

## Region must close energy gap

*JOHN REGAN and CARL GUSTIN As you were saying . . .*

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Massachusetts and the other New England states have among the highest natural gas and electricity prices in the U.S., a distinction that is increasingly being driven by inadequate energy infrastructure.

Natural gas now fuels nearly half the region's electric generation. Pipeline infrastructure has simply not kept pace with demand. Furthermore, many of the region's older nuclear, coal and oil electricity-generating plants have — or will soon — retire due to environmental and economic factors. These retirements will require replacement generation, expanded natural gas pipeline capacity, and new transmission lines to move electricity to and within the region. The New England governors have reported that over the past three winters, the region's families and businesses have paid \$7.5 billion more for electricity and natural gas than during the benchmark year of 2010-2011. It leads to a basic question — what exactly are the ramifications if the region continues to pay such a premium?

The New England Coalition for Affordable Energy commissioned the team of La Capra Associates and the Economic Development Research Group to quantify the economic ramifications to the region if additional energy infrastructure is not built over the next five years.

In addition to natural gas pipelines, the study: took into account conservation and efficiency programs, assumed that wind generation increased substantially to meet the aggressive renewable portfolio standards of each state, and included Canadian hydropower imports.

The conclusions of the study are clear and compelling. By 2020, failure to expand the region's natural gas and electricity infrastructure will cost New England households and businesses \$5.4 billion more in energy costs, reduce disposable income by about \$12 billion and cost the region 167,600 jobs.

Higher energy costs — electricity in particular — burdens the region's employers. Last winter, New England businesses paid between 35 percent and as high as 91 percent above the national average for electricity.

Obviously, when infrastructure isn't built, construction jobs as well as all of the other jobs involved in supporting this important sector of the economy are affected. Forgoing investment in wind generation, electricity transmission lines and natural gas pipelines would result in the temporary or permanent loss of about 115,600 construction and construction-related jobs. The cost of energy doesn't have to increase by billions of dollars. And tens of thousands of new and existing jobs don't have to be lost.

A range of infrastructure projects have been proposed — including natural gas pipelines, electricity transmission lines and on-shore wind generation. But, many face special interest opposition, seeking only to obstruct and otherwise undermine their viability so that they are never built. Permitting and regulatory processes should be streamlined.

The New England states not only share borders and economic ties, but also a highly integrated energy infrastructure system. Like it or not, we are all in this together, and not building new energy infrastructure in one state affects consumers and jobs in every state. Political leadership and public support to build new energy infrastructure projects are needed — and needed now — to make energy more affordable and to protect jobs.

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