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Northwest **Power** and Conservation Council

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October 6, 2026

MEMORANDUM

TO: Council Members

FROM: Tomás Morrissey

SUBJECT: State of the Northwest Economy

BACKGROUND:

Presenter: Grant Forsyth, Ph.D, Chief Economist at Avista Corp

Summary: Grant Forsyth is the Chief Economist at Avista. He works in load forecasting and navigating the changing economic landscape. Prior to working at Avista, Grant was a professor of economics at Eastern Washington University.

Grant will discuss general economic trends and indicators for the Northwest and US economies, and how those trends and indicators impact utilities. A changing economy impacts load forecasting via population growth trends, changes to the industrial and commercial sectors, and general economic health. Additionally, interest rates impact borrowing costs for utilities, factoring into the cost of acquiring new generation and infrastructure. Some of these economic changes are driven by state and/or federal policies.

Relevance: The presentation will provide an expert perspective on economic issues in the Northwest. It will help illustrate how the economy impacts utilities and the Northwest power system.

Workplan: A.2 4. Track local, state, and Federal policies that impact the energy system and provide periodic reports to Council on new developments.

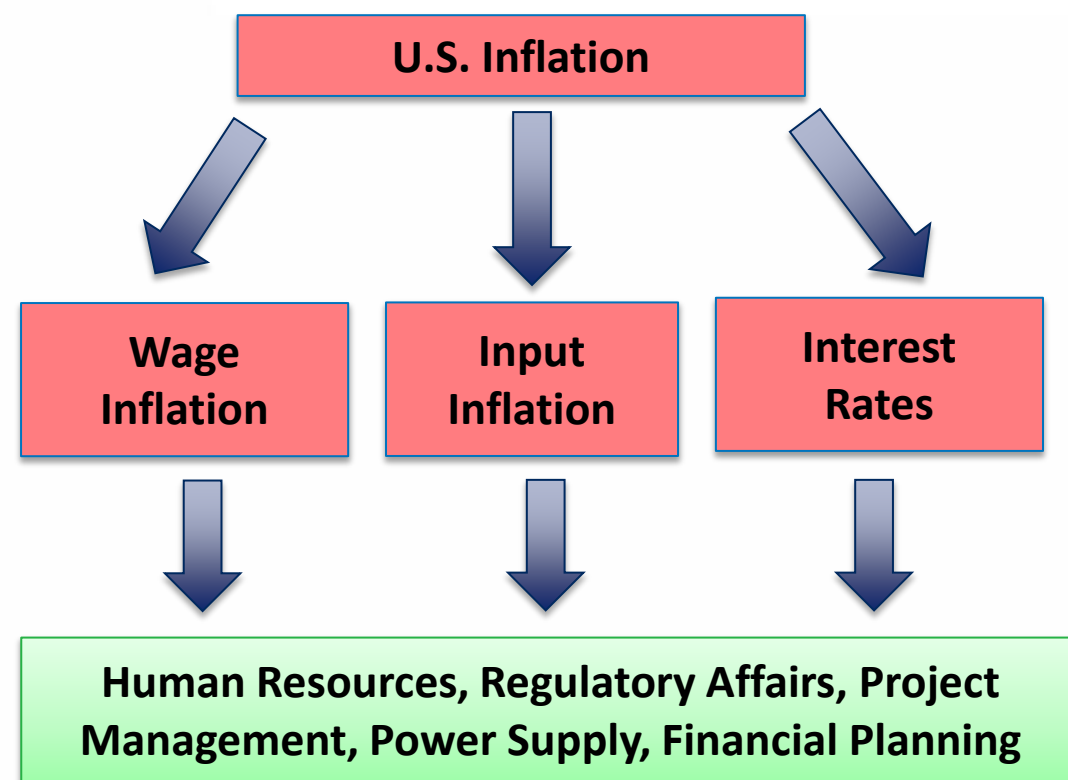
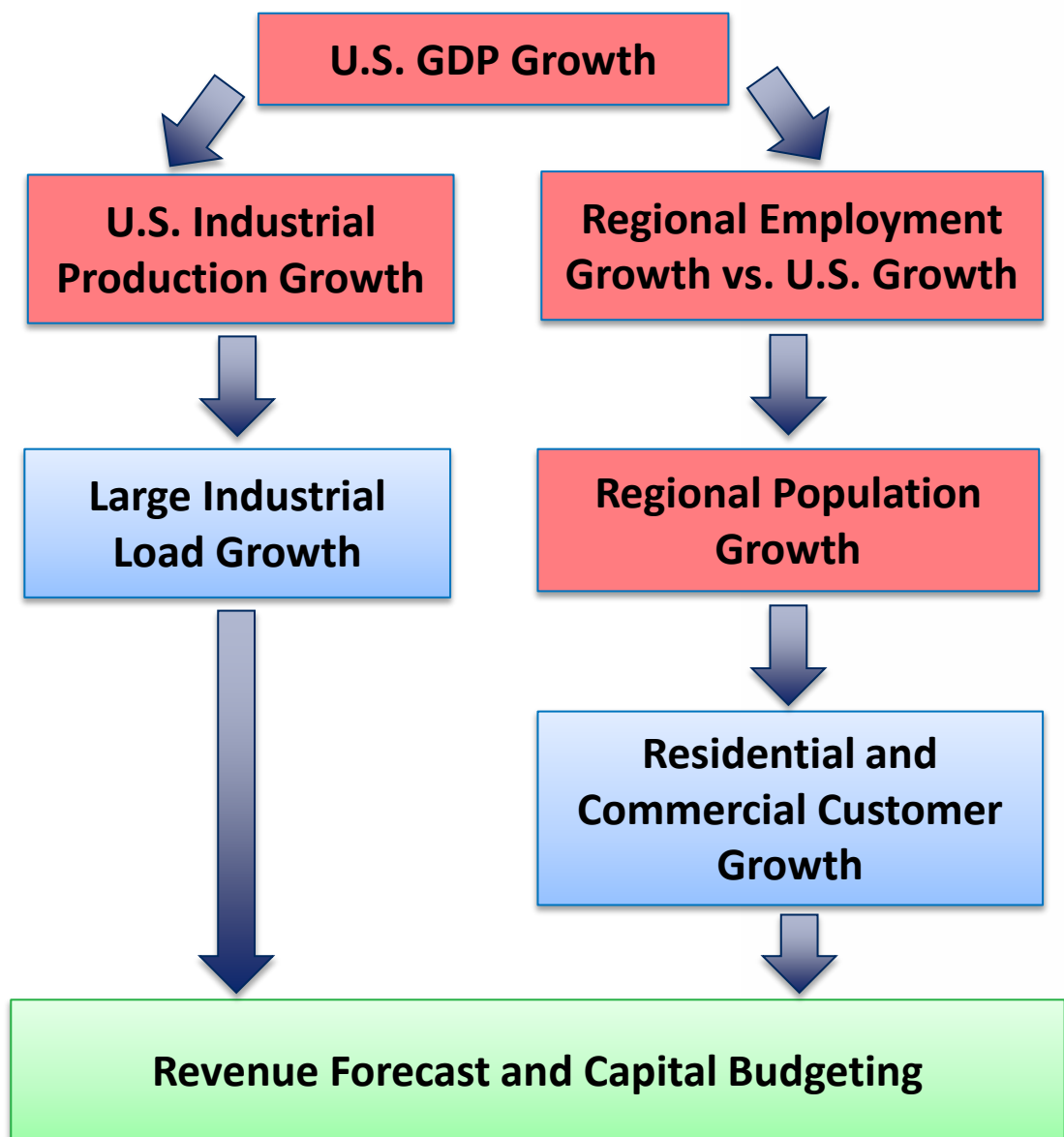


