

New Hampshire ECONOMIC CONDITIONS

March 2025

Ski No More PHOTO CREDIT

Maple in the Mountains PHOTO CREDIT

Flowers in Snow PHOTO CREDIT

Winter Beach PHOTO CREDIT

New Hampshire Energy Prices Remain Among the Highest in the Nation

Energy Prices in New Hampshire – Residential, Commercial, and Industrial

In 2021, state lawmakers created the New Hampshire Department of Energy (NHDOE). The newest state agency, NHDOE is empowered to provide regulatory support and enforcement capacity for the Public Utilities Commission (PUC) as well as developing comprehensive “... strategies, concepts, and tools to enhance outreach and education programs to increase knowledge and awareness about energy efficiency and sustainable energy among New Hampshire residents and businesses.”¹ New Hampshire’s high residential energy costs make improving efficiency a top priority: as of December 2024, the average retail price of residential electricity was 23.62 cents per kilowatt-hour, the eighth highest in the country.²

High energy costs are not just burdensome to residential customers, the commercial and industrial sectors accounted for 56 percent of

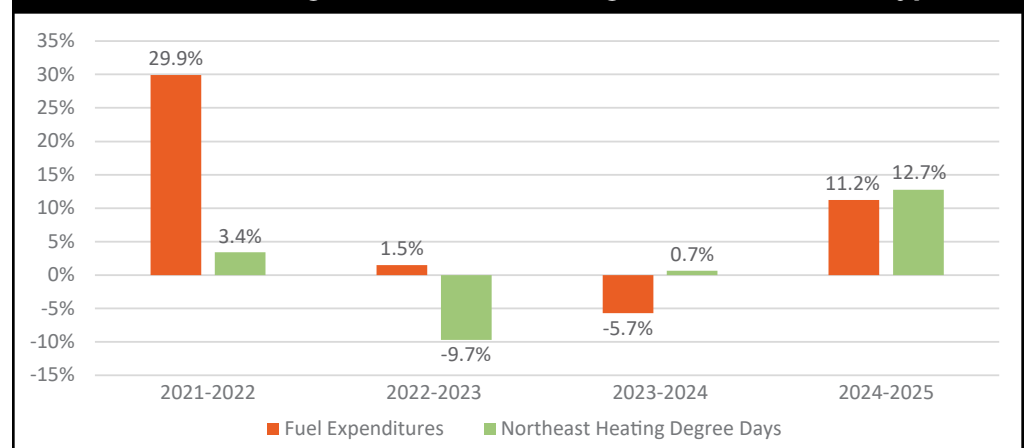
New Hampshire’s electricity retail sales in 2023.³ High prices disadvantage industrial customers against competitors in regions with lower energy costs, and commercial customers – though in some cases less vulnerable to out-of-state competition – contend with higher overhead costs, resulting in either lower profit margins or higher prices charged to customers.

As the ninth coldest state in the country in 2024, heating fuel is a large component of New Hampshire residents’ energy expenditures in the winter months. While natural gas prices declined from the sustained highs of 2022, February 2025 Consumer Price Index (CPI) data shows that the cost of utility gas service increased six percent year-over-year, nearly twice the rate of “core” CPI (energy and food are excluded from

core CPI as their price fluctuations are more volatile). The Census Bureau’s 2023 American Community Survey one-year estimates show that about one in five New Hampshire households use natural gas for home heating, and residential consumers are currently paying the fourth highest price in the country at \$18.24 per thousand cubic feet.⁴ According to NHDOE’s average fuel prices dashboard, natural gas is the least expensive home heating option by dollars per million BTU.⁵ However, residential natural gas delivery infrastructure exists only on the seacoast, the Interstate 93 corridor, and in the city of Keene.

Fuel oil, which about 38 percent of New Hampshire households use as their primary home heating fuel, is also vulnerable to spikes in commodity prices.⁶ Another 19.8 percent of

Percent Change in Average Fuel Costs and Percent Change in Heating Degree Days vs. Prior Season 2021-2022 through 2024-2025 Heating Seasons - All Fuel Types



Source: United States Energy Information Administration

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1 New Hampshire Revised Statutes Annotated, RSA 12-P:2, V, 2021.

