

State of Idaho

**JFAC Economic Outlook
and Revenue Assessment Committee**



Idaho Economic Outlook

Jordan Prassinos
Idaho Power Company
Jan 8, 2021

Disclaimer



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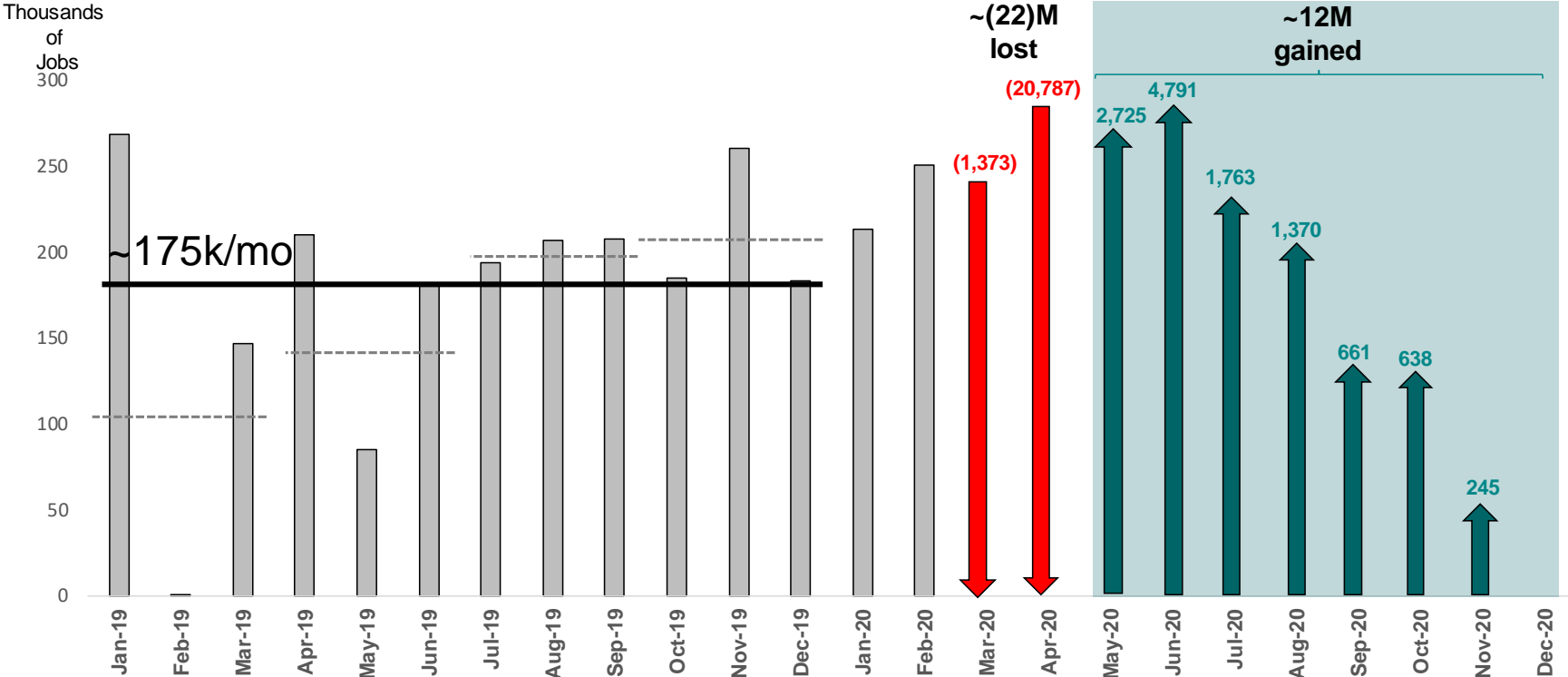
Headline Economic Considerations

- Economics **changes course/begins tacking in 2021** with Idaho GDP at +3.5%
- **Pace of recovery attenuating** nationally but resilient
- Idaho **not as exposed to service labor jobs** as US avg
- **Boise Metro home value growth tops country**, effect of inventory shortage
- **Tale of two recovery tranche's** emerging

National Jobs Report 2020 Roller Coaster



National Employment Jobs Added (Public and Private)