Northwest Power and Conservation Council
October 15, 2026

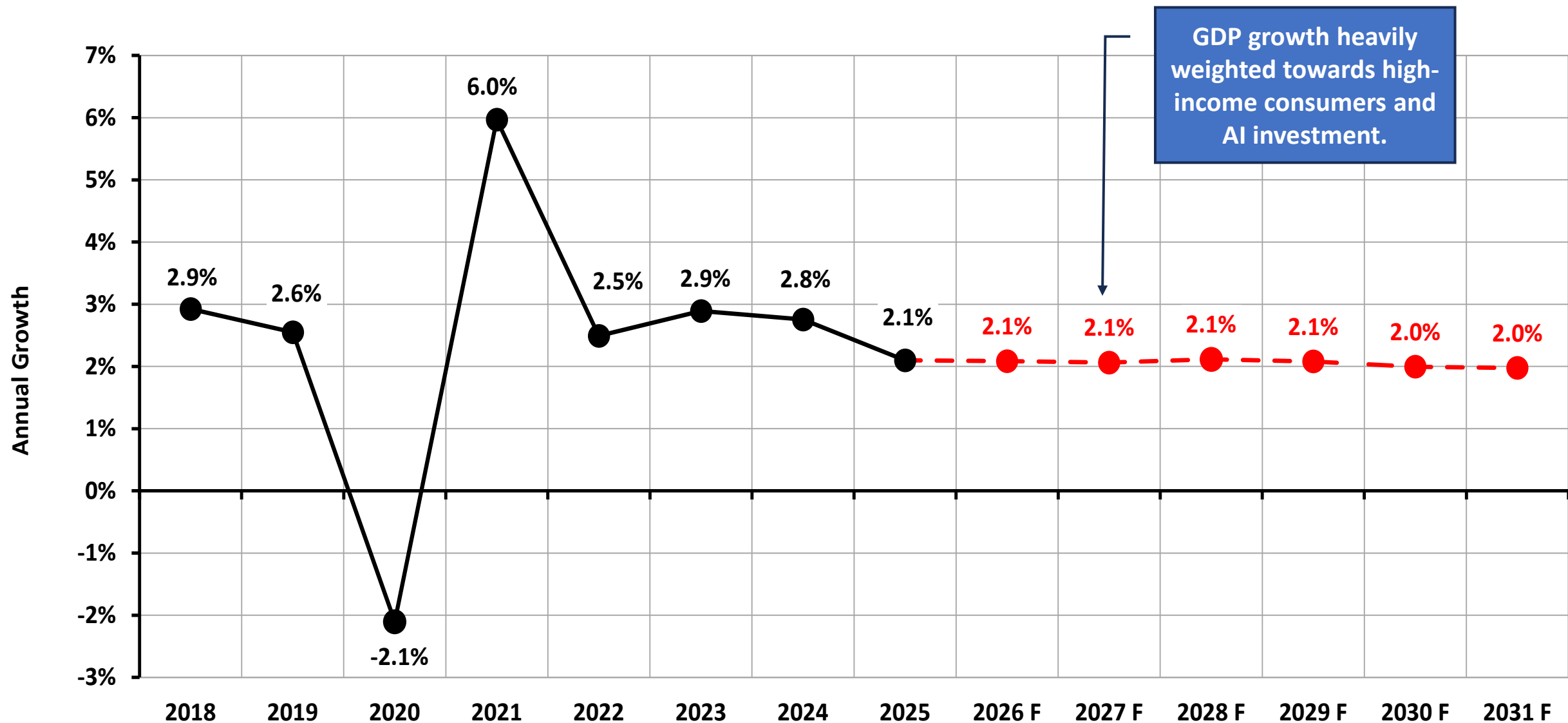
Economic Outlook for the U.S. and Region

