Hydro-Quebec cut off electricity exports on main power line into New England. What happened?

By Jon Chesto Globe Staff, Updated March 11, 2025, 6:54 p.m.



One of Hydro-Quebec's dams, located on the Manicouagan Reservoir, in December 2018. DAVID L. RYAN/GLOBE STAFF

Power supplier Hydro-Quebec stopped exporting electricity into New England's wholesale market in recent days as the Trump administration <u>rolled out tariffs</u> for Canadian imports.

Data provided by grid overseer ISO New England show that starting last Thursday, no electricity has flowed on the main transmission line between Quebec and New England, with few exceptions. The flow stopped two days after President Trump's <u>tariffs on many</u> Canadian imports took effect on March 4.

An executive with Hydro-Quebec, a utility owned by the Quebec provincial government, pointed to weather issues, not politics or international trade tensions, as the reason the juice stopped flowing.

Hydro-Quebec's Serge Abergel said the company hasn't sold any power into New England since last Thursday, and any power that did go to New England on the main transmission line or a secondary line to Vermont since that time came from neighboring areas, simply moving through Hydro-Quebec's grid network.

"Our current stance on the market is price driven," said Abergel, chief operating officer for Hydro-Quebec's US operations. "The warmer weather of the past few days has brought lower prices, which explains our strategy."

While Hydro-Quebec pared back its exports to New England last year <u>in response to a severe drought</u>, it's highly unusual to go this long without exporting into New England's wholesale market. Wholesale electric prices tend to drop as the weather warms up, and apparently that made it less profitable for Hydro-Quebec to sell into the region.

An ISO New England spokesperson said New England still had a surplus of electricity, so the loss of Hydro-Quebec's power did not affect reliability.

The cutoff of exported power from Quebec comes at a sensitive time, with Trump imposing a 10 percent tariff on Canadian energy and promising a 25 percent tariff on many other Canadian imports — essentially sparking a trade war with Canada, normally a close ally.

For now, it's not clear whether hydroelectricity qualifies for Trump's 10 percent tariff on energy imports from Canada, or the broader 25 percent tariff, or is exempt altogether. The Trump administration paused <u>tariffs</u> on Canadian imports until April 2 if those imports comply with a 2018 trade pact between the United States, Canada, and Mexico.

ISO New England officials have been asking for clarity from US Customs and Border Protection and the US Treasury but have not received definitive answers yet. Based on legal precedents, ISO New England officials do not believe the tariffs apply to electricity, and if electricity is not exempt, they do not believe their organization should be responsible for collecting or remitting the duties.

That said, ISO New England filed a document with federal energy regulators on Feb. 28 with a cost-allocation proposal if electricity is deemed to be included and the Holyoke-based grid overseer is required to collect.

All this uncertainty raises questions about whether the trade fight will trickle down to electric bills, including Hydro-Quebec contracts with Massachusetts utilities that are expected to take effect around the end of the year, with the completion of the New England Clean Energy Connect power line through Maine to Canada.

On Monday, Massachusetts Governor Maura Healey touted the new power line and the hydroelectricity it brings as a way to <u>help save ratepayers money</u>. But this week, Quebec Premier François Legault said he would not rule out passing on the added costs of the tariffs to Massachusetts — and to New York, which has a similar power-line contract about to start next year — if the trade fight is not resolved before those contracts begin.

On the matter of the New York and Massachusetts contracts, Abergel said, "We are committed to our contracts and construction is continuing."

Energy consultant Robert McCullough, who tracks Hydro-Quebec's power output, said the company and province have a straightforward decision once the spring thaw begins: Should they refill their reservoirs to normal levels with the onrush of snow melt, or release that water for quick profits? He said, "Given the trade war, they may simply choose the prudent path of refilling reservoirs and see if Trump blinks."

Dan Dolan, president of the New England Power Generators Association, noted that electricity imports into New England from Hydro-Quebec had already declined precipitously in 2024 because of drought conditions there and increased demand in the province. That decline should be a warning for policymakers in the region who hoped to turn to more hydroelectricity in Canada to improve the New England grid's reliability and decrease its carbon emissions.

"It now puts an even sharper focus on the need to build the facilities necessary to meet electricity demand growth here and preserve the existing facilities that continue to serve as the [grid] reliability backbone," Dolan said. "To the degree there is any further response from our neighbors to the tariffs that the US appears to be imposing, we need to sharpen our focus on how we build and maintain [power generation] facilities here in the region."

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