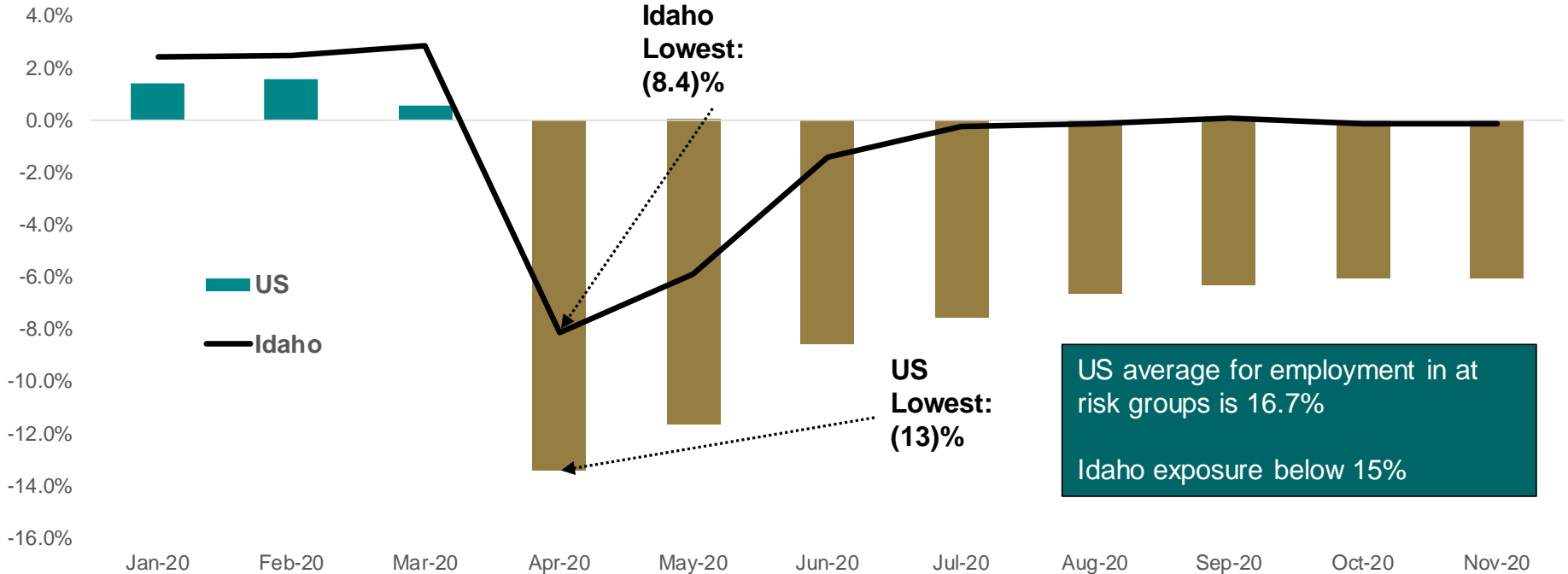


Source: U.S. Bureau of Labor Statistics (BLS) through Dec 2020

Comparative Analysis: Idaho's Labor Market



Idaho and National Year Over Year Employment Growth



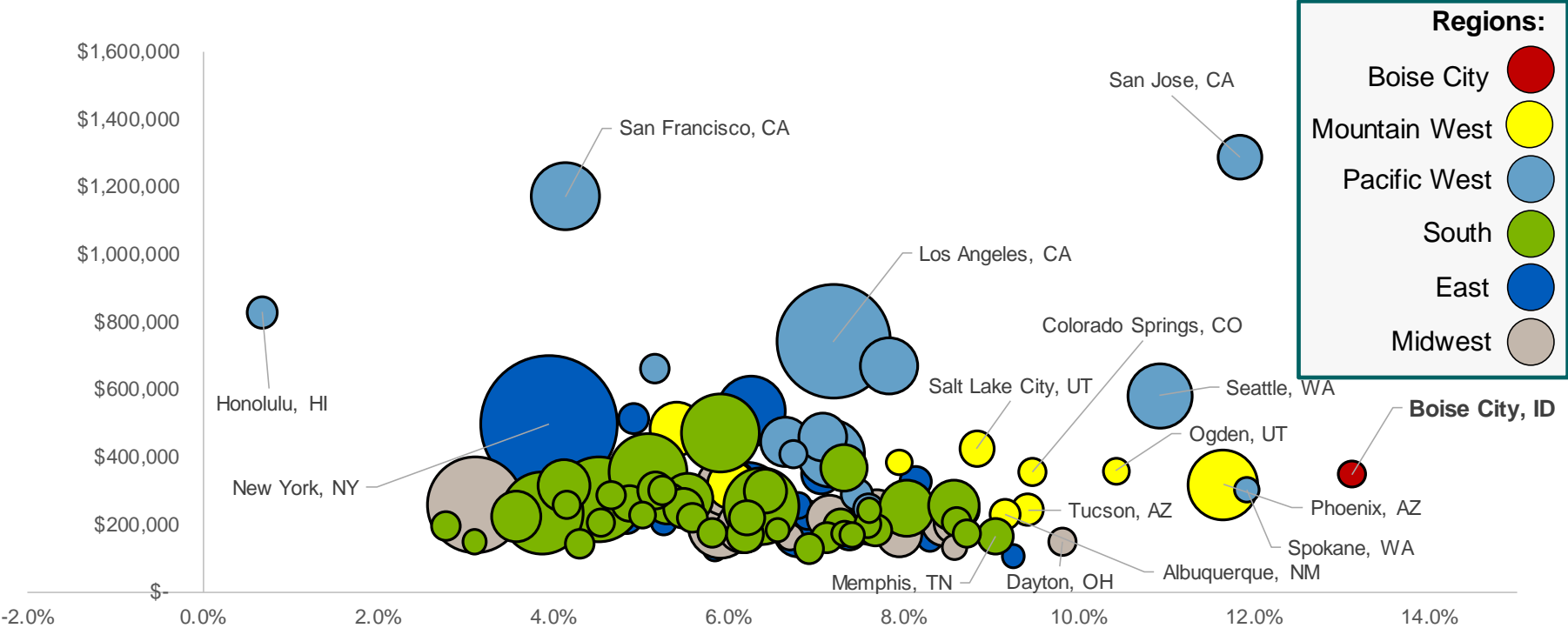
Source: U.S. Bureau of Labor Statistics (BLS): Current Employment Statistics (CES), Quarterly Census of Employment and Wages (QCEW). Actual data through Sep 2020, Oct-Nov 2020 preliminary estimates