Grant Forsyth, Ph.D.
Chief Economist
Grant.Forsyth@avistacorp.com

What I focus on at Avista

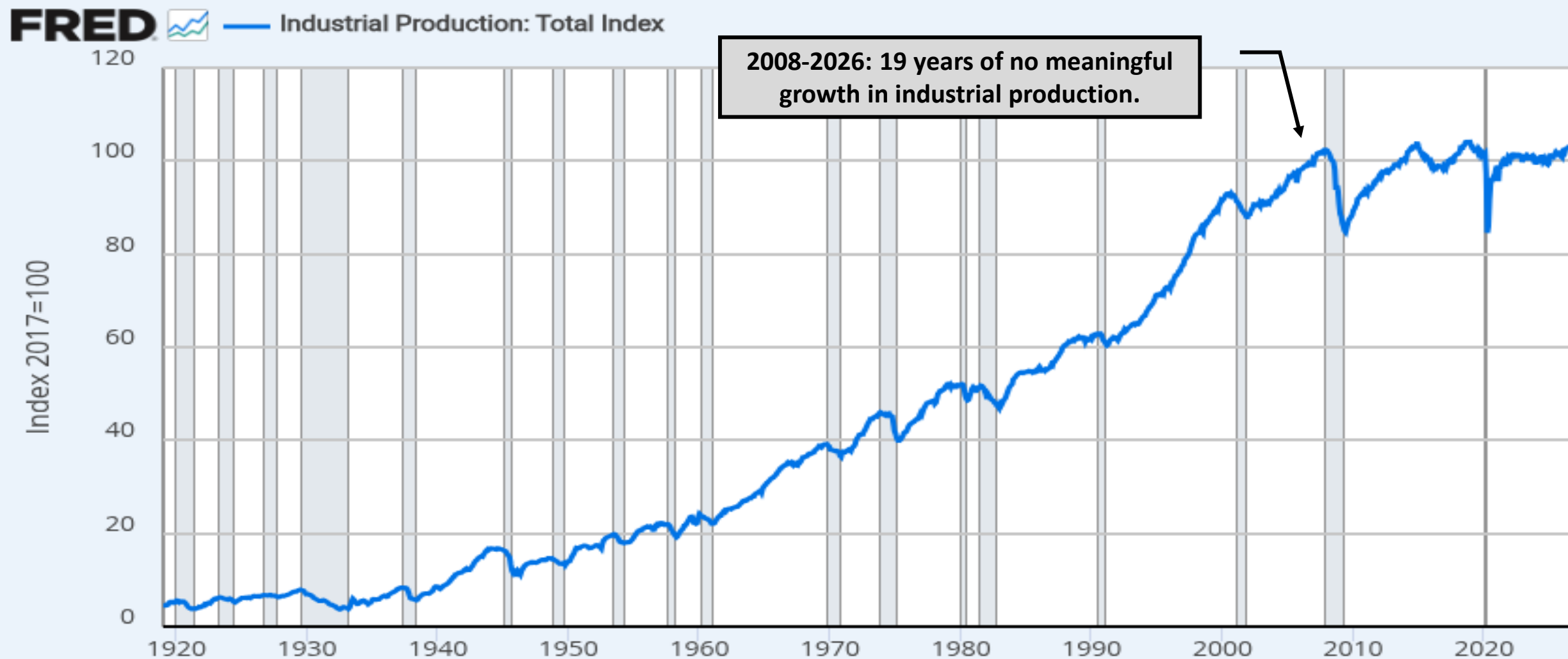


U.S. GDP Growth, 2018 - 2031



GDP growth heavily weighted towards high-income consumers and AI investment.