2 United State Energy Information Administration. 2025. State Rankings: New Hampshire. March 31. Accessed March 31, 2025. <https://www.eia.gov/beta/state/states/nh/rankings>.

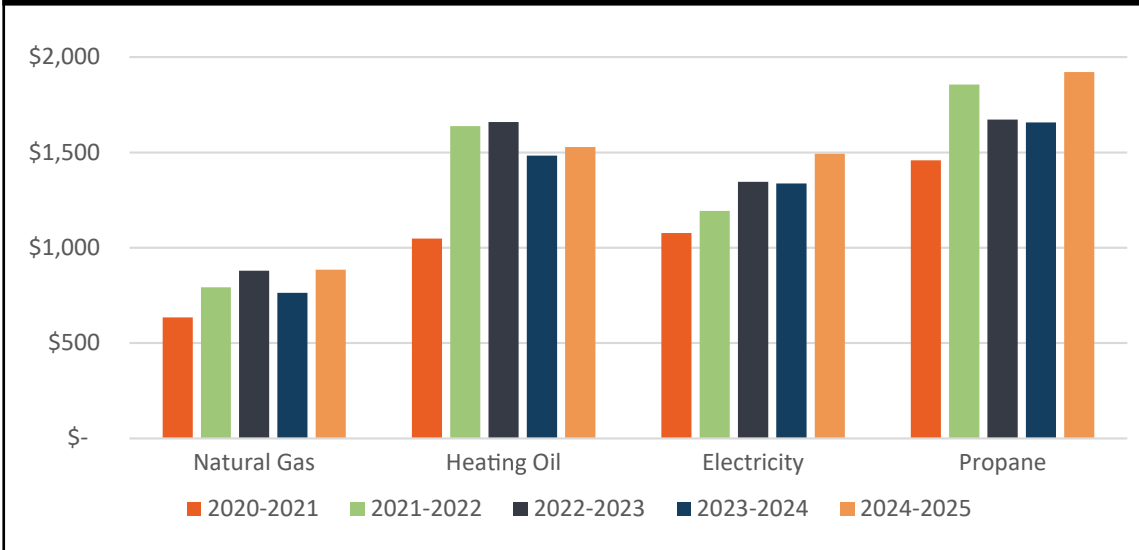
3 United States Energy Information Administration. 2024. State Electricity Profiles: New Hampshire. October 2024. Accessed March 31, 2025. <https://www.eia.gov/electricity/state/newhampshire/index.php>.

4 United State Energy Information Administration. 2025. State Rankings: New Hampshire.

5 New Hampshire Department of Energy. NH Fuel Prices. March 24. Accessed March 31, 2025. <https://www.energy.nh.gov/energy-information/nh-fuel-prices>.

6 United States Census Bureau, American Community Survey 2023 1-Year Estimates, Table B25040

Seasonal household Heating Expenditures by Fuel Type - Northeast Region Average, 2020-2025



Source: United States Energy Information Administration

estimated 4,565 to 4,735 “heating degree days”⁷ between October 1st and March 31st, comparable to the winter of 2021-2022. Natural gas, propane, and electricity all increased in both unit price and in projected usage, while the forecasted usage increase in heating oil offset the 6 percent price decrease from the prior heating season. EIA projected an average northeastern household will have spent between \$885 and \$1,922 in the 2024-2025 heating season, depending on the type of heating fuel used.