Demand Caps Supply

Home Values Surge in Mountain West



Q3 Ending 2020 Top 100 US Cities Home Value Growth

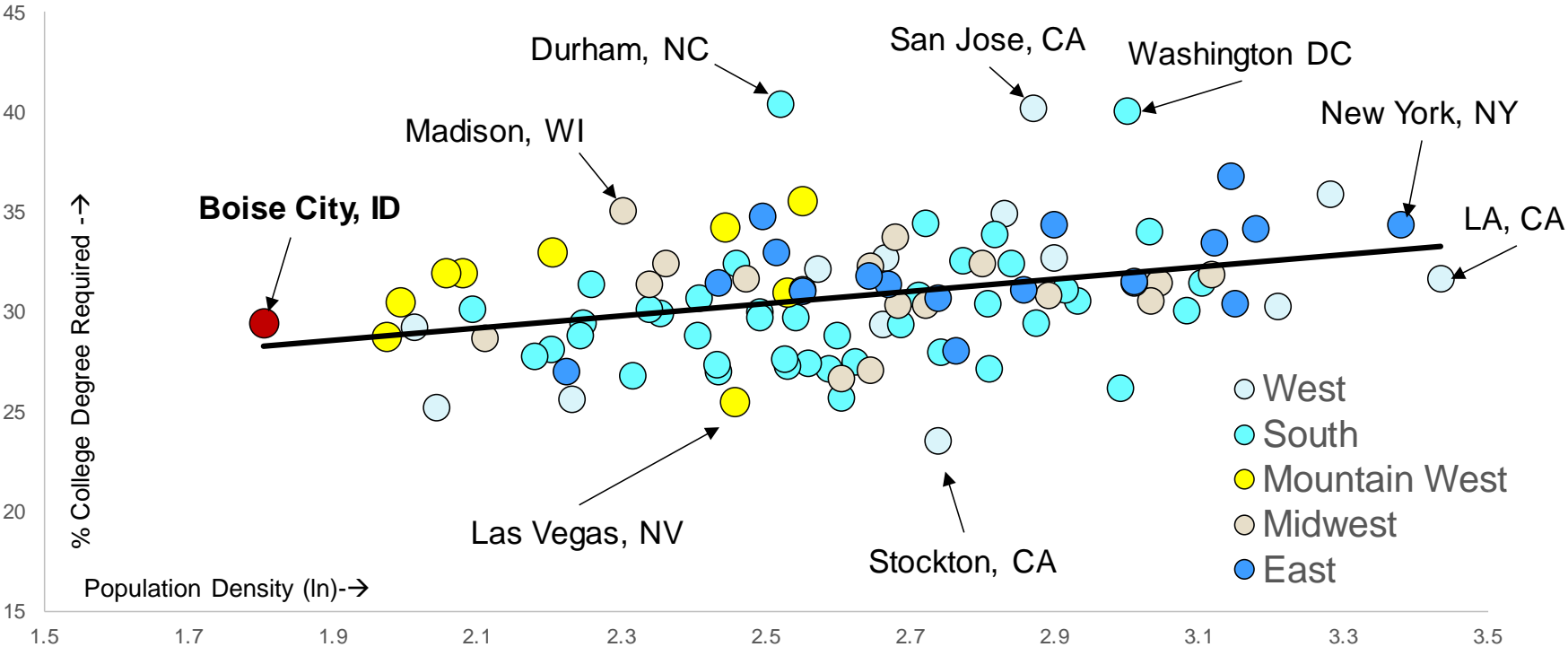


SOURCE: Zillow research. Zillow Home Value Index (ZHVI) of single-family homes through 09/30/20. Author's calculations.

