



Business and Industry Association
New Hampshire's Statewide Chamber of Commerce

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June 2, 2015

Alexander F. Speidel, Esq.
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Dear Attorney Speidel:

I am writing in response to the commission staff's request for input regarding the high cost of energy and electricity in New Hampshire and the region. The Business & Industry Association (BIA), New Hampshire's statewide chamber of commerce and leading business advocate, represents more than 400 members in a variety of industries including advanced manufacturing, high technology, professional services, financial services, health care, hospitality, tourism, public utilities, higher education and insurance. Our member firms employ 86,000 people throughout the state, which represents one in eight jobs, and contribute \$4.5 billion annually to the state's economy.

The cost of electrical energy in New Hampshire is of great concern and a "crisis" for many, particularly if you're a large energy user in the manufacturing sector. By almost any measure, manufacturing contributes more to the New Hampshire economy than any other sector. The high cost of electricity impacts us all: small businesses, large businesses and residents alike. This past winter electricity users in New Hampshire and the rest of New England paid \$2 billion more for energy than they did just a few years ago. The winter before, they paid nearly \$5 billion more.

What is the cause of our high electricity costs? For starters, New England lacks enough natural gas pipeline and electrical transmission capacity to balance electricity supply with demand. This will continue to be a grave challenge for businesses in New Hampshire and the region until key energy infrastructure expansion projects are approved and constructed, which will take years. This is compounded by the retirement of non-gas-generating facilities, which will further exacerbate our reliance on natural gas.

What is the solution? New England governors recently met to discuss the high costs of electricity and identify steps needed to provide some relief to the region. New Hampshire and the region as a whole need to encourage expanded natural gas pipeline capacity and increased electrical transmission into the region, among other things. This will require education, outreach and action by policy makers to move beyond the rhetoric of those who claim there is no crisis and who work to create delays, which increase project costs. This will not only bring some energy infrastructure proposals to a halt; but it will be a deterrent for developers of new projects.

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Until now, BIA worried about lost job growth and economic activity as businesses expanded operations elsewhere. Given the current energy crisis, we now face a bleaker scenario: employers moving existing jobs out of New Hampshire and the region to lower-cost locations around the country or world. Those businesses unable to expand or relocate elsewhere will be forced to redirect resources towards their energy bills rather than job growth.

Thank you for the opportunity to provide input regarding the high cost of energy and electricity in New Hampshire and the region. Please do not hesitate to contact me with any questions.

Best regards,

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal stroke that extends to the right.

Jim Roche
President