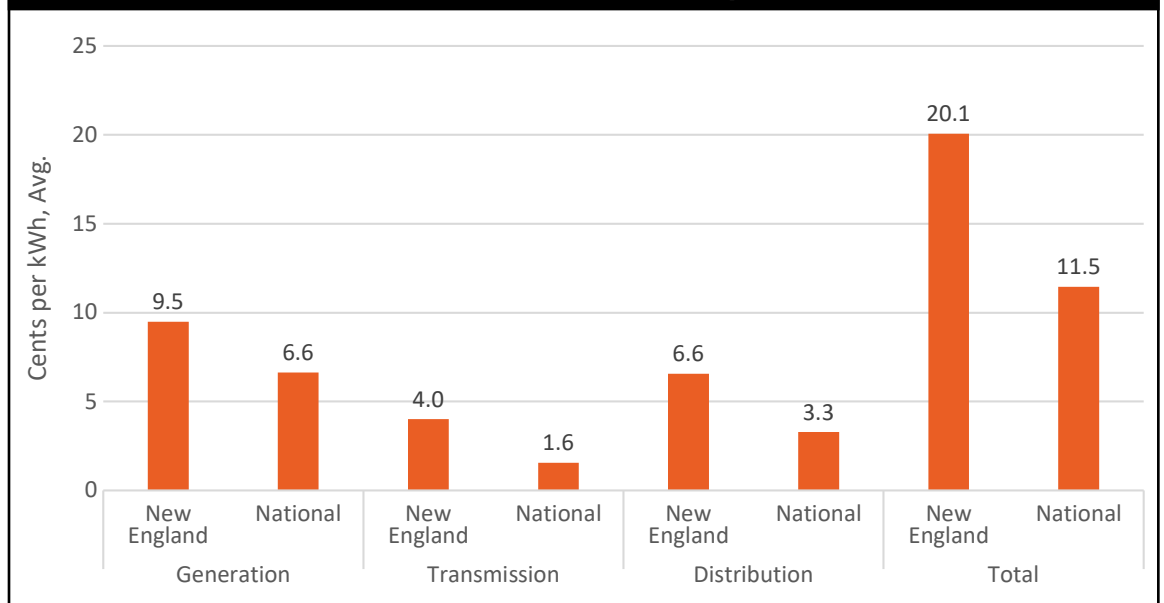
households use propane, making the total percentage of households that rely on petroleum derivatives for heating close to 60 percent. Other fuels commonly used for heat are electricity, used by 11 percent of households, and wood, used by six percent. Unlike natural gas, #2 heating oil and other petroleum derivatives are not delivered through centralized municipal lines but are delivered directly to tanks in the home by fuel dealers. While fuel oil delivery adds logistical expense, pre-purchase contracts allow customers to lock in a price for a set amount of fuel oil – potentially saving them money if the wholesale price increases over the term of the contract.

Heating fuel expenditures in the Northeast for the 2024-2025 heating season are forecasted to increase approximately 12 percent over the previous heating season, although increases vary by fuel type. Those increases are due to colder temperatures compared to the prior heating season, as well as higher prices for most heating fuels. These figures are based on an

Energy Strategy and the Components of Final Prices

NHDOE’s 2022 10-year State Energy Strategy Report outlines the structural origins of New Hampshire’s high energy prices and lays out a path for “...business and consumer cost savings, job creation, economic growth, industry competitiveness, environmental protection, and a reliable and resilient energy system” in the future.⁸ Each

Electric Generation, Transmission, and Distribution Costs, 2024



Source: United States Energy Information Administration

7 Per EIA: “Heating degree days are a measure of how cold the temperature was [relative to a mean, usually 65 Fahrenheit] on a given day or during a period of days. For example, a day with a mean temperature of 40°F has 25 HDDs. Two such cold days in a row have 50 HDDs for the two-day period.”