Regional Strength Density and Employment Analysis



Population Density to % of College Degree Required Jobs by Top MSA



SOURCE: US Census Bureau, Moody's Analytics, Author's Calculations



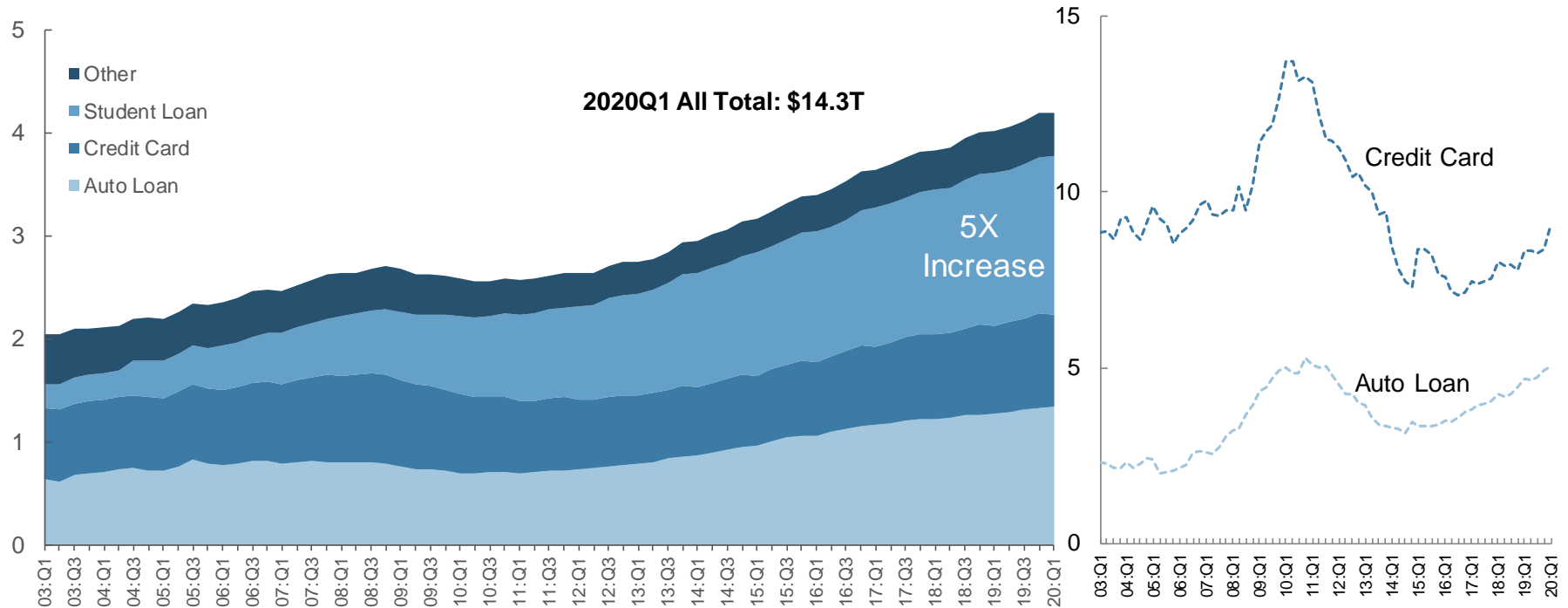
2019 State Level Personal Income Ranking

Percent Change in Personal Income – Top 10 States (Annual Percent Change)			Percent Change in Personal Income – Bottom 10 States (Annual Percent Change)		
RANK	STATE	CHANGE	RANK	STATE	CHANGE
1	Utah	6.3%	42	Kentucky	3.6%
2	Colorado	6.1%	43	South Dakota	3.6%
3	Idaho	6.1%	44	Louisiana	3.6%
4	Arizona	5.9%	45	New York	3.5%
5	Washington	5.7%	46	Hawaii	3.5%
6	New Mexico	5.7%	47	Rhode Island	3.5%
7	Texas	5.2%	48	Nebraska	3.4%
8	South Carolina	5.1%	49	Connecticut	3.3%
9	Oregon	5.1%	50	Illinois	3.0%
10	Nevada	5.1%	51	West Virginia	2.6%

