

Saving Maine Jobs, Energy, and Money

Regional Greenhouse Gas Initiative

The Regional Greenhouse Gas Initiative (RGGI) is a ten-state program that reduces global warming pollution from power plants using a market-based approach that spurs investments in energy efficiency. Maine joined RGGI in 2007, when the Legislature voted nearly unanimously to participate, and today RGGI is delivering cleaner, more efficient electricity and a more energy-independent and competitive economy for Maine.

FOR EVERY \$1 RAISED THROUGH RGGI, MAINE PEOPLE AND BUSINESSES SAVE \$4

Since the program took effect in late 2008, Maine has invested approximately \$24 million from its sale of carbon credits in energy efficiency projects, generating \$110 million in energy savings for Maine people and businesses. This 4-to-1 Benefit-Cost ratio is the highest in the RGGI region.¹

\$110 MILLION IN ENERGY SAVINGS BENEFIT BOTH BUSINESSES AND RATEPAYERS

A third of RGGI funds provided energy efficiency assistance to industrial companies like Madison Paper and GAC Chemical in Searsport (see reverse for full list). Most of the remaining funds helped Efficiency Maine's Business Program serve other commercial and industrial power users, and a small amount supported energy efficiency improvements for homeowners and low-income citizens. In total these investments will save Maine energy consumers more than \$110 million over the coming years (including about \$22 million in savings among all ratepayers; the rest is savings for the scores of businesses who completed efficiency projects with the support of RGGI money).

Because energy efficiency investments such as these keep money in Maine's economy, instead of sending it out-of-state to purchase oil, gas, and electricity, RGGI also produces economy-wide benefits. For every dollar invested in energy efficiency in Maine, the state's gross state product jumps \$5.00. So far, RGGI-funded investments will increase Maine's Gross State Product by \$115 million and create approximately 135 jobs for 10 years across the entire state economy.²

RGGI Helps Protect Maine Jobs



Madison Paper expects to save \$2 million on its energy costs annually thanks to help from RGGI-funded efficiency grants. **“These savings will help secure the future of an established paper mill facing difficult economic pressures,”** stated Joe Clark, Reliability Engineer at Madison. **“Without the grant funds we would not have been able to pursue these projects in the current business climate.”**

Madison Paper employs 240 people in Somerset County. Because of these energy efficiency improvements, Madison Paper will save enough money to support the retention of jobs at the Madison mill and strengthen the economic stability of the area.

RGGI Helps Maine Businesses to Compete

Thanks to RGGI, GAC Chemical in Searsport received \$314,000 that will allow the company to complete a \$630,000 full-facility energy retrofit. GAC manufactures and distributes specialty chemicals to a worldwide market. The company is the largest industrial manufacturer in Waldo County, employing 60 people. The energy project will keep these jobs in Waldo County and make GAC more competitive with companies outside of Maine with lower costs, according to Company President David Colter. **“GAC competes in a national and international marketplace, and the purpose of this project is twofold: to reduce energy consumption and improve energy efficiency, which in turn will strengthen our long-term stability,”** said Colter. **“Without the support of Efficiency Maine [with RGGI funding] this project would not be possible.”**



¹ “Economy-wide Benefits of RGGI”, Environment Northeast, December 2010, Table 1.

² Ibid.