8 New Hampshire Department of Energy. 2022. “New Hampshire 10-Year State Energy Strategy.” New Hampshire Department of Energy, July. Accessed March 31, 2025. <https://www.energy.nh.gov/sites/g/files/chbemt551/files/2022-07/2022-state-energy-strategy.pdf>.

stage of energy production is more costly in New England than the national average. While the cost of generation is projected to move closer to the national average, transmission costs remain considerably higher. In addition to home heating, natural gas produces more than half of the electricity in New England’s regional electric grid. Natural gas prices are higher in New England than in other regions of the U.S., as pipeline capacity is insufficient to meet regional demand, and the region supplements this supply with tanker ship deliveries, a more expensive source than domestic pipeline-sourced natural gas.⁹ The report also ties New Hampshire’s high energy costs to its integration with New England’s regional electrical grid; other states in the region’s commitment to buying electricity generated by renewable sources raise overall regional electricity rates. While renewable energy sources can generally produce electricity at a price competitive with other methods, interconnection (connecting new electricity producers to the overall electric grid) can be expensive and time consuming. EIA projections show generation costs in New England dropping over 20 percent per kWh between 2024 and 2030,

possibly due to projected decreases in fuel oil and natural gas prices to the electric power sector. Total generation is forecasted to increase almost 24 percent in New England over that same time, with nearly all the net increase attributable to increases in renewable-powered generation capacity. In 2024, renewable energy was estimated to make up 23 percent of total electricity generation in New England, with that share expected to increase to 54 percent by 2030 – largely replacing natural gas, whose share of total generation is forecasted to drop 23 percent by 2030.¹⁰

Regional generation is the most granular forecast available, so the expansion of new renewable generation cited in the forecast will likely take place in large part outside of New Hampshire. NHDOE recommends that the promulgation of renewable energy sources in the state should be secondary to the pursuit of “the most appropriate investments and goals given our state’s geographic location, environmental considerations, land use requirements, and need to deliver cost-effective energy.”¹¹ In other words, regulators may find efficiency upgrades to existing infrastructure cheaper and more desirable in the short term than incentivizing the siting of new renewable generation in the state. Every other state in the region, meanwhile, has committed to produce more electricity using renewable sources, and some fossil fuel power plants throughout the region will be phased out.¹²

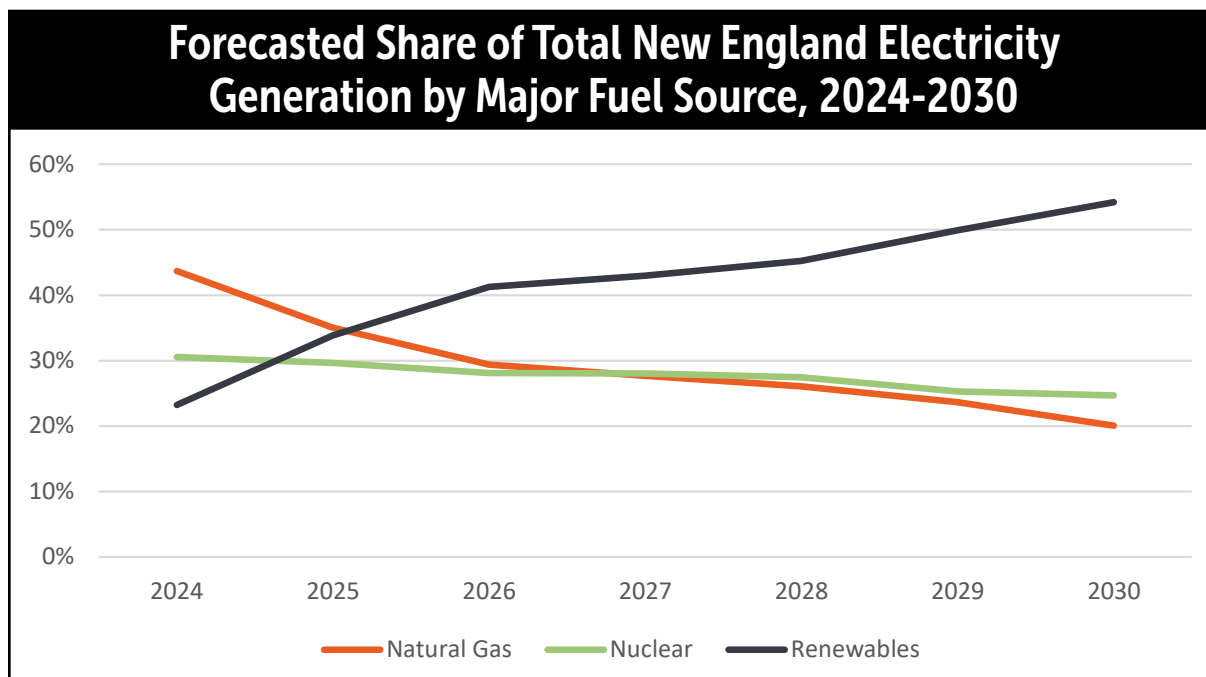
Energy Efficiency and Cost Assistance Programs

