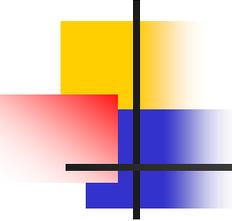


New England Bulk Power Markets and Wind Power in Maine

Kurt Adams, Chairman
Maine Public Utilities Commission

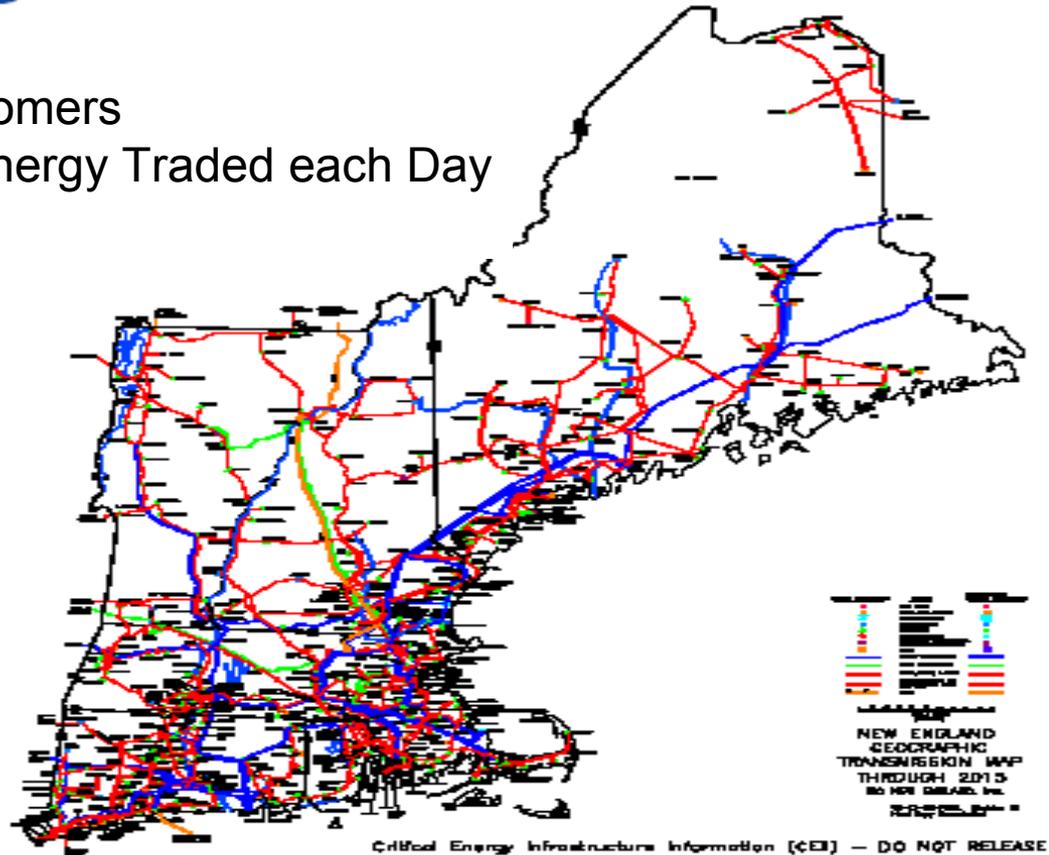


Overview

- The New England Bulk Electricity Market
- Electricity Needs
- Supply Mix
- Cost Drivers
- The Market in Maine
- Wind Power For Maine

New England Transmission Map

- Six States
- 6.9 Million Customers
- \$20 million of Energy Traded each Day



Sources: ISO New England, Energy Information Administration
Submitted by the Maine Public
Utilities Commission