Industrial RGGI Beneficiaries: 2009-2010

Efficiency Maine Business Program Incentives and Large Competitive Grants

Beneficiary	Business Program	Grant	RGGI Contribution	Total Project Costs	Oil Savings	Electricity Savings	Project Type
Bath Iron Works, Bath	✓		\$28,200	\$162,580		✓	Lighting, Compressed Air, Total Productive Maintenance
Boralex, Ashland	✓		\$6,592	\$15,067		✓	Compressed Air
Bowdoin College, Brunswick		✓	\$400,000	\$3,400,000		✓	Back Pressure Turbine
Fraser Timber, Ashland	✓		\$675	\$3,075		✓	Total Productive Maintenance
GAC Chemical, Searsport		✓	\$314,200	\$628,400	✓	✓	Steam, Lighting, Boiler, Insulation
Huhtamaki Food Service, Waterville	✓	✓	\$435,751	\$1,376,122		✓	Variable Frequency Drives, Motors and Pumps
Irving Forest Products, Dixfield		✓	\$706,543	\$1,413,085		✓	Back Pressure Steam Turbine
Jackson Laboratory, Bar Harbor	✓	✓	\$458,208	\$1,008,794		✓	Lighting, Variable Frequency Drives, HVAC, Back Pressure Steam Turbine
Jasper Wyman & Son, Deblois	✓		\$9,893			✓	Compressed Air
Louisiana Pacific, Houlton	✓		\$88,049	\$211,819		✓	Variable Frequency Drives
Madison Paper Industries, Madison	✓	✓	\$1,169,310	\$2,171,525	✓	✓	Heat Recovery, New Grinding Stones, Lighting, Compressed Air
Maine Wild Blueberry Company, Machias	✓		\$300,000	\$892,743		✓	Multiple Measures
Moose River Lumber, Moose River		✓	\$450,000	\$1,300,000		✓	Back Pressure Steam Turbine
Mt. Abram, Greenwood		✓	\$128,940	\$257,880	✓		Snowmaking Retrofit
National Semiconductor, South Portland	✓		\$300,000	\$697,000		✓	Multiple Measures
Nestle Water, Poland Spring and Hollis	✓		\$300,000	\$839,722		✓	Compressed Air
Portage Wood Products, Portage	✓		\$16,356	\$39,380		✓	Total Productive Maintenance, Compressed Air
Pratt & Whitney, North Berwick	✓		\$246,878	\$847,264		✓	Lighting, Compressed Air
Prime Tanning Company, Hartland		✓	\$667,500	\$990,000	✓	✓	Process Enhancement and Electrical Efficiency
Red Shield Acquisition, Old Town	✓		\$5,577	\$13,039		✓	Lighting
SAPPI, Skowhegan and Westbrook	✓	✓	\$347,757	\$828,742		✓	Lighting, Lighting, Drives
State of Maine, Augusta		✓	\$750,000	\$4,095,000		✓	Biomass – Combined Heat and Power
Stonyvale Farms, Exeter		✓	\$650,000	\$2,990,375	✓		Biogas Anaerobic Digester
Stratton Lumber, Stratton	✓		\$22,146	\$65,767		✓	Compressed Air
Sugarloaf Mountain Corp, Carrabasset Valley	✓		\$1,303	\$34,700		✓	Multiple Measures
Sunday River Skiway Corp, Newry	✓		\$36,242	\$391,386		✓	Lighting
Twin Rivers Paper, Madawaska	✓	✓	\$502,383	\$902,021		✓	Total Productive Maintenance, Drives
University of Maine, Orono		✓	\$300,000	\$1,413,085	✓		Multiple Measures
University of New England, Biddeford		✓	\$154,160	\$308,320	✓		Multiple Measures
Verso Paper, Bucksport	✓		\$675	\$3,943		✓	Total Productive Maintenance
TOTAL			\$8,797,338	\$27,300,836			

HISTORY OF BIPARTISAN SUPPORT

Since its beginning, RGGI has been a bipartisan effort. In 2003, Republican Governor of New York, George Pataki, sent a letter to the governors of Northeastern and Mid-Atlantic states seeking “to develop a strategy that will help the region lead the nation in the effort to fight global climate change.” Six Democratic and four Republican governors eventually signed onto the agreement. In Maine, the State Legislature passed the bill with overwhelming bipartisan support—unanimously in the state Senate, and by a vote of 130-7 in the House—and with the strong support from both the largest industrial consumers and the environmental community.

KEY LESSONS FROM RGGI

- ✓ RGGI has been very successful reducing pollution while measurably strengthening the Maine economy—reducing energy costs and creating jobs.
- ✓ To date RGGI has leveraged public investments to spur tens of millions of dollars in private investment in Maine’s manufacturing sector.
- ✓ RGGI is providing significant benefits to Maine homeowners by supporting cost-effective energy efficiency improvements.
- ✓ RGGI was developed when environmental and business leaders worked together to fashion an approach that worked for Maine.
- ✓ RGGI’s regional approach is the most cost-effective way to reduce pollution.