New Hampshire’s energy efficiency programs are operated collaboratively by regulated electric utilities under the “NHSaves” umbrella. These programs include weatherization and efficiency audits, rebates for energy-efficient appliances, and assessments and guidance for new construction.

NHSaves is funded through the systems benefit charge, an inflation-adjusted fee assessed per kWh to utility customers’ electric bills. The funding pool created by the systems benefit charge is supplemented by contributions from ISO-New England

Year	New England Premium on Electrical...			Total
	Generation	Transmission	Distribution	
2024	43.3%	158.6%	99.7%	75.0%
2025	43.6%	160.9%	102.9%	78.6%
2026	42.2%	160.5%	105.4%	80.2%
2027	43.2%	158.5%	106.8%	82.3%
2028	45.7%	156.7%	107.3%	84.6%
2029	45.6%	156.7%	107.2%	85.3%
2030	41.5%	157.0%	106.0%	83.5%

Source: United States Energy Information Administration



Source: United States Energy Information Administration

9 <https://www.forbes.com/sites/christopherhelman/2022/02/01/why-is-new-england-paying-the-equivalent-of-180-oil-for-natural-gas/>
 10 United States Energy Information Administration. Annual Energy Outlook 2023, Table 54. <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=62-AEO2023&cases=ref2023&sourcekey=0>
 11 Ibid.
 12 https://www.iso-ne.com/static-assets/documents/2022/07/2021_economic_study_future_grid_reliability_study_phase_1_report.pdf

(New England’s power grid operator) and the Regional Greenhouse Gas Initiative. This funding vehicle allows for the gradual modernization of New Hampshire structures in a way that is state budget-neutral and incentivizes businesses and homeowners to improve their energy efficiency. By taking advantage of these programs, utility customers can help lower their bills in the long term without broad subsidies from NHDOE – a practice the department tries to minimize where possible.¹³

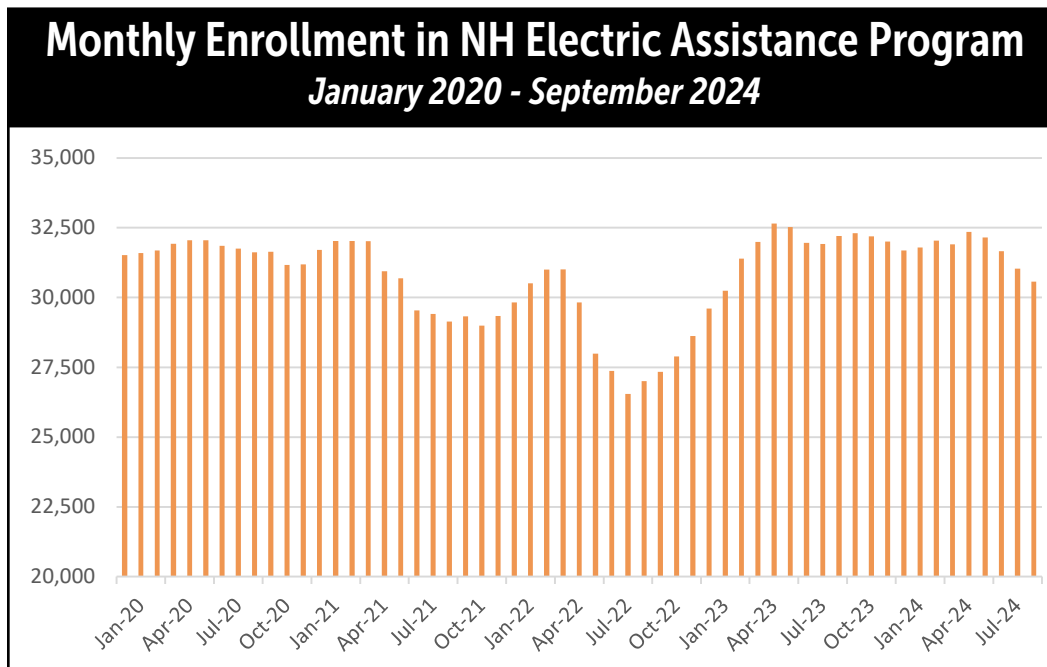
In a 2024 report, NHSaves calculated that over the life of the program efficiency incentives had saved 1,041,933 MMBtu of residential natural gas – a market value of \$19.9 million based on March 2025 prices.¹⁴ The programs reduced carbon emissions by one million tons, equivalent to the emissions of over 160,000 cars in one year. The program estimated that each dollar spent on efficiency upgrades has a multiplier of 2.78 in savings, equivalent to a lifetime net benefit of \$176.5 million for homeowners, businesses, and municipalities.¹⁵