Risk Assessment: US Homeowner Balance Sheets



Non Household Related Debt Balance and its Composition

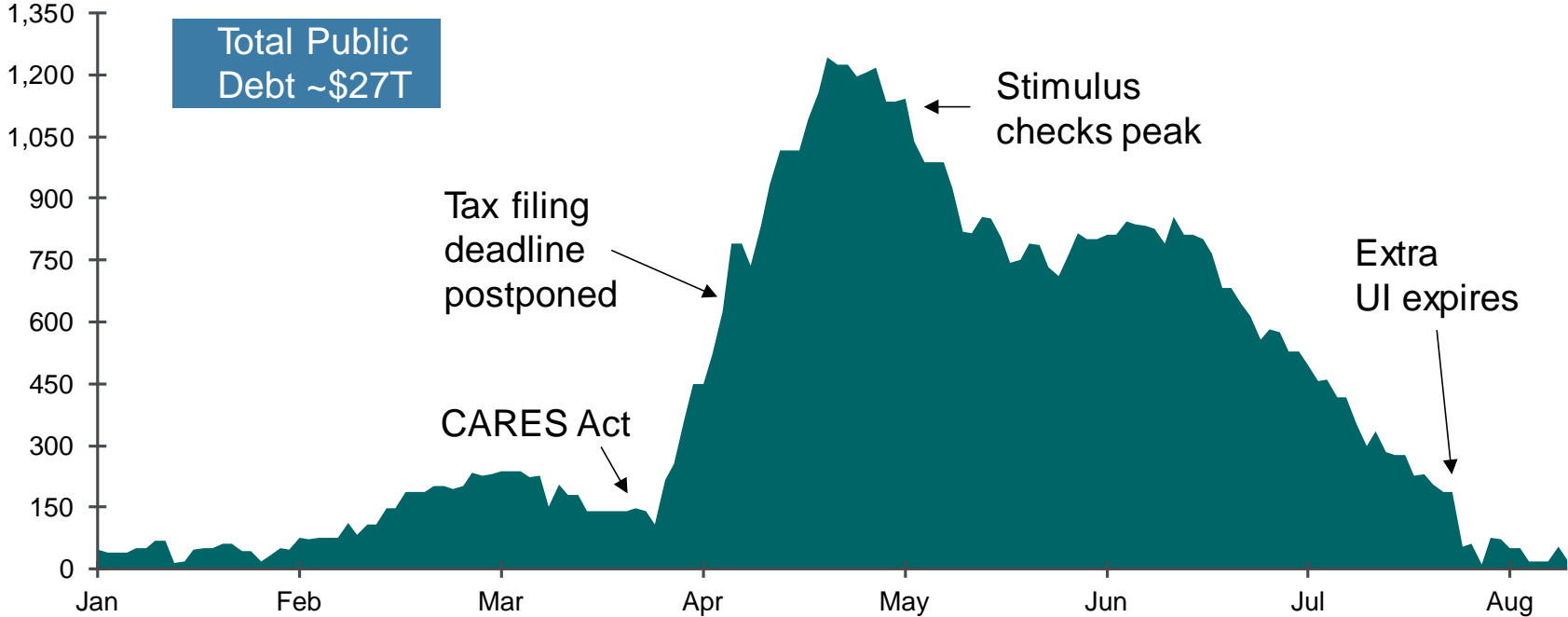


Source: Fed Reserve Bank of New York/Equifax

Risk Assessment: Federal (Public) Debt Mounts



Monthly change in federal debt, \$ bil, 2020

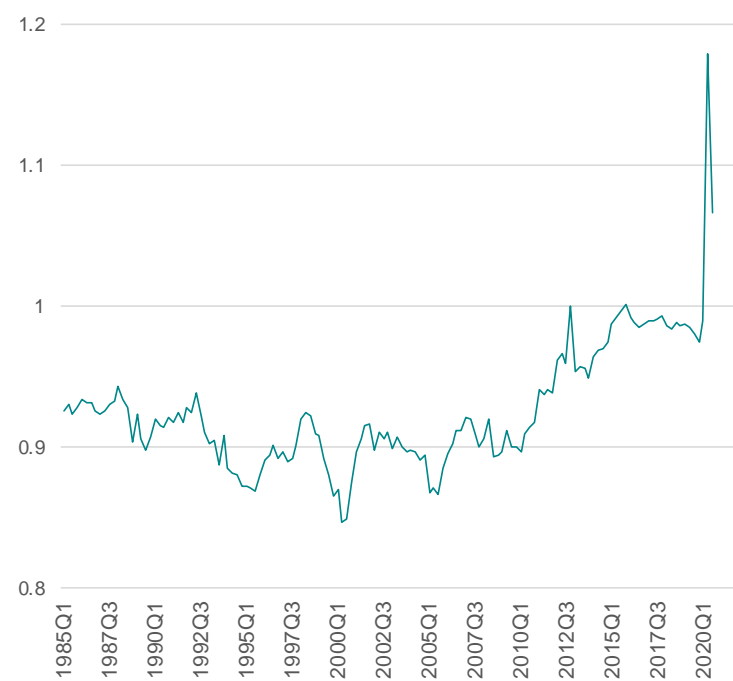


