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What Trump tariffs could mean for Oregonians' heating and lighting bills

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President Donald Trump said this week that his [25% tariffs on Canadian and Mexican exports](#) to the United States will be imposed starting Saturday, raising the specter that Oregonians reliant on natural gas from the north could be hit hard.

If such tariffs are imposed, and they don't exclude all fossil fuels, experts say Northwest energy consumers could feel the pinch, as the region is dependent on Canada for supplies of crude oil, natural gas and electricity. That dependence is particularly heavy for natural gas, and any increase in prices could add to [the already steep rate increases](#) ratepayers of natural gas and electric utilities have seen during the last five years.

"Customers should be worried about it," said Bob Jenks, executive director of the Oregon Citizens' Utility Board, a ratepayer advocacy group. "It could have a substantial impact."

State regulators, meanwhile, said it's too early to know how tariffs could hit consumers.

More than one in three Oregon households use natural gas as their primary source of heating, according to the U.S. Energy Information Administration. About a quarter of the electricity consumed in Oregon is generated by burning natural gas. And the price of natural gas is significant driver of the cost of wholesale electricity, which utilities buy to meet demand, particularly at times of energy scarcity.

Utility companies typically pass along the cost of purchasing energy sources like natural gas directly to customers.

Energy markets are dynamic, however, and it's not immediately clear how tariffs would filter through to consumers. Robert McCullough of McCullough Research, a Portland-based energy consultant, said previous spikes in Canadian gas prices have shown up immediately in U.S. wholesale electricity prices paid by utilities.

"There is no, 'What happens in Alberta, stays in Alberta' rule," he said.

Since the natural gas currently produced in British Columbia and Alberta have no direct outlet to export to other countries, he said, a tariff effectively turns into a tax on U.S. firms that purchase it.

The American Petroleum Institute sent a letter this week to the U.S. Office of Trade Representative urging the Trump Administration to exempt crude oil and natural gas from any tariffs, saying they would directly affect affordability and availability for consumers.

U.S. Sen. Ron Wyden, D-Oregon, said it's not clear who the president is listening to.

"Donald Trump isn't exactly consulting with anybody beyond himself and his circle of cronies on tariffs on Canadian energy or any other tariff," Wyden said in an emailed statement from his office. Wyden accused Trump of being more concerned with settling personal scores than in targeting tariffs to change long-term behavior and cut costs for

Americans, while Trump insists the tariffs are necessary to stem the flow of illegal immigrants at the northern and southern borders.

Due to geographic proximity and existing pipeline networks, the Pacific Northwest is heavily dependent on Canada for its supply of natural gas. About two thirds of Oregon's natural gas arrives on pipelines from British Columbia and Alberta, according to data from the Oregon Department of Energy.

About half that gas is used to generate electricity, fueling about [a quarter of overall electrical use](#) in the state and up to 40% of the electricity delivered by the state's largest electric utility, Portland General Electric, according to state reports and PGE.

There are 17 gas-fired plants in the Northwest, nine of them in Oregon, all of which rely on gas supplied from Canada, according to data gathered by Energy GPS, a Portland-based energy consulting firm. Collectively, they consume about 1.1 billion cubic feet a day of Canadian gas to produce about 5,600 megawatts of electricity in winter months – enough to power more than 5 million homes.

"There is no viable substitute for the Canadian natural gas without major gas pipeline infrastructure expansion," said Tim Belden, a principal at the firm.

While the impact of gas costs on electricity bills varies widely by utility, they typically make up about two thirds of home energy bills from a natural gas utility, according to the American Gas Association.

Northwest Natural, the state's largest gas utility, buys about 60% of its natural gas supply from Canada, according to a 2023 filing with state regulators.

While utilities typically source a portion of their gas supplies under long-term supply contracts that protect them from immediate swings in wholesale prices, it's unclear how the provisions of those contracts treat tariffs. Federal filings show Northwest Natural buys about a quarter of its gas supply under long-term contracts.

Northwest Natural declined to comment on the potential impact of tariffs.

State regulators at the Oregon Public Utility Commission examine each utility's energy prices annually, considering forecasted prices and actual costs from the previous year, which can result in an increase or decrease of rates.

The annual power cost adjustments are subject to a cost-sharing mechanism that incentivizes utilities to control energy costs where possible, and an earnings test that examines whether the utility's earnings are still within an authorized range despite any change in energy costs.

Kandi Young, a spokesperson for the Oregon Public Utility Commission, said it is too early to tell what price impact tariffs may have on power costs and consumer rates.

RECOMMENDED

"The PUC will continue to monitor any impacts and will scrutinize any requests for rate recovery on a case-by-case basis," she said.

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