By statute, PUC designates system benefit charge outlays for income-based cost assistance programs: NHDOE, PUC, New Hampshire’s five Community Action Agencies (CAA) jointly administer the Electric Assistance Program (EAP).

With \$15-16 million a year in collections, EAP assists low-income households in paying for electricity, with a tiered system that offers the most cost assistance to the lowest income households. According to a 2020 study conducted by the American Council for an Energy-Efficient Economy, the median energy burden in New England is 3.5 percent of household income.¹⁶ For low-income households, the median energy burden was 10.5 percent. Both figures are above the national median energy burden for their respective categories.¹⁷

As of October 2024, about 36,000 households – 6.5 percent of New Hampshire households – are enrolled in the program.¹⁸ NHDOE also collaborates with CAA to administer the Fuel Assistance Program, a similar program that assists in winter home heating costs that is funded by a U.S. Department of Health and Human Services block grant. The Low-Income Home Energy Assistance grant, which funds the program, also sets aside money for weatherization of eligible homes. The logic is the same as NHSaves initiatives: by making homes more efficient, household bills will go down and may reduce reliance on the program at large.¹⁹

– Jack Becker, Economist



Source: New Hampshire Department of Energy

13 New Hampshire Department of Energy. 2024. Results and Effectiveness of the System Benefits Charge. Report to the Legislature, Concord: New Hampshire Department of Energy.
 14 New Hampshire Department of Energy. NH Fuel Prices. March 24. Accessed March 31, 2025. <https://www.energy.nh.gov/energy-information/nh-fuel-prices>.
 15 NHSaves. 2024. "2023 NHSaves Program Highlights." NHSaves, July. Accessed March 31, 2025. https://nhsaves.com/wp-content/uploads/2024/08/ImpactReport_July2024_R2-2.pdf.
 16 American Council for an Energy Efficient Economy. 2020. National and Regional Energy Burdens. Energy Burden Report, American Council for an Energy Efficient Economy.
 17 Energy burden is the percentage of income spent on energy bills. Low-income is defined as less than 200% of the federal poverty level. The New Hampshire PUC recently adopted this definition as the new threshold for EAP eligibility.
 18 United States Census Bureau, American Community Survey 2019-2023 5-year Estimates
 19 New Hampshire Department of Energy. 2025. "Fuel Assistance Program Procedure Manual." New Hampshire Department of Energy - Fuel Assistance Program. Accessed March 31, 2025. <https://www.energy.nh.gov/sites/g/files/ehbemt551/files/inline-documents/sonh/fuel-assistance-program-procedures-manual.pdf>.