



STATE OF MAINE  
OFFICE OF THE GOVERNOR  
1 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0001

Paul R. LePage  
GOVERNOR

January 21, 2014

Legislative Leadership  
State House  
Augusta, ME

Dear Legislative Leaders,

I write you today regarding our state's energy situation and to make you aware of the consequences of failing to take advantage of regional and state resources to lower energy costs for Maine businesses and households.

Energy prices have increased significantly in 2013. In the past month the price of electricity in Maine has increased to a five-day average of nearly \$200 per megawatt hour and on average wholesale prices in New England were 57 percent higher in New England in 2013 compared to 2012. Propane prices are now \$3.25 per gallon, which is an increase of 22 percent just since the heating season began in October. Furthermore, the average price of home heating oil is \$3.81 per gallon today, which for nearly 70 percent of our households means on average that they will be spending more than \$3,200 this winter to simply provide heat. Our energy prices are becoming more expensive for businesses competing across the world and the Maine people are spending more of their disposable income on energy.

My Administration's energy policy is simple and based on two fundamental objectives:

- 1) **Lower the Price of Energy for Maine Businesses.** We should open competition to all energy sources that can lower the price of energy for Maine businesses and position our state to better compete for business development;
- 2) **Invest in Affordable Heating Options.** We should direct finite state resources to assist Mainers make investments in more affordable heating options that will lower their heating bills including heat pumps, natural gas, wood pellets, or other advanced systems.

Despite the fact that our state has tremendous natural resources these resources are not being utilized to assist in meeting these two objectives. Instead, Maine's energy policy has been focused on streamlining wind development that is almost completely contracted with southern New England states. This is not helping Maine lower electricity prices or assisting Mainers with their high heating costs.

My Administration is making progress on a regional effort to increase our access to natural gas and hydropower to bring additional competition to lower costs. On a parallel track we must amend our state laws to lower energy costs. Specifically, we should eliminate anticompetitive policies that unnecessarily increase electricity prices and work together to utilize Maine's natural

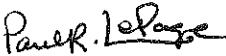


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resources to lower heating and electricity costs for Mainers – not just comply with New England's environmental goals.

Maine can become more competitive if we open our state policies to competition, invest regionally in strategic infrastructure, and accelerate a transition to more affordable heating systems. The situation requires all of us to do our part to change Maine's energy trajectory.

Sincerely,

  
Paul R. LePage  
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Sincerely,

A handwritten signature in blue ink that reads "Paul R. LePage". The signature is stylized, with the first name "Paul" and last name "LePage" clearly legible, and the middle initial "R." in between.

Paul R. LePage  
Governor