U.S. Industrial Production Index, 1919-2026

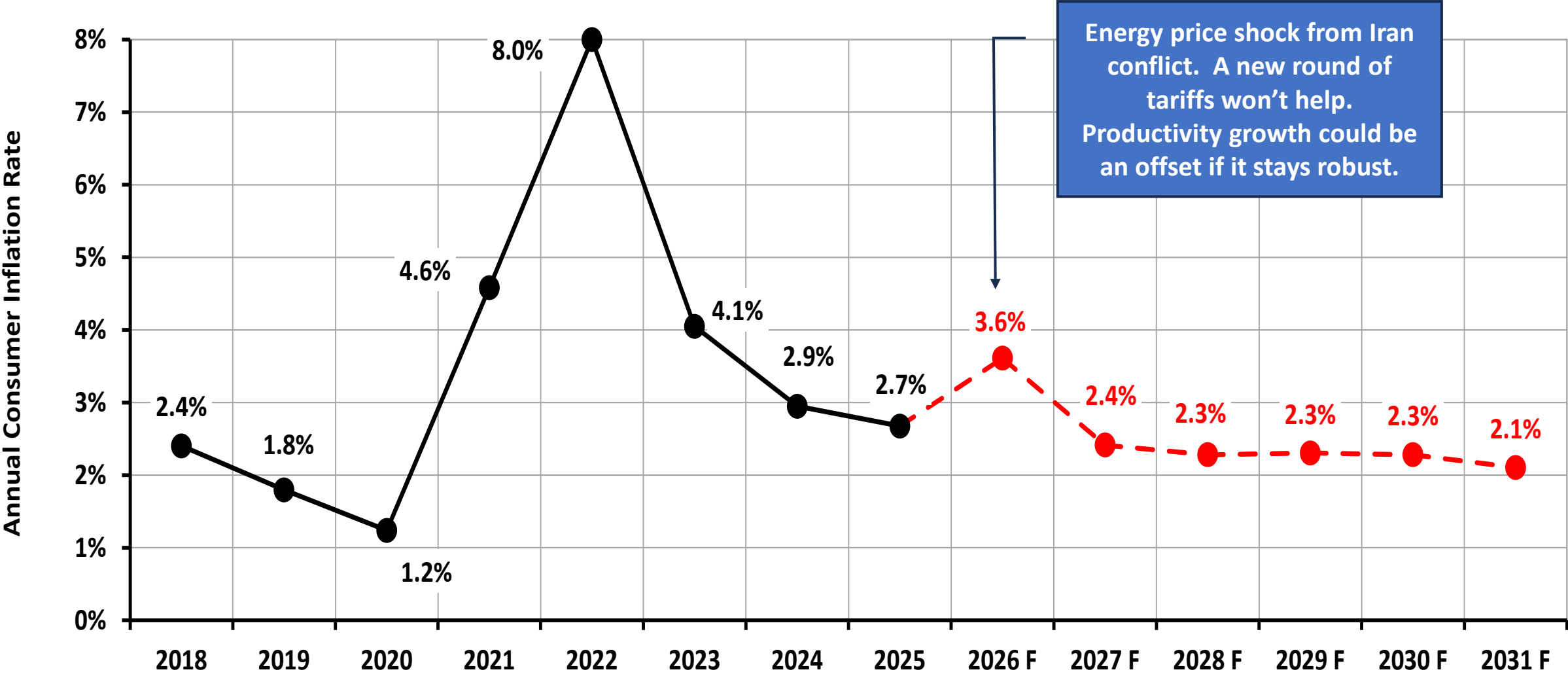


Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions.

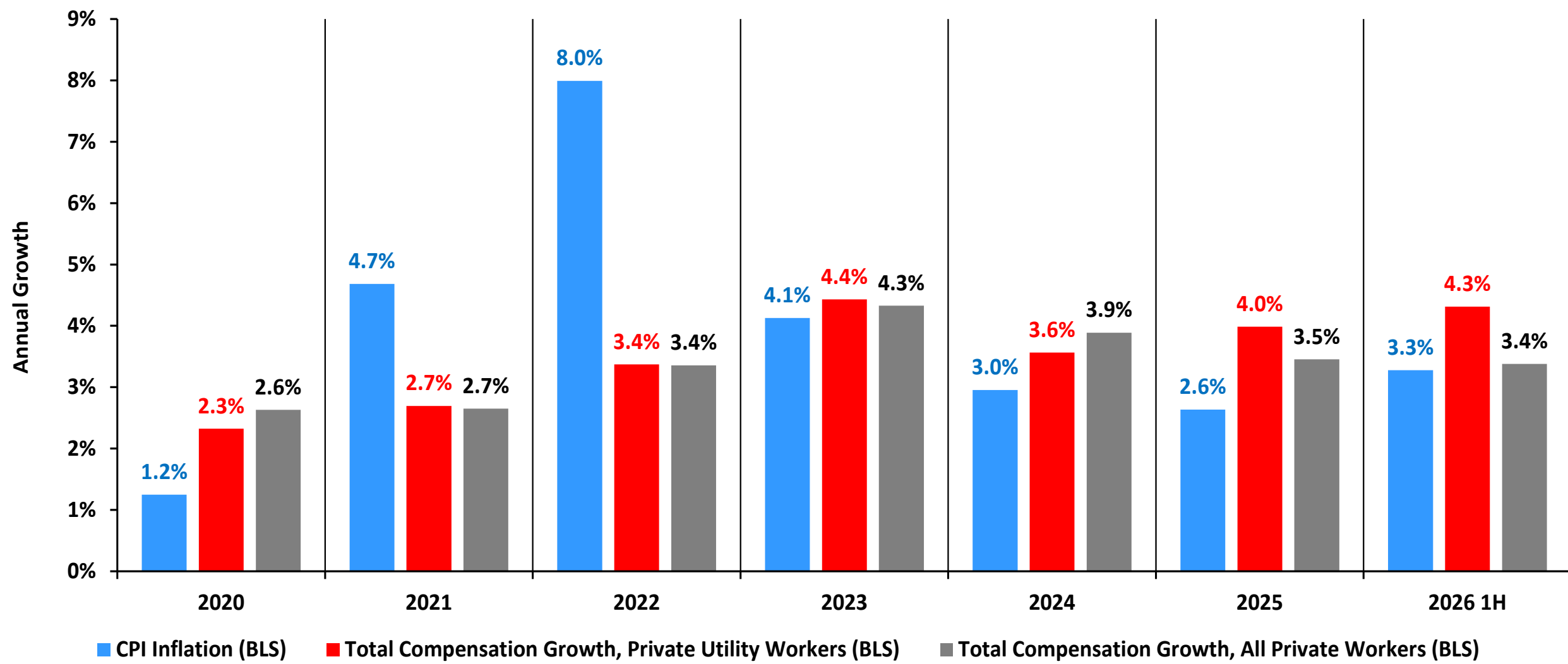
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U.S. CPI Inflation, 2018 - 2031



