



Maine RPS Summary

Review of RPS Requirements and Compliance in New England States

Report by London Economics International (LEI)
prepared for the Maine Public Utilities Commission, as required by LD 1570 (2011)

This comprehensive analysis of Maine's Renewable Portfolio Standard, with its independent look at the benefits and costs, affirms the conclusion that **Maine's renewable energy strategy is very beneficial for the state, and Maine's economy stands to gain significantly from the effort to diversify our energy mix away from fossil fuel-based sources.**

12,000



Maine Jobs Created

1 BILLION



Increase to Maine's GSP

The report finds that the Maine RPS, in conjunction with the RPS in other New England states, is projected to create 11,700 jobs in Maine and increase the state's economy ("gross state product") by \$1.1 billion or 2%, compared to a cost to the economy of 0.06%.

The findings in this study completely contradict assertions about the impact on the economy of our renewable energy policies and investments. The report may come as little surprise to the overwhelming majority of Maine people, who strongly support clean, renewable energy and already intuitively understand the need to increase the state's energy independence and the benefits of investing in made-in-Maine renewables.

KEY FINDINGS

The net creation of thousands of new jobs in Maine. Regional RPS policies will create nearly 12,000 temporary and permanent jobs in Maine over several years, while the cost of the RPS for electricity consumers may reduce employment by 32-129 jobs.

An increase in Maine's gross state product of \$1.1 billion or 2% over several years, as RPS policies in Maine and New England will encourage new renewable power and "investment in Maine renewable generation has the potential to be a meaningful contributor to the state's gross state product."

Currently accounts for one half of one percent of electricity prices. Currently the average Maine resident pays 37 cents on their monthly electric bill for the RPS. When Maine reaches 10% from new renewables in 2017 (under current law), the price could increase to \$0.70 - \$1.72 on the avg monthly bill.

ADDITIONAL NOTABLE FINDINGS:

Maine current requirement for new renewables is the smallest of the five New England states that have an RPS.

Most (83%) of the renewable energy used to meet Maine's RPS comes from biomass generation within Maine, and no other state in New England has been using in-state resources for their RPS at a level comparable to Maine.

RPS policies promote innovation — some pulp and paper manufacturing facilities in the state have repositioned assets to take advantage of revenue from renewable energy.

Maine benefits disproportionately from the total regional RPS because of our rich renewable resources.

Lastly, the report described but did not measure the following **ADDITIONAL ECONOMIC BENEFITS:**

Diversification benefits and reliability benefits from diversification away from natural gas for electricity generation

Energy cost reductions through displacement of fossil-fuel generation

Energy security benefits through reduced price volatility

Increased tax revenues and other community benefits from capital investments across Maine counties and towns

Environmental benefits from reduced emissions