

Wind Power as an Economic Engine for Maine



Maine Wind Energy Conference
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Reed & Reed

Regional Leader in Wind Power



- 195 commercial scale wind turbines in Maine either under construction or in operation – 192 by Reed & Reed
- Also Projects in NH, MA & VT
- Have built most New England projects



Impact at Reed & Reed

- Hired 6 new engineers
- Invested \$16 million in equipment
- Expanded office and maintenance
- Trained employees as Certified Wind Technicians
- Established maintenance service
- Enjoyed growth in turbulent times
- Diversified our business mix



Economic Development is...

...the increase in the standard and quality of living in a region's population related to a sustained growth in circulating income and educational attainment.



Incremental Economic Impact

- Wind Power Investment is an incremental benefit to Maine
- Produces benefits that otherwise would not occur.
 - Income
 - Tax revenue
 - Reduction in GHG
 - Energy cost stabilization



The Importance of Wind Power Investment



- Energy
- Jobs
- Multiplier Effect
- Tax Base
- Community Development



Clean, Renewable, Sustainable Energy

- Energy, especially electricity, is critical to advanced economies...*where we get it is critical to sustainability*
- Renewables will provide price stabilization over time
- Wind is our best local alternative to local impacts of fossil fuels
 - Mitigate climate uncertainty
 - Improve air and water quality



Professional Permitting & Development Services

- Attorneys
- Development Costs
- Land use consultants
- Permitting consultants
- Civil designers
- Electrical designers
- Environmental consultants
- Communications consultants



Jobs in Rural Counties

- Construction
 - ~250 workers annually since 2005
 - (Peak of 600 jobs) @\$30+/hr + benefits
- Operations and Maintenance
 - ~1-2 permanent employees per 10 MW
- Long shoring and Transport
- Local sub-contractors
- Site Vendors and Services
- Hospitality



Supply Chain

- Stetson 2 completed March 2010
- 17 WTGs, 25.5 mw
- Direct spending \$18 million
- Indirect \$18 million
- 89 Maine businesses involved



New Business Example:

KR Builders, Carrabassett Valley



- Small contractor created power washing division at Kibby
- Traveled throughout Maine and beyond to WTG construction sites

Multiplier Effect

- Economists agree there is an indirect impact generated by investment
- Typical indirect impact for construction is 2x



Maine State Tax Base

- Since 2006 over \$900 million in wind capital investment has been installed in Maine
- Property tax base increase ~ \$9 million per year (Average mil rate = 10)
- Sales and income tax revenues ~ \$6 million per year (~\$0.016 Million /MW installed/year)



Community Development

- Projects and their Maine workers have contributed in many ways to the quality of life in surrounding communities.
 - Friendships
 - Donations
 - Educational Programs
 - Outreach



Wind Power Potential by the Numbers



- Year 2020
- 3000 MW
- \$2.5 Million Investment/MW
- \$7.5 BILLION



Expenditure Breakdown

- 50-60% goes to turbine procurement from US and foreign manufacturers.
- Remainder (BOP) is invested in Maine
 - Development Costs
 - Engineering and Design
 - Transmission and interconnect facilities
 - Roads and turbine foundations
 - Turbine installation and commissioning
 - Electrical collector systems
 - Development costs (Legal, Permitting, Community Outreach, etc.)



Potential Investment

- 45% of \$7.5 Billion = \$3.375 Billion
- Economic multiplier = 2
 - Total direct and indirect economic impact = \$6.75 billion over 12 years
 - Average annual impact of capital investment will be over \$550 million.
- Tax Revenues = \$120M/year
- +Energy, Jobs, Community Benefits



Dirigo...I lead

- Wind power creates benefits
 - Environmental
 - Energy
 - Economic
- The biggest and best thing that has come along in years for Maine
- Need to maintain leadership to capture the potential.