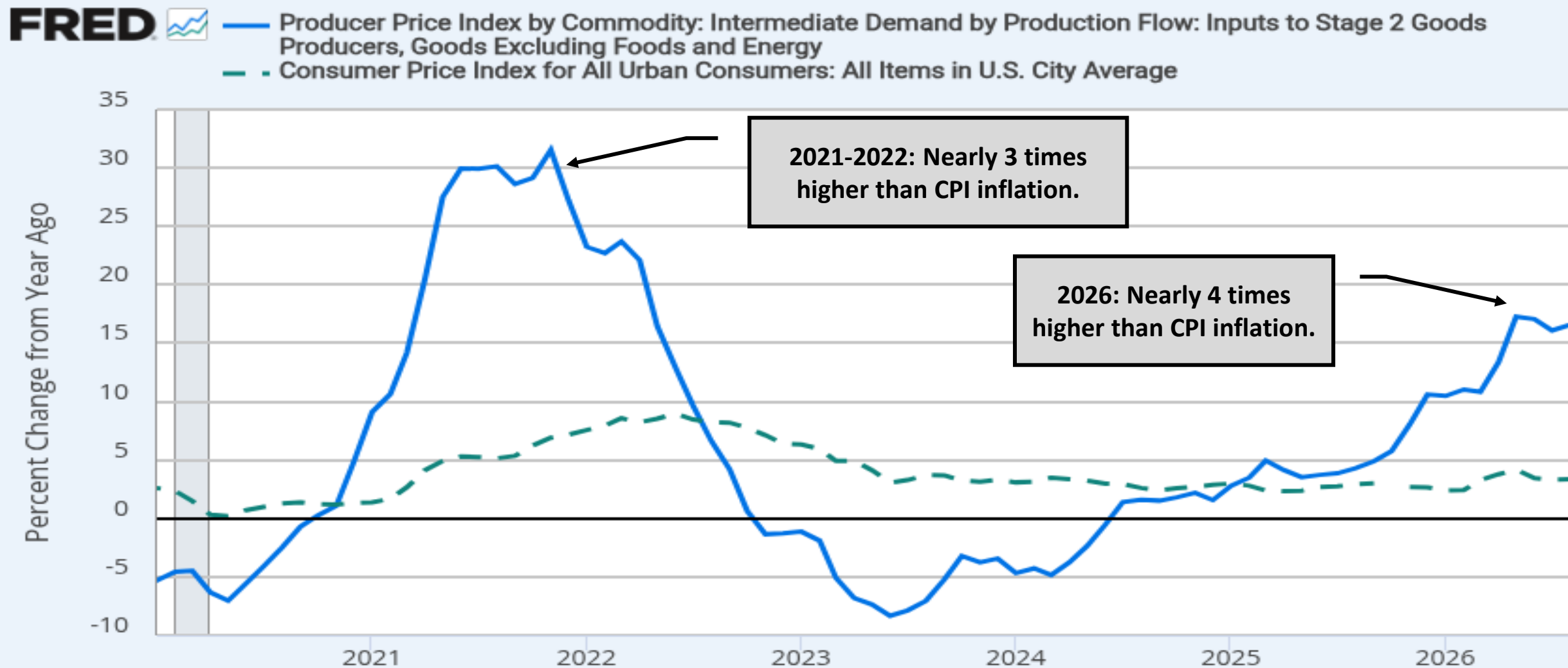
Source: BLS, various forecast surveys, and author's calculations.

U.S. Employment Cost Index, 2020 - 2026



Source: BLS and author's calculations.

