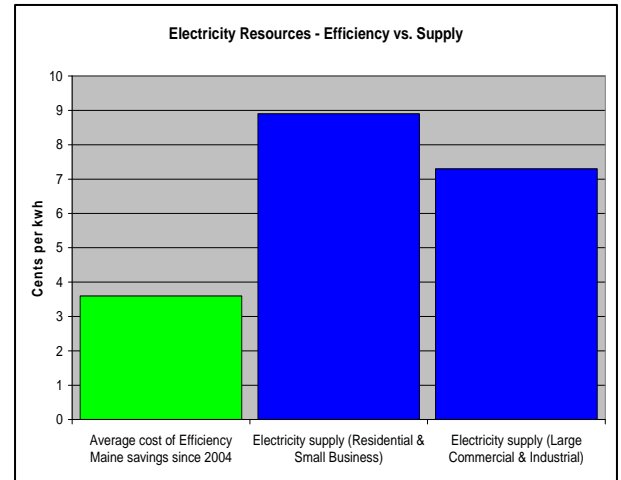


Efficiency Maine: Saving Energy, Reducing Costs, Growing the Economy

- **Maine faces high energy costs** – about \$7.5 billion each year. Mostly for imported oil, gas, propane and for electricity (40% of which is from fossil fuel generation).
- **Energy efficiency is the lowest cost energy resource available.** The more we can use energy efficiency to replace expensive supply, the lower Maine’s energy costs will be. However there are many tangible *market barriers* that prevent full and easy adoption of energy efficiency.
- You don’t have to take our word for it. Consider what former state economist Charlie Colgan has written: **“Perhaps the single most effective action to enhance Maine’s business climate and economic competitiveness is to aggressively increase the energy efficiency of Maine’s economy.”**¹ Or the Maine State Chamber of Commerce: **“The state should reduce immediate energy costs by supporting the efforts of the Efficiency Maine Trust to increase investments in energy-saving lighting, insulation, and industrial processes.”**²
- **Efficiency Maine has a proven track record of success** in delivering cost-effective savings from efficiency programs. Since 2004, total savings is nearly \$490 million (at a total cost of \$166 M - \$80 M from public investment, which leveraged \$86 M in private investment.)³



If Efficiency Maine hadn’t existed, Maine’s total energy costs would have been \$320 M higher.

- Efficiency Maine is generating \$3 in savings for ever \$1 spent. And every \$1 of public investment in energy efficiency generates \$4 of Gross State Product.



- **Energy efficiency improves the economy** in many concrete ways:
 - Energy savings reduce the flow of dollars out of the state for fuels and get spent in the Maine economy. Efficiency Maine’s current 3-year plan is projected to increase Gross State Product by \$1 billion net present value.
 - Investment in efficiency is supporting and creating significant clean energy jobs and businesses – an estimated 4,000 jobs.⁴
 - Lowering overall energy costs. Not just for participating homes and businesses: efficiency helps reduce peak demand, which provides savings for all ratepayers.
- **Efficiency Maine is a true public-private partnership.** Participating families and businesses make significant private investments w/ technical, informational and financial assistance from Efficiency Maine. Over 400 partnering private-sector electricians, contractors, vendors, energy auditors and others actually deliver energy efficiency improvements.
- In addition to helping secure the lowest-cost energy resource, Efficiency Maine is transforming markets so that energy efficient choices become the easy choices.

¹ Energy Efficiency, Business Competitiveness, and Untapped Economic Potential in Maine. Charlie Colgan et al, 2008. p 3.

² Making Maine Work, Maine State Chamber of Commerce & Maine Development Foundation, 2010. p 13.

³ Efficiency Maine 2010 Annual report. All energy savings numbers from EM Annual Report or 2010-2012 Triennial Plan unless otherwise cited.

⁴ Pew citation

Proposed FY11-12 Efficiency Maine Budget

- According to statute, Efficiency Maine—with oversight by the Public Utilities Commission—must pursue **all achievable, cost-effective energy efficiency**. (This statutory requirement has passed the legislature in multiple sessions, by near unanimous votes.)
 - Despite their historic opposition to energy efficiency programs, Central Maine Power’s own estimates are that maximizing achievable, cost-effective efficiency would require an annual budget of \$47 M, significantly below the current proposed budgets.
 - The proposed budgets still leave Maine investing less per capita in energy efficiency than most other states in the region.
- The Efficiency Maine Trust went through a **comprehensive planning process**, overseen by a diverse, **independent Board of Directors**, to develop its 3-year plan and budget. The plan was **approved by the Public Utilities Commission**, finding that the proposed programs were expected to achieve the savings and other specific measures of performance.
- **The Triennial Plan is projected to save Maine \$840 M in energy costs**, net present value, with a budget of \$192 M.
- The proposed budget is higher than in previous years because Efficiency Maine is now able to deliver additional savings, on its way to achieving all cost-effective energy efficiency: Its programs will deliver more energy efficiency measures, to more participating homes and businesses, yielding more investment in the Maine economy.
 - Central Maine Power spent more on energy efficiency programs when it ran them in the 1980’s than the current Efficiency Maine budget. Maine is currently spending more on tree-trimming along power lines than for energy efficiency programs.

“Cost-effectiveness” is a critical measure for Efficiency Maine. It means the **energy savings are higher than all costs** required to achieve those savings. It is a strict, quantified test that guarantees and economic benefit



The bottom line choice for policymakers: Approving Efficiency Maine’s budget means lower energy costs for Maine ratepayers. Rejecting the budget means higher total energy costs.

Everyone says energy efficiency should be our priority. It is time to move past rhetoric to make lower energy costs a reality.