



## Fact Check: Wind Power and the Cost of Electricity in Maine

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### Wind Power Offers Price Protection, Economic Benefits

Understanding the price of electricity in Maine can be complicated, particularly when opponents of sources of renewable energy intentionally mislead the public about the factors that contribute to Maine's overall energy costs.

Wind power helps to hold down the cost of electricity and provides long-term price protections and fuel diversity to a region that is heavily dependent on natural gas for generation.

Because Maine is heavily reliant upon natural gas for the production of electricity, the state's energy prices track very closely to the price of gas. The largest cost drivers for electricity rates in Maine are fuel costs and delivery charges.

Maine's average [electricity costs](#) are the lowest in New England across sectors.

Maine's electricity prices are lower than those in California, Vermont, the District of Columbia, Rhode Island, Massachusetts, New Jersey, Alaska, New Hampshire, New York, Connecticut and Hawaii.

In 2007, there was [one commercial wind power facility](#) in Maine. The [Maine Wind Energy Act](#) was developed by the [Governor's Task Force on Wind Power Development](#) in a lengthy public process, which culminated unanimous adoption by the Maine Legislature with the intent of encouraging wind development in Maine.

#### **The Facts:**

Since 2007, according to the Maine Public Utilities Commission, [Maine's electricity rates](#) have declined in comparison to the rest of New England.

In 2011, the Legislature directed the Maine Public Utilities Commission to study Maine's renewable portfolio requirement. The commission engaged London Economics International LLC to examine the cost to ratepayers of the requirements.

The results: [LEI found that renewables](#), including wind, account for about ½-of-1-percent to monthly electric bills, or about 37 cents. In 2017, when the mandate hits its peak, the cost would be about \$1.72 per month on electric bills.

Additionally, the report found that the RPS Standard could create 11,700 permanent and temporary jobs and increase the gross state product by \$1.1 billion by 2017.

Wind has almost no marginal cost for producing electricity once it is built and is able to sell electricity into the market at the lowest price being offered. Wind displaces more expensive energy, keeping prices lower for ratepayers in Maine and the rest of New England.

According to a 2013 [report by the Lawrence Berkley National Laboratory](#) for the US Department of Energy, wind power offers long-term price protection in the electricity marketplace and can protect consumers from increasing prices associated with rising natural gas prices.

According to the Maine Governor's Energy Office, [50 percent of Maine's electricity](#) is generated by natural gas. Fossil fuels produce more than 70 percent of the electrical generating capacity in New England.

The electric grid operator, the Independent System Operator of New England (ISO-NE), has said that "the region's growing dependence on natural gas for power generation is a rapidly escalating strategic risk for the region."

Wind energy provides needed fuel diversity and a hedge against natural gas price volatility and supply disruptions.

**Conclusion:**

Electricity prices in Maine closely track with the price of our primary source of fuel used to generate electricity – natural gas.

The price of electricity is most influenced by the cost of natural gas and delivery charges.

Electric generators are selected to meet energy requirements based on price. The cheapest bids are chosen first. Because wind power has no fuel costs, it helps to lower energy prices by displacing other, more expensive generating capacity.

Like home heating oil customers who lock in a price for winter to protect against increasing costs, wind power can provide price protection for the electricity market and hedge against higher natural gas and other fuel prices.

Maine's renewable energy standards add less than 1 percent to the cost of a typical customer's electricity bill today, while making a significant contribution to the state's economy and its environment.

**About Wind for Maine:**

Wind for Maine is a growing coalition of Maine people, businesses and communities that support the responsible development and growth of wind energy in Maine as a way to

strengthen the state's economy, reduce our dependence of fossil fuel and protect the environment.

For more information, visit: [www.windforme.org](http://www.windforme.org).

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