

What is MAINE RENEWABLE ENERGY SOURCES ACT?

MRESA is an exciting new legislative proposal developed by the **MIDCOAST GREEN COLLABORATIVE**. The goal of the act is to fundamentally change the way that Maine purchases electricity to fill the power needs of our population.

MRESA would (1) empower the MPUC to set rates for clean renewably produced electricity based on technology and generator size; (2) require that CMP purchase that clean electricity from all qualified renewable suppliers; (3) require that CMP enter into a standard contract (drafted by the MPUC) with all renewable energy suppliers for a set term of 20 years; (4) establish management and oversight responsibilities; and (5) reserve to the MPUC the power to biannually review and revise the tariff and the terms of the standard contract in the public interest.

Under Maine's current system, if a homeowner feeds solar generated electricity into the grid, they are given an energy credit against future electricity use from the grid, but they are not paid for their power. At the end of the year, even if they supplied more than they used, the credit vanishes. Therefore, Maine's current regulatory system is a barrier to small scale renewable power suppliers and green power. **MRESA** will remove that barrier.

Is MRESA some 'big government' program?

No! **MRESA** is a market-based approach to efficiently produce clean

renewable electricity. Renewable electricity suppliers will only be paid for energy they actually produce.

Advanced-renewable-tariffs have shown, almost universally, to be the most economically efficient method for implementing renewable electricity and they are now being adopted around the world.

MRESA and other advanced-renewable-tariffs provide a market incentive to construct and maintain only high-quality renewable energy production capacity because the producer only makes money if he or she produces the power.

What types of power generation will be covered by MRESA?

MRESA seeks to create a market incentive for our cleanest and most efficient renewable technologies. A short list of those technologies currently available are: solar, wind, micro-hydro, bio-gas (methane recovered from municipal waste, agricultural waste, etc.), biomass (but not virgin wood), and tidal.

Why do we need MRESA?

The challenge facing both small and larger renewable producers is the financial barrier-to-entry into the energy industry. Coal, oil, natural gas, and nuclear have been heavily subsidized since the early days of their use. Renewable energy technologies enjoy no such support. In fact, according to the U.S. Department of Energy, more than half of all energy subsidies go to the fossil fuel industry alone.

To increase renewable energy capacity, **MRESA** will set prices for renewably produced electricity that are fed into the grid and require that producers are paid for what they produce. This will mean that any homeowner could start:

(YOUR NAME HERE) Power & Light

With an investment into solar photovoltaic panels, a wind mill, or some other renewable technology, you could start a small business providing power to Maine's electricity grid. With the price set by **MRESA** you could predict how long it would take you to pay off a loan to install this technology, and then get financing from a local bank to do so.

What will MRESA do for Maine?

MRESA has the potential to do a great many things for Maine.

1. Economic Development for Maine

A major advantage of switching from natural gas to clean, locally produced, renewable electricity is that we will be paying other Mainer's for our electric power instead of sending our money out of State to large fossil fuel companies. That keeps more of our money in our own state.

In Germany, where a similar law was passed, 249,300 new jobs were created in the renewable energy field in just a few years. If Maine's had a similar rate of job creation from **MRESA**, we could expect to create 3,900 new jobs!

MRESA would also distinguish Maine as a leader in the pursuit of renewable energy in the United States. As other states

are forced to move into renewable energy production as the price of fossil fuel increases, Maine may create a new energy export industry to power New England or establish consulting firms with renewable energy expertise.

Finally, as fossil fuel prices continue to increase, Maine's locked-in electricity contracts will provide companies who locate in Maine with a competitive advantage over other states that have not made such investments.

2. An answer to Climate Change

MRESA will revolutionize how Maine produces power. Maine relies heavily on natural gas and oil to produce electricity. The combustion of fossil fuel adds carbon dioxide to the atmosphere thereby inducing Global Climate Change. If we can replace our reliance on natural gas and oil we will help reduce the threat of Global Climate Change.

3. Fair competition between small and large producers of electricity will enable average Mainers to produce electricity.

MRESA will level the playing field between small and large energy producers by setting the price for renewably produced electricity. By doing so, it provides small scale producers a reliable return on their investment.

Because the **MRESA** price is independent of the retail rate, **MRESA** will also provide Mainers with lower priced electricity as the retail rate increases with the cost of fossil fuel.

4. Stable Energy Prices

Another problem with fossil fuels is that they are scarce. The U.S. currently burns through 60 billion cubic feet of natural gas per day. 72% of Maine's electricity comes from natural gas and oil powered generators. As natural gas and oil become scarcer, they will increase in price. As the price for fossil fuel increases, our electricity will increase in price as well unless we switch to other alternatives.

By investing in renewable technology now, we will stabilize our future energy prices and minimize the economic turmoil that we have just witnessed with high energy prices.

The contract term under **MRESA** is 20 years. As electricity prices increase, our locked in rates will actually provide Maine with energy that is less expensive than the rest of the nation.

What will **MRESA cost?**

In Germany, where a similar law was passed, the law on which **MRESA** is patterned in fact, the average cost to the consumer there is about \$1.58 per month.

No new taxes!

MRESA requires no additional expenditure of State Funds and no increase in taxes!

- Peter Drum
MRESA Author and Policy Director
Midcoast Green Collaborative

www.midcoastgreencollaborative.org

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An initiative of the
**MIDCOAST GREEN
COLLABORATIVE**