Installed Capacity by Fuel Type

Heavy Dependence on Natural Gas

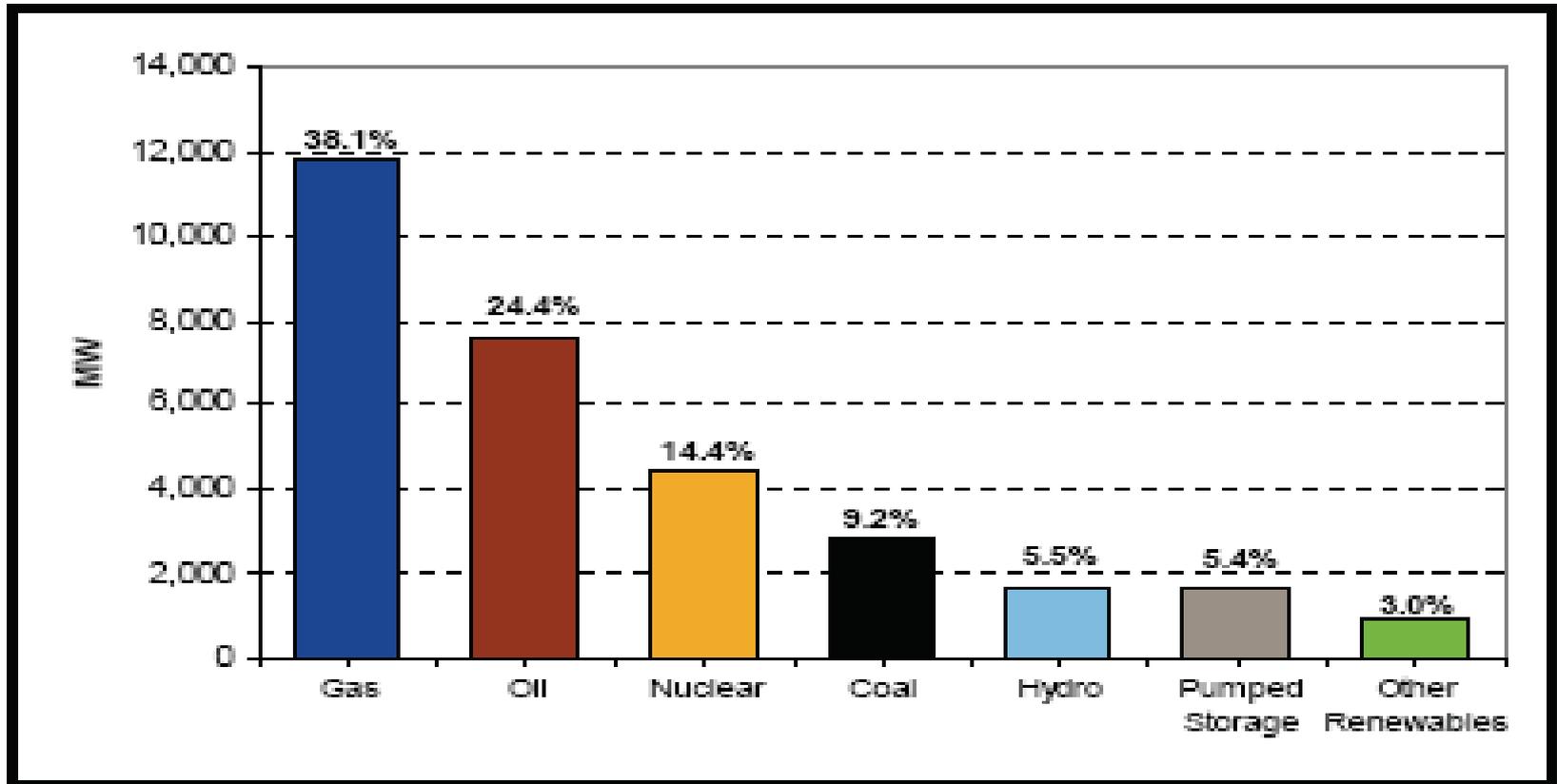
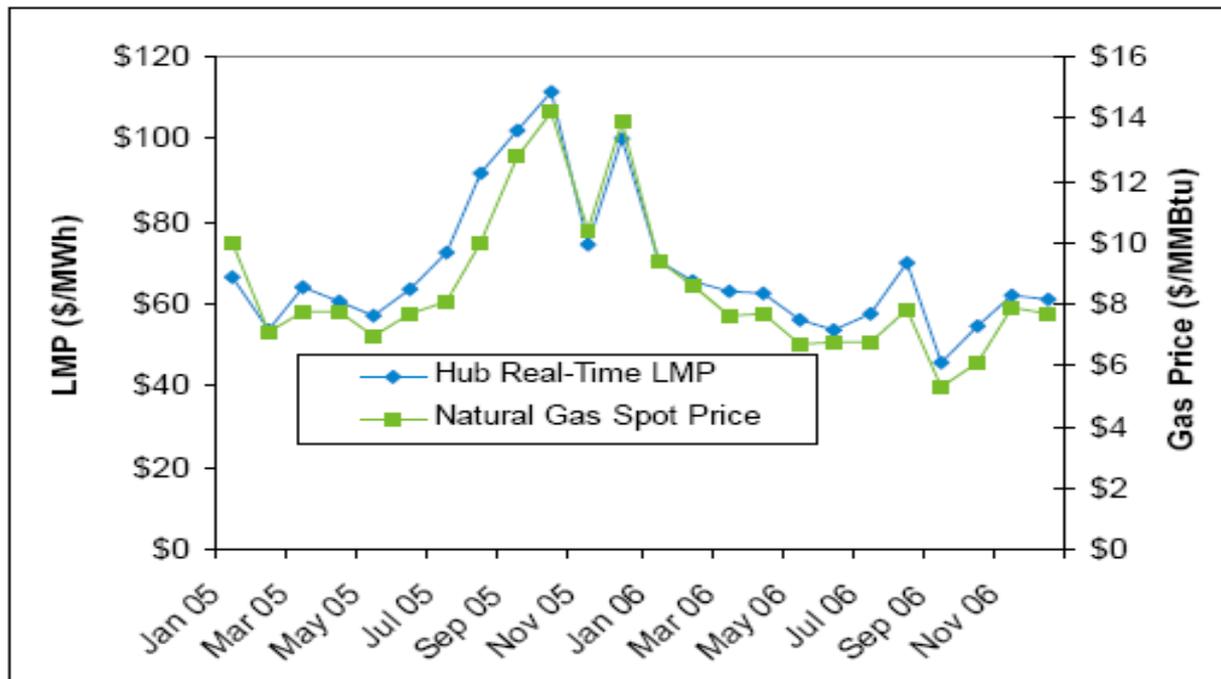


