

# NEW ENGLAND COALITION FOR **AFFORDABLE ENERGY**

## **FOR IMMEDIATE RELEASE:**

Contact: Carl Gustin, 978-491-0581, ([cgustin@NEaffordableenergy.org](mailto:cgustin@NEaffordableenergy.org))  
Stephen Allen, 617-640-6522, ([sallen@NEaffordableenergy.org](mailto:sallen@NEaffordableenergy.org))

### **Study By New Coalition Shows Clear, Compelling and Immediate Economic Consequences from Failure to Build Energy Infrastructure in New England**

*By 2020, \$5.4B more in energy costs, 167,000 jobs lost, \$12.5B less in disposable income*

**Boston, MA – 8/27/15** – New England is facing significant economic consequences if electricity and natural gas infrastructure is not built over the next five years, according to a study commissioned by the New England Coalition for Affordable Energy.

The Coalition is a newly formed organization whose founding members include prominent business and labor groups advocating for more affordable energy for the region’s consumers and businesses.

The study, conducted by Boston consulting firms La Capra Associates and Economic Development Research Group, found that failure to expand the region’s energy infrastructure will lead to higher energy costs for households and businesses between 2016 and 2020 of \$5.4 billion, a reduction in disposable income that could top \$12 billion, and 167,600 jobs lost or not created. These impacts would ramp up from 2016 through 2020, with similar or larger impacts expected beyond that timeframe if infrastructure is not added.

These consequences would be on top of the reported \$7.5 billion in higher energy costs the region has already incurred over the past three winters due to the natural gas pipeline system reaching maximum capacity during winter months to meet both electricity generation and space heating demands.

“The large number of job losses quantified in the study are caused by the combination of higher energy costs and the loss of additional infrastructure investment. Specifically, higher energy costs alone would cause the region’s economy to lose 52,000 private-sector jobs by 2020. Job losses in 2020 would negate 80 percent of the private-sector job growth projected for that year,” said Carl Gustin, spokesman for the Coalition. “And the loss of additional infrastructure investment would result in another 115,600 temporary or permanent job losses,” added Gustin.

“While prior studies have examined the need for specific projects or types of infrastructure in the region, this study examined multiple types of infrastructure to reduce energy costs including natural gas pipelines, electricity transmission lines, renewable and non-renewable electricity generation,” said Alvaro Pereira, Principal Consultant at La Capra Associates, one of the study’s authors. “This involved sophisticated and multifaceted modeling coupled with

the use of realistic assumptions to capture the interactions among natural gas and electricity infrastructure systems in New England.”

The energy price impacts of the constrained energy infrastructure system were then analyzed using a dynamic, economic impact model developed by Regional Economic Models, Inc. (REMI) to determine broader impacts on the economy, jobs, personal income and regional competitiveness. The focus of the study was to review infrastructure investment primarily for economic purposes – to reduce prices – rather than investment deemed to be needed solely for reliability purposes.

“The positive news is that infrastructure projects have been proposed, and some are underway, that would mitigate or eliminate these adverse consequences. It’s clear that energy infrastructure is needed to provide New England households and businesses with more affordable energy, but timely decision-making by regulatory and permitting agencies is necessary if the region is to achieve more affordable prices for consumers and improved competitiveness for employers,” said Gustin.

The study marks the launch of the New England Coalition for Affordable Energy which was formed to advocate for the expansion of the region’s natural gas and electricity infrastructure – to make these vital energy commodities more affordable to consumers and businesses.

While the Coalition does not take positions on individual projects, its mission is to provide factual information, credible research and analyses to policymakers, elected officials and the public on the need for energy infrastructure. The Coalition also advocates for the importance of timely decision-making and highlights the consequences of inaction.

Founding members from all six New England states represent tens of thousands of employers ranging from small, independent firms to multi-national corporations: Associated Industries of Massachusetts, Associated Industries of Vermont, Business & Industry Association of New Hampshire, Brotherhood of Utility Workers Council, UWUA 369, Connecticut Business & Industry Association, Independent Oil Marketers Association of New England, NAIOP Massachusetts, National Federation of Independent Business (CT, MA, ME, RI, VT Chapters), Maine State Chamber of Commerce, Retailers Association of Massachusetts, Rhode Island Business Coalition.

The full study is available at [www.NEaffordableenergy.org](http://www.NEaffordableenergy.org)