



Maine Wind Energy Plays Vital Role During Recent Cold Stretch

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Wind Energy Helps to Lower Prices During Recent Natural Gas Pricing Surge

PORTLAND - Recently, three artic-like cold spells gripped Maine and New England in December 2013 and January 2014 – due to the region’s heavy reliance on natural gas (and the shortage of gas supply), pricing for ratepayers skyrocketed. One Maine-made approach to help address those pricing spikes is the continued growth of our indigenous wind energy industry.

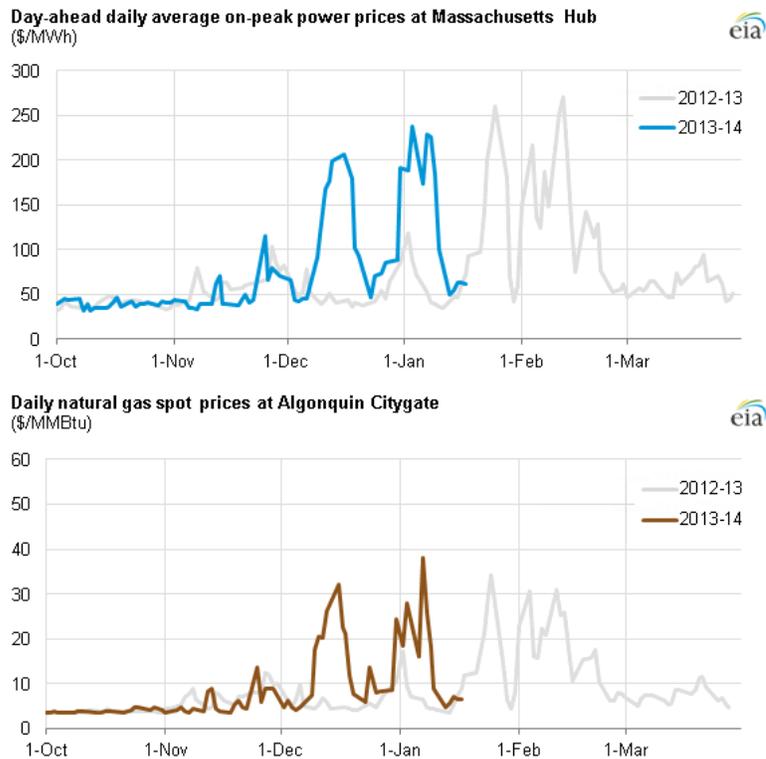
“During recent cold spells, as natural gas prices have spiked, Maine’s clean, renewable wind farms offered stable, low-cost energy. This is a perfect example of how wind energy can protect Maine’s ratepayers from the dramatic ups and downs in the cost of fossil-fuel-burning energy sources,” said Jeremy Payne, executive director of the Maine Renewable Energy Association.

Publicly available data from the region’s operator of the electric grid- ISO New England- reveal New England’s wind energy resources on average exceeded their typical winter performance during those severe deep cold periods. According, to New Hampshire utility PSNH, this compares favorably to the natural gas fueled generators whose availability fell so far at one point that 75 percent of them were unavailable. With the limited amount of natural gas to power those plants, the region’s dirtiest coal and oil fueled plants were activated to avoid a blackout. Had the region installed more wind energy it would have reduced the need for those polluting plants to operate.

Generally, price in the electricity market is determined by the underlying cost of the fuel for an operator to run its power plant. For a natural gas plant, the cost is largely determined by the market price for natural gas. In stark contrast, fuel costs for a wind turbine are effectively zero, since there is no volatile fuel to purchase. Wind energy resources with their “free” fuel provide an effective hedge against electricity price swings caused by the volatility in natural gas markets, which generally set the price of electricity in New England because more than half of New England’s electricity is produced by natural gas fueled plants.

During these periods of peak demand wind energy resources were providing New England with hundreds of megawatts of low-cost electricity when high demand and gas supply problems were causing electricity prices to exceed \$150 MWh, or 15 cents/kWh. By comparison the average monthly residential electricity (commodity only) price in New England is under 10 cents/kWh or one-third lower.

According to the 2011 economic study conducted by ISO New England, increasing wind power from the current 892 MW to the 3926 MW of wind in the development stage, consumer costs arising from the wholesale electricity market would decrease by \$1 billion per year.



Wind energy also reduces prices in natural gas markets, providing savings for all users of natural gas. New England faced spiking natural gas prices, illustrated in the chart, as the extreme cold weather drove the demand for natural gas for heating and electric power generation. By reducing demand for natural gas, wind energy helped lower natural gas prices. For consumers using natural gas to heat their homes and businesses, wind energy helped provide some savings on their heating bills.

“As temperatures plummeted, and natural gas prices climbed, the wind was providing Mainers with pollution-free, low cost energy,” said Paul Williamson, director of the Maine Ocean and Wind Industry Initiative, “Clean, cost-stabilizing; the benefits of wind are clear. With these benefits for ratepayers, our environment and our economy, it’s no wonder that the most recent poll on the subject showed 87% support for wind energy among Maine people,” he continued.

In New England and throughout the United States, wind energy output was consistently strong throughout the cold spells that gripped the country. Power from wind lights our homes and saves consumers millions of dollars by keeping both electricity prices and natural gas prices in check. Wind power diversifies our mix of energy resources to provide a reliable source of everyday power and, in extreme weather, gives consumers added protection and lower cost energy.

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.com.

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