Sources: U.S. Treasury, Moody's Analytics

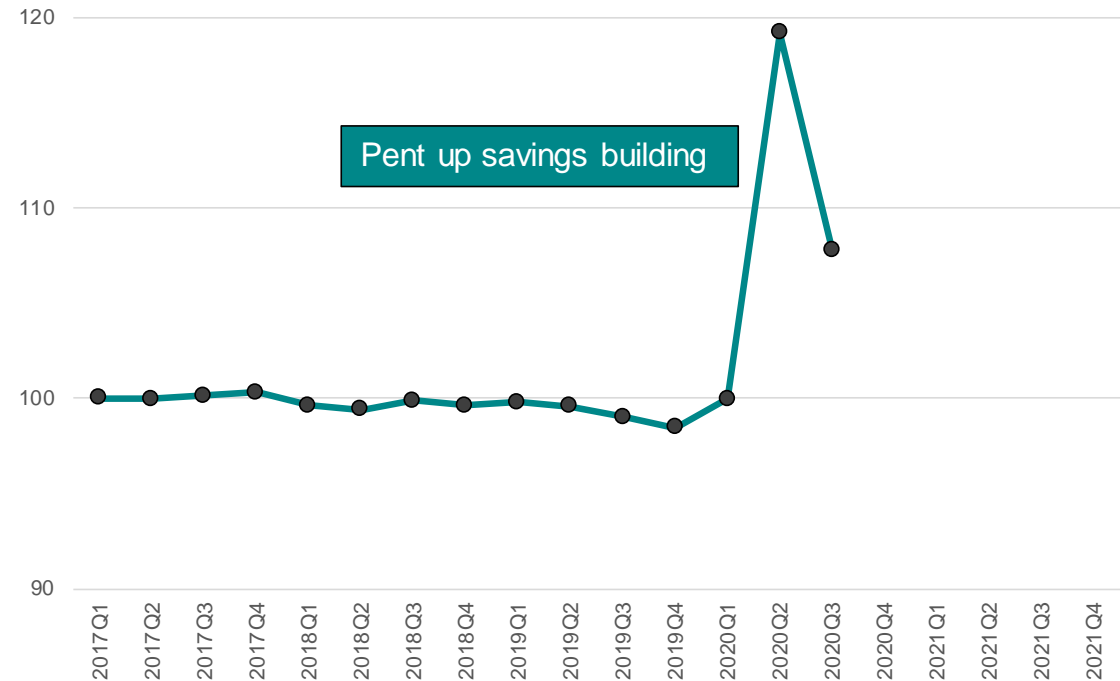


Risk Assessment: A Case for Overheated Personal Income

Ratio of Idaho Personal Income to Idaho GSP



Idaho Personal Income to Idaho GSP (Index Q1 2017)

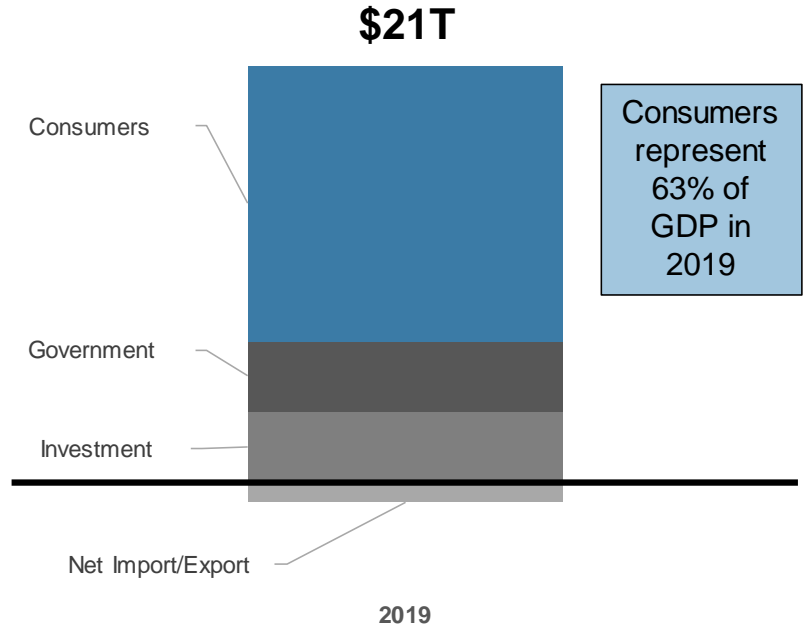


Source: Bureau of Economic Analysis. Author's calculations.

