New Jersey Energy Costs Keep Rising

What Auto Dealers Can Do Now

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Energy is one of your largest operating expenses as an auto dealer. Showroom lighting, HVAC systems, service bays, and body and paint areas run constantly. Auto dealerships use roughly 18% more energy per square foot than the average commercial building.

That baseline cost is getting more expensive as demand quickly outpaces supply. Now is the time to consider your options with a competitive supplier.

WHAT'S DRIVING RATES UP

New Jersey electricity prices spiked significantly in 2025. As of June 1, 2025, some businesses saw rates increase by as much as 20%. While Gov. Sherrill's January 2026 executive order froze electricity supply rate increases for residential customers, commercial and industrial customers were not included in that relief. For businesses, the underlying market pressures remain.

Reported by New Jersey Policy Perspective, during the 2025-2026 capacity auction, AI data centers accounted for nearly 70% of the increase in demand, contributing directly to the rate spike. It's been recorded that more than 80 data centers are currently operating or are under construction across New Jersey, including several hyperscale AI campuses — and that number keeps growing. According to PJM's long-term load forecast, electricity demand across the region is expected to grow by over 40% within the next 14 years, with 30 of the projected 32 gigawatts of new load driven by data centers.

On the supply side, meaningful relief is years away. New Jersey leaders have discussed expanding nuclear capacity, but the most advanced small modular reactor designs in the U.S. are not expected to deploy until the late 2020s to early 2030s at the earliest. The conditions that pushed rates higher in 2025 remain in place for 2026 and beyond.

WHAT DEALERS CAN DO RIGHT NOW

Under New Jersey's energy deregulation laws, businesses are not locked into buying their energy supply from the utility. You can choose a competitive supplier like Sprague, lock in a rate for one to three years, and protect your dealership from the volatility that utility default rates carry.

The utility still delivers your energy and manages the infrastructure. What changes is the supply portion of your bill, which is the commodity cost that's been rising. By locking in a competitive rate today, you can stabilize that portion of your bill before additional market increases take effect.

Waiting is a real risk. The underlying demand pressures that drove 2025 increases are still growing. The time to review your options is *before* the next move, not after.

HOW SPRAGUE CAN HELP

For more than 155 years, Sprague has been a trusted energy partner throughout the Northeast and has proudly served as NJ CAR's exclusive energy partner for over 15 years. We offer natural gas and electricity supply plans designed around your business goals, whether that means a fixed rate for budget certainty, a variable rate for market flexibility, or a hybrid approach. Our team works directly with auto dealers and understands the energy challenges that come with running a dealership. nj car

To receive a complimentary energy review and pricing analysis, contact Sprague at (908) 239-9644 or visit spragueenergy.com/njcar for more information.

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