Figure 2-1: New England generating capacity by fuel type, 2006.

Source: ISO New England

Submitted by the Maine Public
Utilities Commission

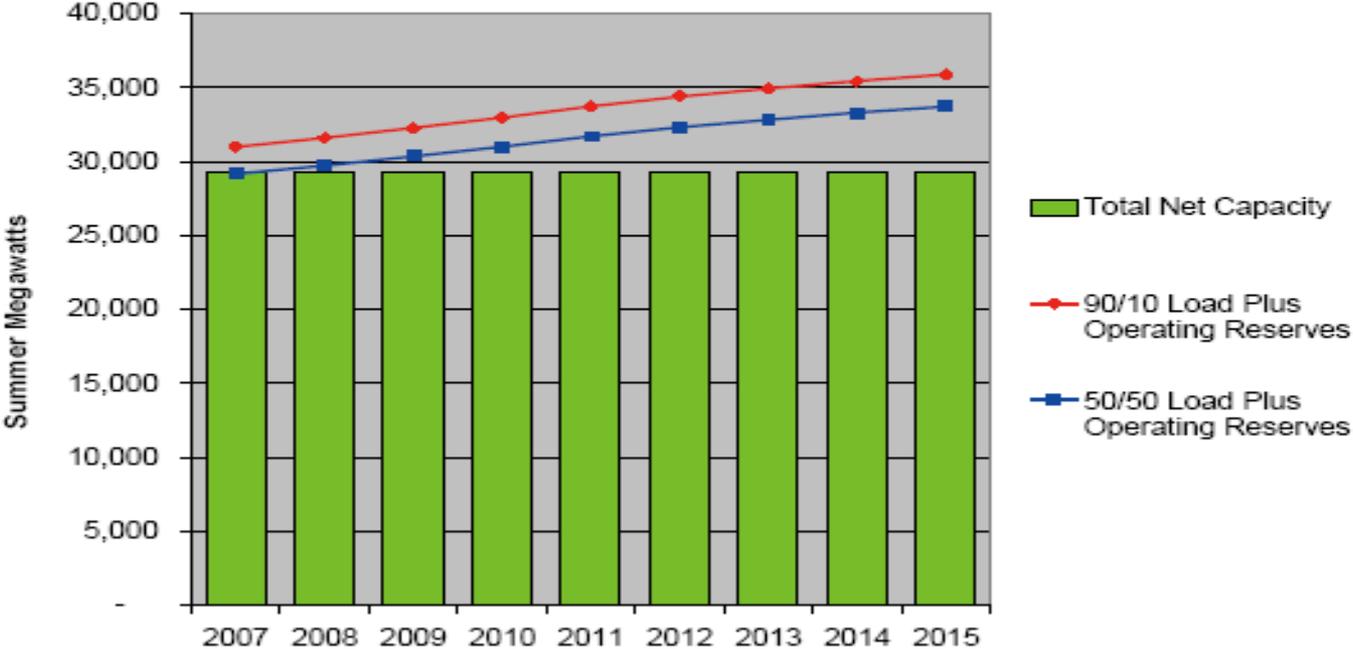
Gas Prices Drive Price of Wholesale Electricity



