

# New England Energy Infrastructure Shortfall



## Client

New England Coalition for Affordable Energy

## Facts

Period

2015

Project Country

United States

**For the New England Coalition for Affordable Energy, EDR Group (now EBP) was teamed with La Capra Associates to develop a study of how the New England regional economy would be affected in the near-term if electricity and natural gas prices increase as a result of a shortfall in generating infrastructure or delivery infrastructure. EDR Group worked with La Capra's energy cost analysis (a cumulative \$5.4 billion increase in 2014, approximately 0.1% of New England's cumulative GRP for the study interval) and the infrastructure investment short-fall analysis (valued at \$9 billion in 2014, 53% of this would have benefited a combination of New England firms or resident construction workforce) and quantified the annual job, gross regional product, and personal income impacts for the region through 2020.**

Notable findings from the consideration of higher energy prices:

- In 2020 the private-sector jobs lost for the region, some 25,6000 jobs, cancel out 80 percent of the region's expected job growth from 2019 to 2020.
- Job losses are concentrated largely in consumer serving sectors - Retail, Health Care, Restaurants, but also Manufacturing, Construction.
- Lost dollars of gross regional product between 2016 and 2020 are \$5.6 billion with 5% of this attributable to reduced export competitiveness; 68% is due to reduced consumer spending, largely the result of the residential energy customer segment bearing 40% of the cost increase burden, and 20% a result of a slow down in the general investment environment under higher regional costs-of-doing business.

Notable findings from the consideration of foregoing infrastructure construction activities between 2016 and 2019 — not building pipeline, on-shore Wind, transmission lines, and natural gas fired generating plants —

- An average annual job lost for the region of 28,900 jobs, largely in the Construction sector (60%), Manufacturing (14%), and Retail (10%).
- Cumulative GRP loss worth \$10.5 billion.

## Contact Persons