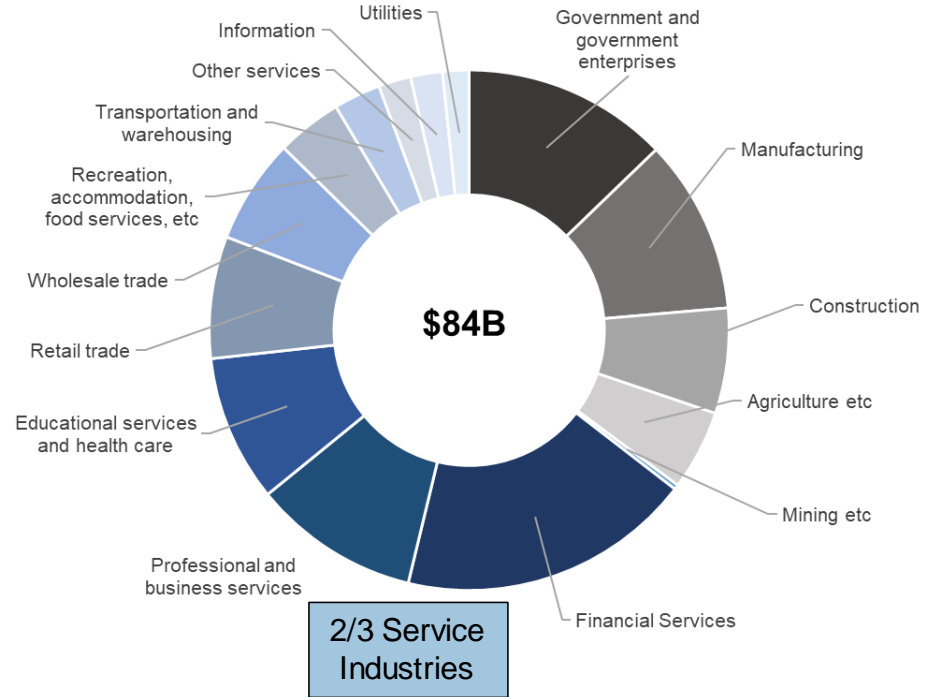


GDP Composition and Sectoral Contributions

2019 US Composition of GDP



2019 Idaho Industry Composition of GDP

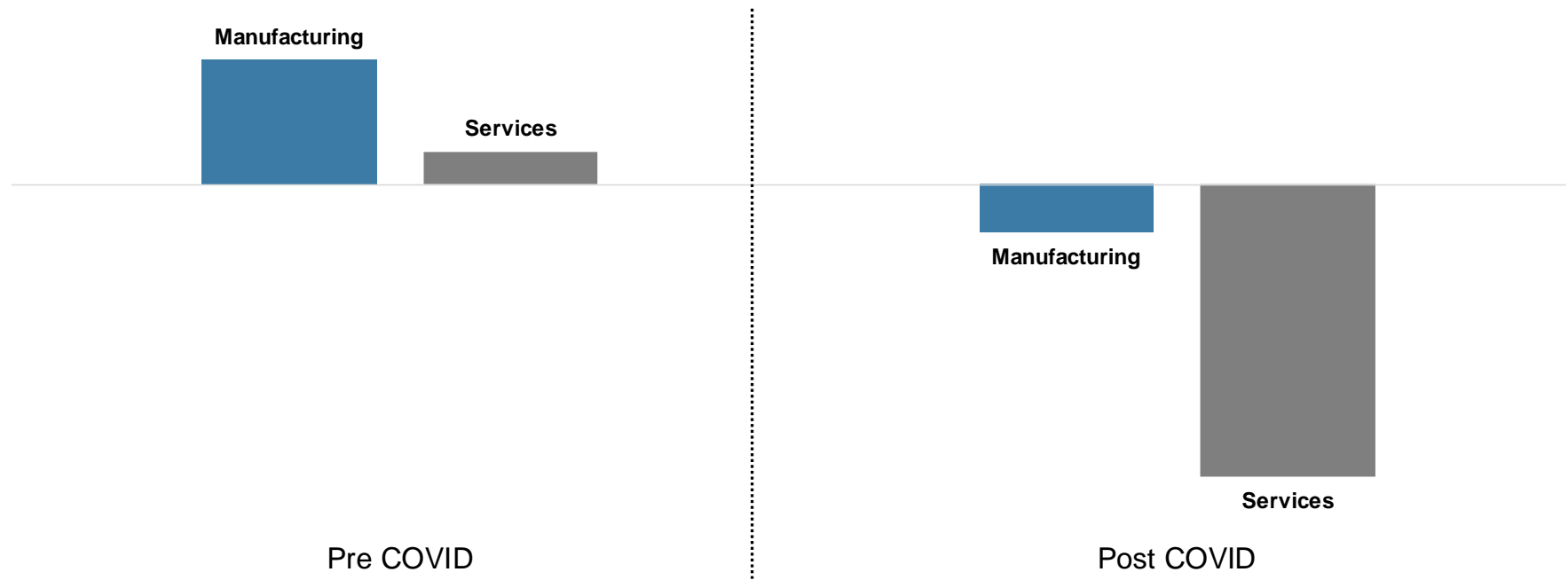


Source: Bureau of Economic Analysis



2020 Estimated Sectoral Impacts to Electricity Sales

Major Segment Impacts from CV19 (Year over Year changes)