Source: ISO New England

Submitted by the Maine Public
Utilities Commission

New Supply Needed to Keep Pace with Demand



Source: ISO New England

Submitted by the Maine Public Utilities Commission

Regulatory Policies Driving Renewables

States Seek Renewable Energy: Requirements to Increase 500%: 2006 - 2015

RPS Requirement as a % of Energy in New England (2015)

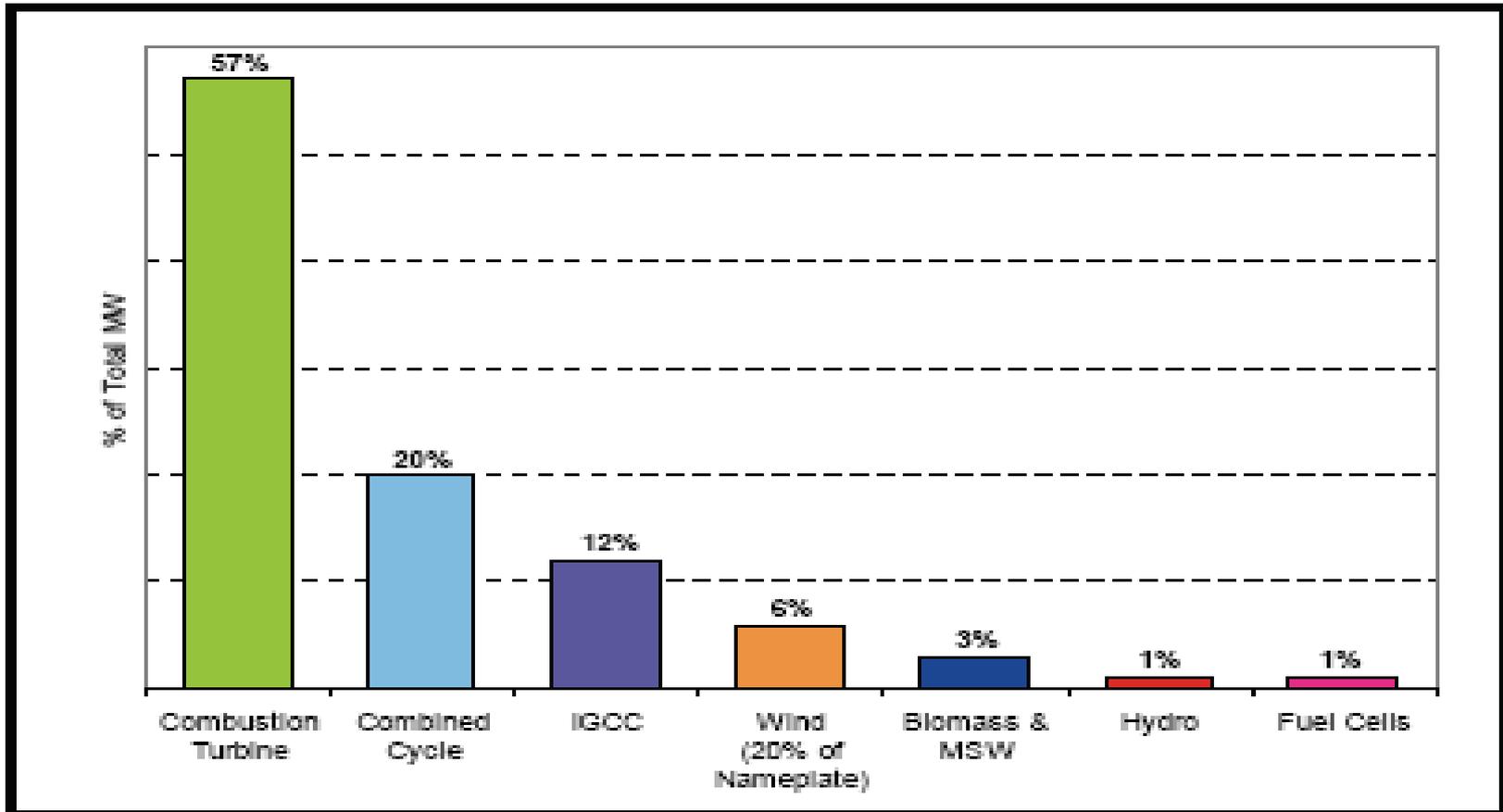


■ NE RPS Requirement
■ NE Energy From Other Sources

- 6.5% RPS requirement in 2015 equivalent to:
 - 3,750 MW of wind, or
 - 1,600 MW of biomass
- Proposed renewable projects in New England total 1,900 MW
 - Not all renewables qualify for RPS

Proposed Installed Capacity by Fuel Type

More Gas Coming – Renewables not Keeping Pace with Demand



