interpreted as establishing any course of dealing or expectation for future operations. Further, nothing herein shall be deemed or construed as a waiver, modification, or relinquishment of any of Idaho Power's rights, protections or remedies under the Swan Falls Agreement, all of which are expressly reserved. These actions do not alter, amend, or otherwise affect the terms or enforceability of the Swan Falls Agreement.

Water is a shared and finite resource, and its responsible management is particularly critical during times of scarcity such as these. Idaho Power recognizes the challenges facing the state, water users, and all stakeholders, including Idaho Power's customers. A cooperative, good-faith effort is essential to navigate current conditions while preserving long-term stability.

I appreciate your attention to this matter and your leadership in addressing these complex and consequential issues.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Grow". The signature is written in black ink and is positioned above the typed name.

Lisa Grow, CEO
Idaho Power Company

cc: Hon. Scott Bedke, Lt. Governor
Hon. Jeff Raybould, Chairman – Idaho Water Resource Board
Hon. Mat Weaver, Director – Idaho Department of Water Resources

