

April 5, 2011

Senator Michael Thibodeau, Chair
Representative Stacey Fitts, Chair
Joint Standing Committee on Energy, Utilities & Technology

Dear Senator Thibodeau and Representative Fitts,

Maine businesses, like ours, are benefiting from grants for energy efficiency and clean energy made available through the Regional Greenhouse Gas Initiative (RGGI). The grants have enabled our companies to reduce our energy needs, cut electricity costs, save and/or create jobs, and cut pollution. **We urge you to ensure that businesses like ours and the state as a whole can continue to benefit from the program** by using the RGGI program to leverage additional investments in cost-effective energy efficiency, including in Maine's industrial sector, where such opportunities abound.

Maine is one of 10 Northeast states participating in RGGI, which is spurring investment in clean energy while cutting carbon pollution from power plants. Maine's approach to RGGI is the result of a consensus agreement between industrial energy consumers and environmental organizations, and **our state joined the program through a nearly unanimous, bipartisan vote.**

The program charges large power producers a fee for their carbon pollution and that money is then invested in energy efficiency and clean energy, which is helping reduce electricity costs and creating clean energy jobs at a time when our economy needs all the help it can get. **Over the first two years of the program, RGGI has generated \$23.5 million for energy efficiency investments in Maine.** For every \$1 raised through RGGI, Maine people and businesses save \$4.

Businesses like ours have benefited directly from RGGI funds because the money has supported investments that reduce energy costs and allow us to operate more efficiently and profitably. Large industrial consumers have received a significant portion of Maine's RGGI money; much of the funding was awarded competitively, and all of it supported extremely cost-effective energy efficiency measures, such as cutting electricity and fuel bills at the Madison paper mill and the Irving mill in Dixfield with waste heat recovery, new lighting, and more efficient steam turbines. Other funding has supported efficiency programs for homeowners and businesses large and small.

In addition, since reduced electricity consumption decreases wholesale electricity prices across the state, **RGGI funding has led to \$110 million in savings for Maine's economy and ratepayers.** And, the RGGI grants have leveraged additional investment in Maine – specifically, \$8 million in RGGI money for industrial projects thus far has leveraged \$27 million in private investment.

We appreciate the RGGI funding that has allowed our businesses to continue to operate and thrive, and would be happy to share more details from the success stories at our facilities. **We hope that Maine will keep on the path of investing in a smart energy future for the state, one that includes RGGI and makes cost-effective energy efficiency a priority.**

Sincerely,

Jeff Desjardins, VP of Operations
Moose River Lumber, Jackman

David Colter, President
GAC Chemical, Searsport

Brian Sass, VP of Operations
Twin Rivers Paper, Madawaska

Matt Hancock, Owner
Mt. Abram, Greenwood

Ragnar Kamp, General Manager
Maine Wild Blueberry Company, Machias