Source: ISO New England

Submitted by the Maine Public Utilities Commission

Summary – Regional Need for Renewables to Meet Market and Regulatory Demands

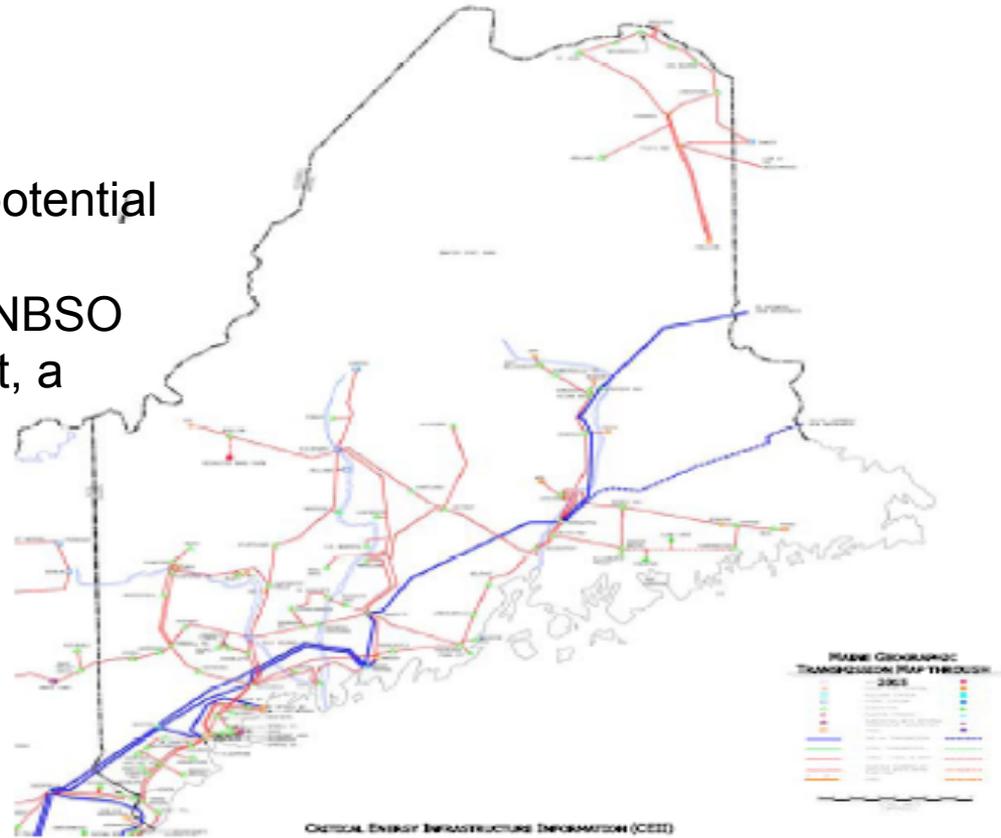
I'd also like to point out that New England may have a difficult time meeting the longer-term (2020) reductions in carbon emissions required by the Regional Greenhouse Gas Initiative ("RGGI") under several of the scenarios we're studying. The energy efficiency, nuclear, renewable and import scenarios show the strongest possibility for meeting the RGGI requirements in 2020, although there are significant challenges with developing each of these options. In particular, connecting renewables such as wind, and imports from Canada will require more transmission.