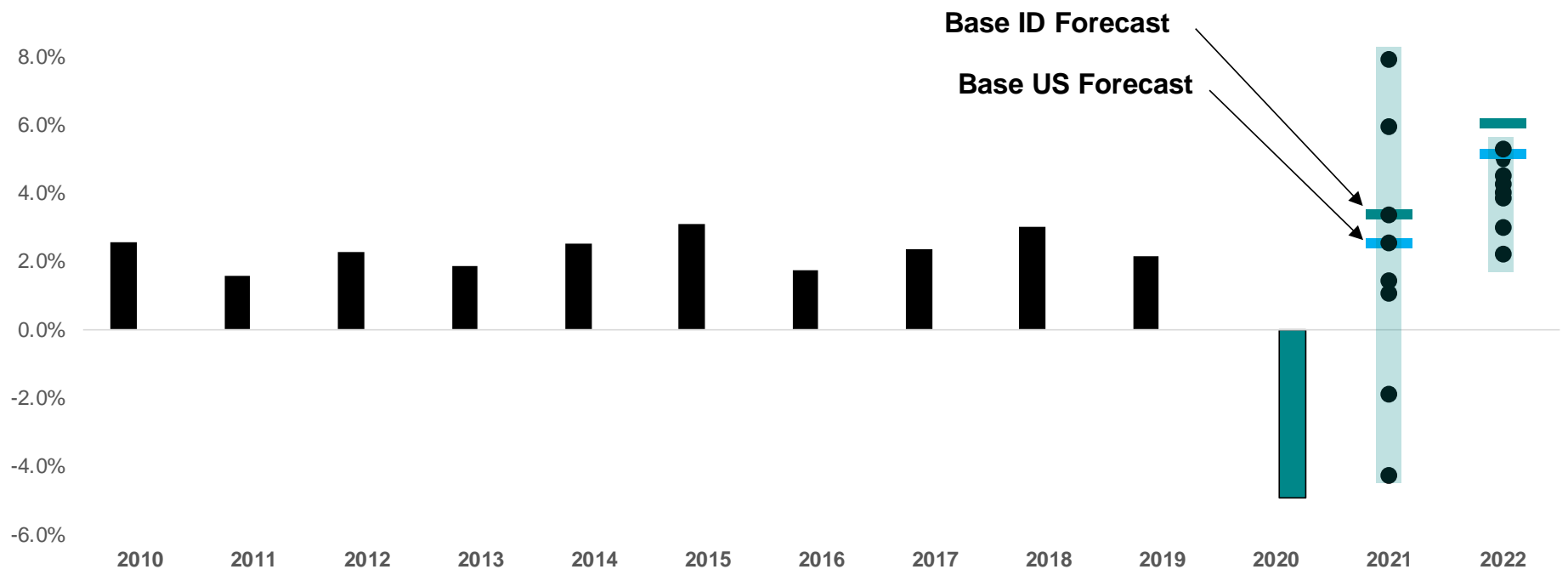


SOURCE: Idaho Power. CV19 period begins with the Apr 2020 billing month



Sensitivity Analysis of US GDP Growth

US GDP Impact scenarios



Notes: Base case assumption of 2021 US GDP 2.6%, Idaho GSP 3.4%

Summary Leading into Personal Income



Summary Points

- Despite recession, Idaho continues as a top performing “hard data” state for economics and demographics in US
- Recovery on its way, resilient, but attenuating. Potential risks percolating:
 - Stimulus in a lame duck
 - Service elasticity
 - Debt – Sovereign crisis?
- Idaho Power expectation is 2021 and 2022 net migration will support a continued high level of customer growth



Outlook on Personal Income

Summary Points

- **On balance, nominal personal income growth** in state ranges from (5.5)% to +6.0%:

	Change Most Probable	Level Most Probable (\$MM)
FY Ending Jun 30, 2021*	4.8%	\$89,700
FY Ending Jun 30, 2022	1.5%	\$90,250

Change Consensus of Outcomes
4.8%
0.6%

* Does not include impacts from additional transfer payment legislation as of Dec 31, 2020 beyond CARES act established on Mar 27, 2020