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## Trump tariffs could raise energy bills in Connecticut and New England

Luther Turmelle : 7-9 minutes : 2/1/2025



A file photo of the entrance to the Kleen Energy Systems power plant in Middletown. The cost of natural gas to run power plants like this one could increase if the Trump Administration imposes a 25 % tariff on imports from Canada.

Cassandra Day / Hearst Connecticut Media /

Economists, energy experts and public officials in Connecticut and Massachusetts are warning that [President Donald Trump's plan to impose tariffs](#) on Canada, Mexico and China could [translate into higher electric and gas bills for consumers here](#).

Trump signed orders imposing 25% tariffs on America's neighbors to the north and south and 10% on China on Feb. 1, causing Massachusetts and Connecticut officials to sound the alarm about how it will affect energy consumers here in New England.

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"The impact would certainly be felt by everyone and would probably be felt pretty quickly," said Katie Dykes, commissioner of the [Connecticut Department of Energy and](#)

[Environmental Protection](#). "It's certainly something we've got our eyes on. But it's something we're still assessing what ultimate outcome is likely to be."

Dykes [said hydropower is responsible for between 7% and 8% of New England's energy mix](#) on an average annual basis. Most of that comes from contracts with HydroQuebec.

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Dykes comments come about a week after Massachusetts Gov. Maura Healey told business leaders in that state that Trump's tariff plans could spike electricity costs by as much as \$200 million a year.

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"It's terrible," Healey said during her speech at an Associated Industries of Massachusetts gathering in Waltham, Massachusetts on Jan. 23.

Without giving details, Trump in speaking to reporters late Friday afternoon, continued to threaten implementing tariffs this weekend on the three countries, primarily on pharmaceuticals, metals, and electronic chips, in the hope of getting cooperation to stop illegal immigration and smuggling of drugs used to make fentanyl, boost domestic manufacturing and raise revenue. It's not immediately clear what the impact will be on American consumers, but both Canada and Mexico have said they may impose retaliatory tariffs.

Trump declared an economic emergency to put duties of 10% on all imports from China and 25% on imports from Mexico and Canada — America's largest trading partners — except for a 10% rate on Canadian oil. The White House said Trump's order also includes a mechanism to escalate the rates if the countries retaliate against the U.S.

Donald Klepper-Smith, an economist with South Carolina-based DataCore Partners, said Trump's plans for Canadian tariffs "stand to make a difficult situation worse." Klepper-Smith predicted that if Canadian tariffs are imposed, U.S. consumers will see what they pay for energy increase by at least \$100 million.

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"To the degree that those energy imports are impacted, it's going to hurt the state of Connecticut," Klepper-Smith said. "Forty percent of economic growth is tied to the cost of doing business. This is a really important economic development issue; protectionism works against economic growth, not only domestically, but internationally."

Holyoke, Mass.-based ISO-New England operates the region's electric grid and oversees the wholesale electric market. Mathew Kakley, a spokesman for ISO-NE, said while officials at the electric grid operator are "expecting changes in federal policy under the new administration, it's too early to tell exactly what impact they will have on things here."

Robert Kaufmann, a professor in the Department of Earth and Environment and the Center for Energy & Environmental Studies at Boston University, said without knowing the details of any tariffs the Trump Administration might impose, it's impossible gauge how much more consumers will pay in energy costs.

Robert McCullough, managing partner of Oregon-based McCullough Research, said tariffs "are a difficult policy tool."

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"The balance of trade between the U.S. and Canada is negligible," McCullough said. "And they can respond with identical tariffs, so it is area that we have no significant leverage."

Dykes said the impact is likely to go beyond what U.S. customers pay for hydropower.

One of the ways that natural gas produced in foreign countries is imported to the United States is from a liquified natural gas facility in St. John, New Brunswick. Liquified natural gas arrives at the Canadian facility on tanker ships and is then converted from its super-cooled state to the type of natural gas that is used to run power plans and heat homes.

From the facility in New Brunswick, the natural gas comes into the United State via an 810-mile pipeline that travels through Nova Scotia and New Brunswick, then on to Maine and New Hampshire. The imported fuel then becomes part of the North American natural gas grid in Dracut, Massachusetts.

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Nearly half of the electricity that is produced for use by the six New England states comes from natural gas fueled power plants, according to ISO-NE.

In addition to hydropower and natural gas, the U.S. also imports crude oil from Canada.

Canada is the United States' largest crude oil partner, by far, and many landlocked markets lack alternative suppliers, according to The Atlantic Council, a Washington, D.C. think tank specializing in international affairs. Through the first 10 months of 2024, Canada comprised about 62% of all U.S. crude oil imports.

The majority of the crude oil that is imported to the United States from Canada enters this country through pipelines located in the Midwest and Rocky Mountain regions.

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Kaufmann said tariffs, if used against Canada, are "going to be a problem everywhere in the United States" because it will drive up prices across the entire fossil fuel market, not just for those companies paying the tariffs.

"If you are a domestic producer of oil or natural gas, you're not going to sell it at a discount," he said. "It's going to allow other producers to charge a higher price. This tariffs is really a way to increase the price; that's basic Econ 101."

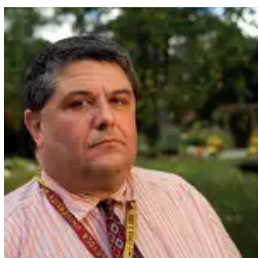
Kaufmann said Trump's energy policy will also drive up exports of domestically produced natural gas.

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"The producers here will have a larger market, a higher price and eventually that will lead to a higher price for consumers," he added.

*This story includes reports from the Associated Press and has been updated to reflect that Trump has signed the tariff order.*

Feb 1, 2025



Reporter

**Luther Turmelle is a business reporter with Hearst Connecticut Media Group. Turmelle has covered the towns of Cheshire and Wallingford and he specializes in the utility and energy beats. A graduate of Boston University, Turmelle has held multiple leadership roles in the Society of Professional Journalists, including two terms on the organization's national Board of Directors.**