Stage 2 PPI Input Inflation, 2020 - 2026

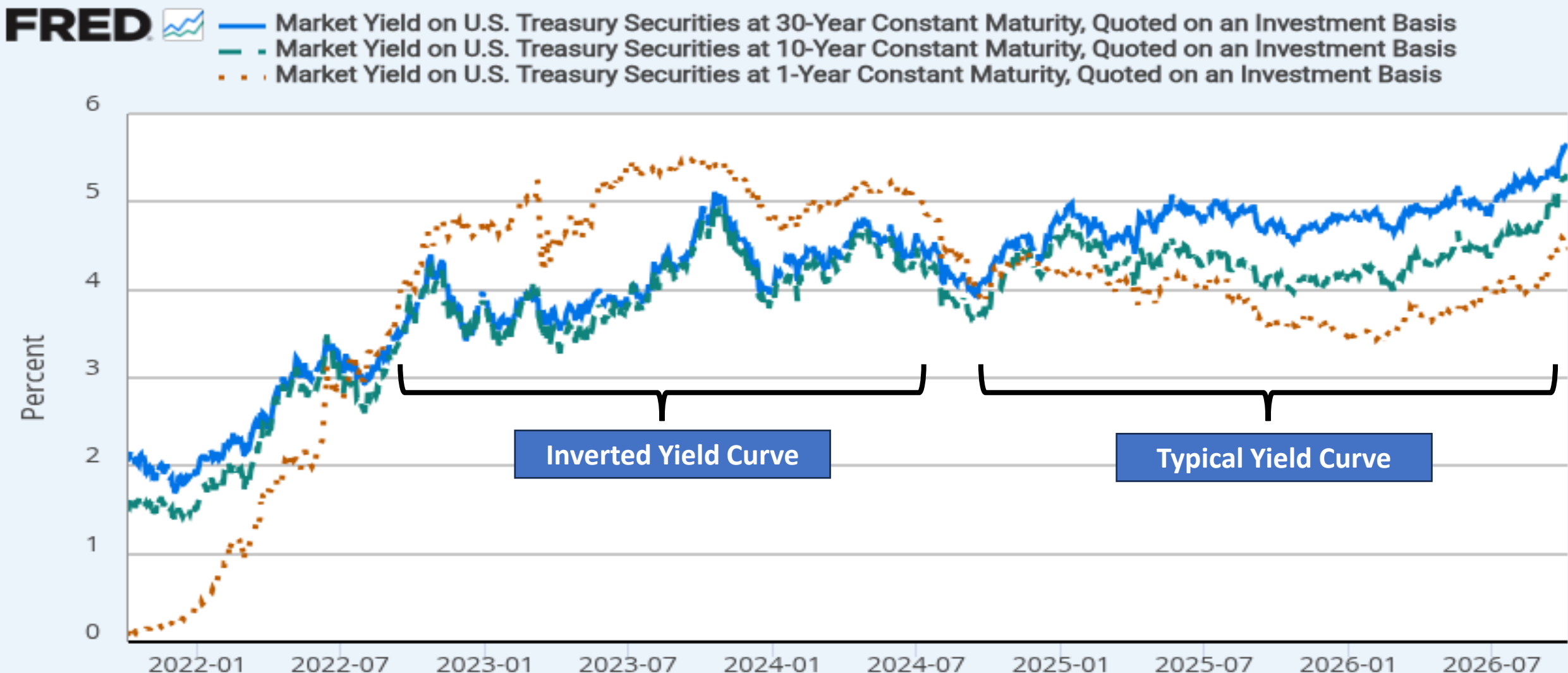


Source: U.S. Bureau of Labor Statistics via FRED®

Shaded areas indicate U.S. recessions.

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U.S. Treasury Rates, 2022 - 2026

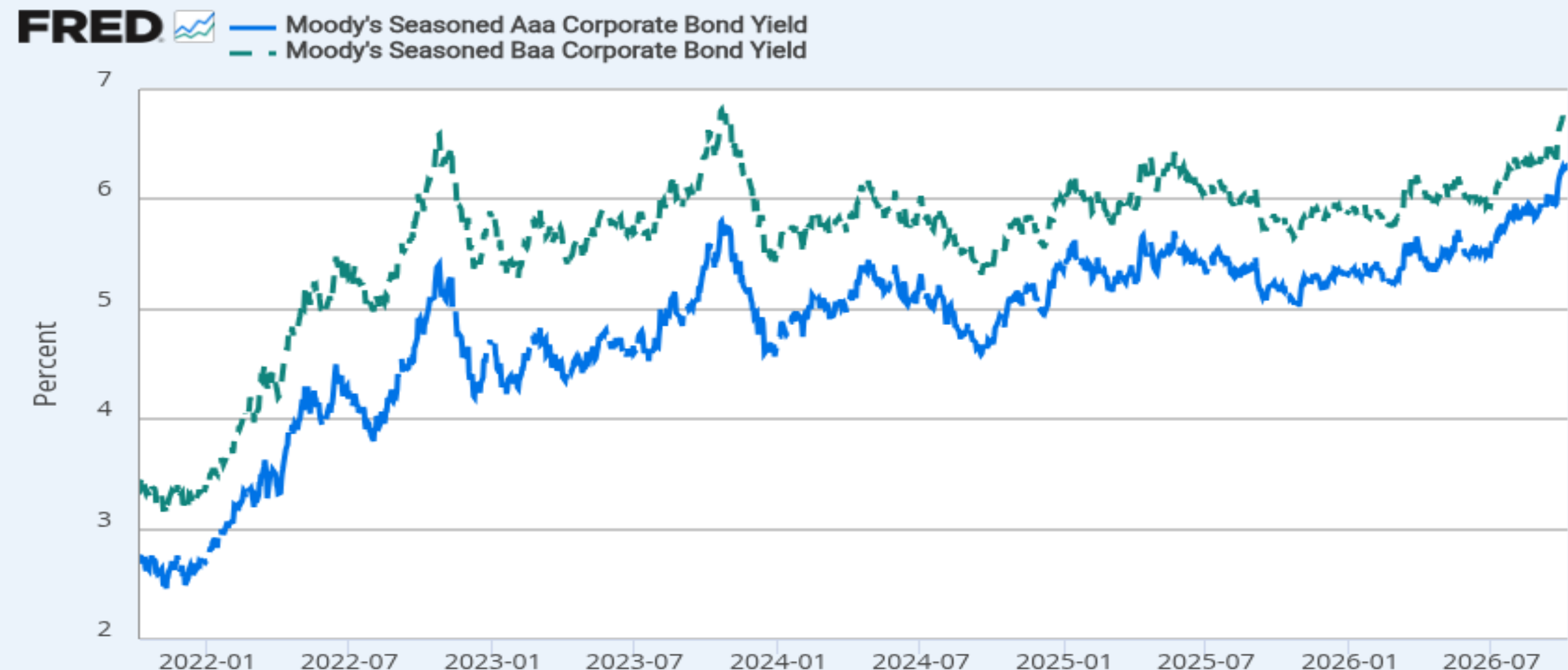


Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions.

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Investment Grade Corporate Bond Yields, 2022 - 2026

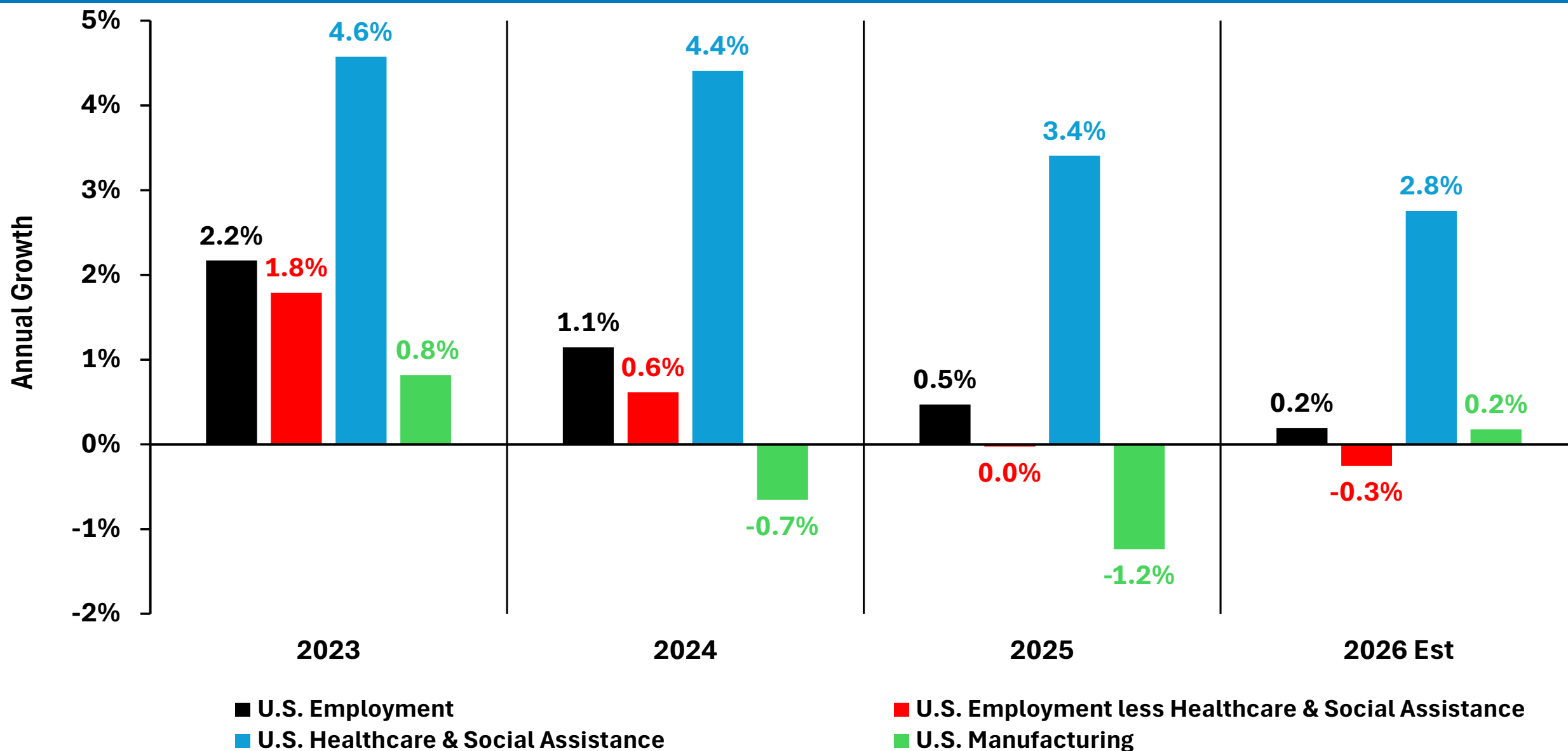


Source: Moody's via FRED®

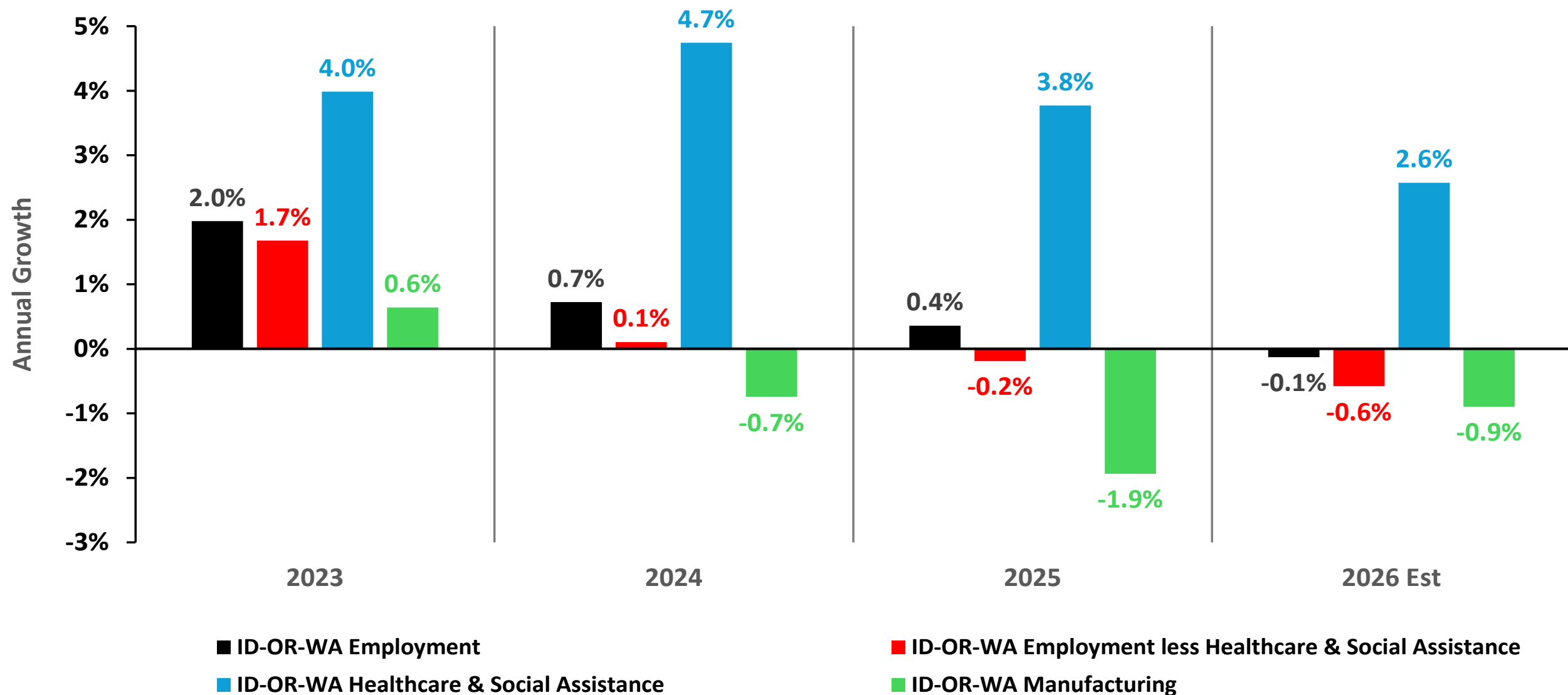
Shaded areas indicate U.S. recessions.

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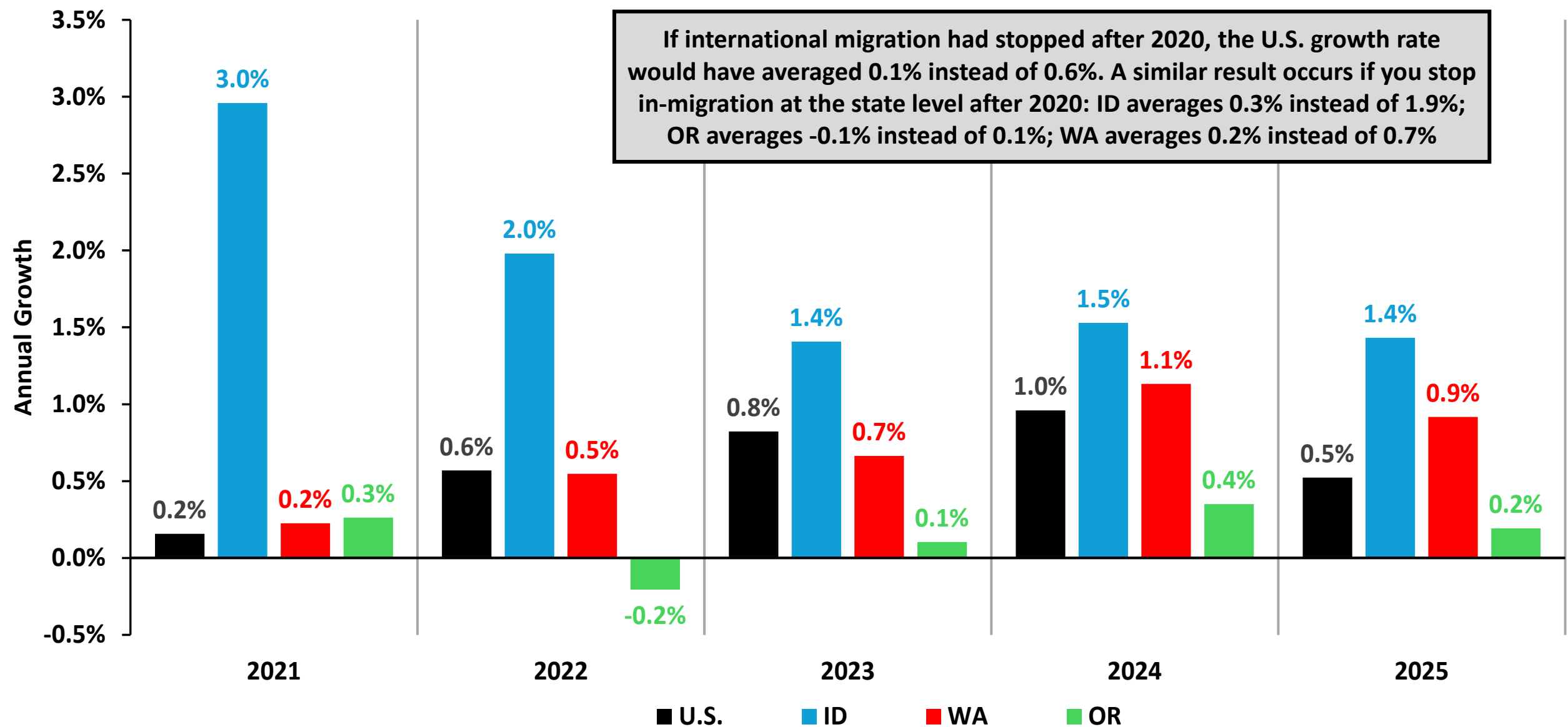
U.S. Employment Growth, 2023 - 2026



ID-OR-WA Employment Growth, 2023 - 2026



ID-WA-OR Population Growth, 2020 - 2025



Source: U.S. Census and author's calculations.

Summary

- **U.S. GDP and industrial production growth: growth is unbalanced and uncertain.**
- **Consumer and business inflation: higher inflation for this year and next.**
- **U.S. Treasury and corporate bond rates: moving into a higher rate environment.**
- **U.S and regional employment growth: healthcare is carrying the day.**
- **U.S. and regional population growth: it's still all about in-migration.**