***Quote from Gordan van Welie – President and CEO, ISO New England
May 17, 2007***

What about Maine?

Maine Transmission Map

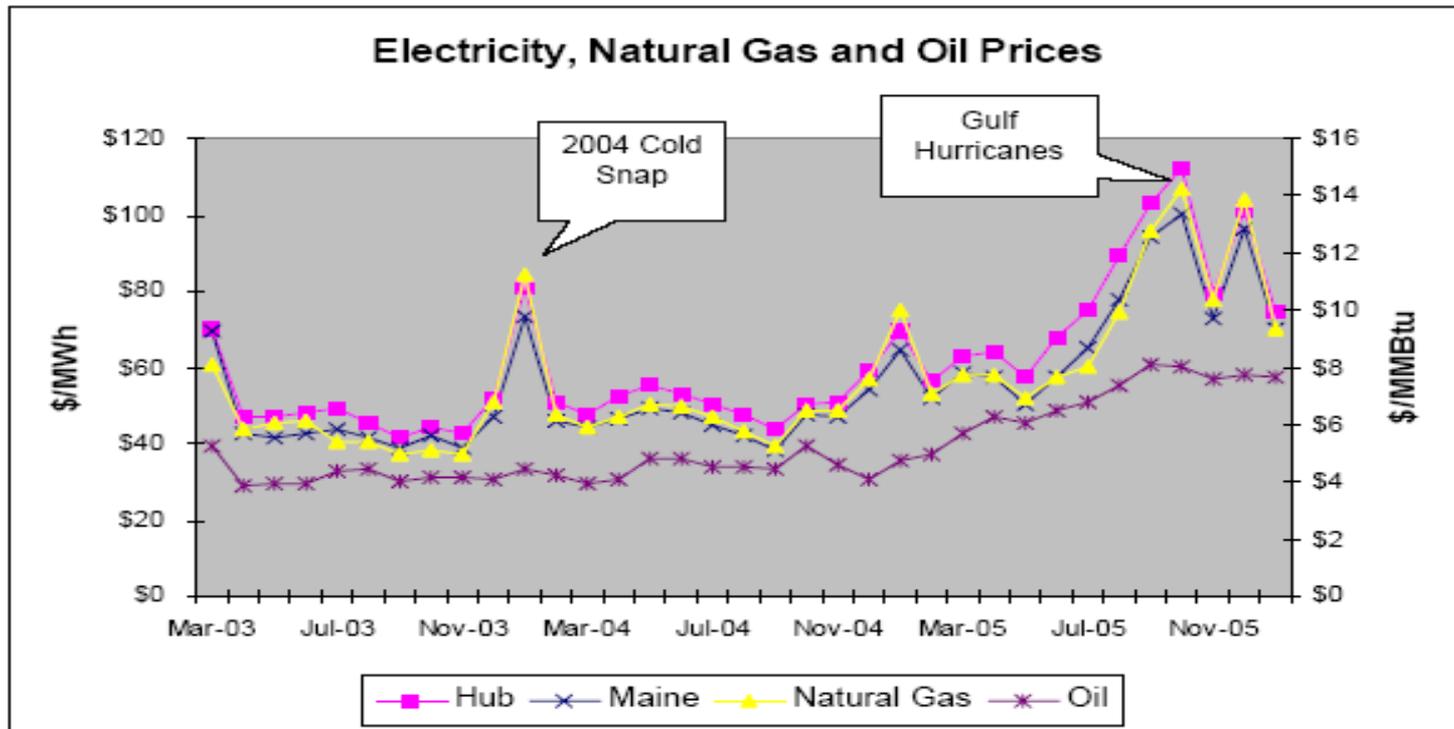
- Maine has more siting potential for wind
- Northern Maine part of NBSO
- Transmission Constraint, a problem?



Source: ISO New England

Submitted by the Maine Public
Utilities Commission

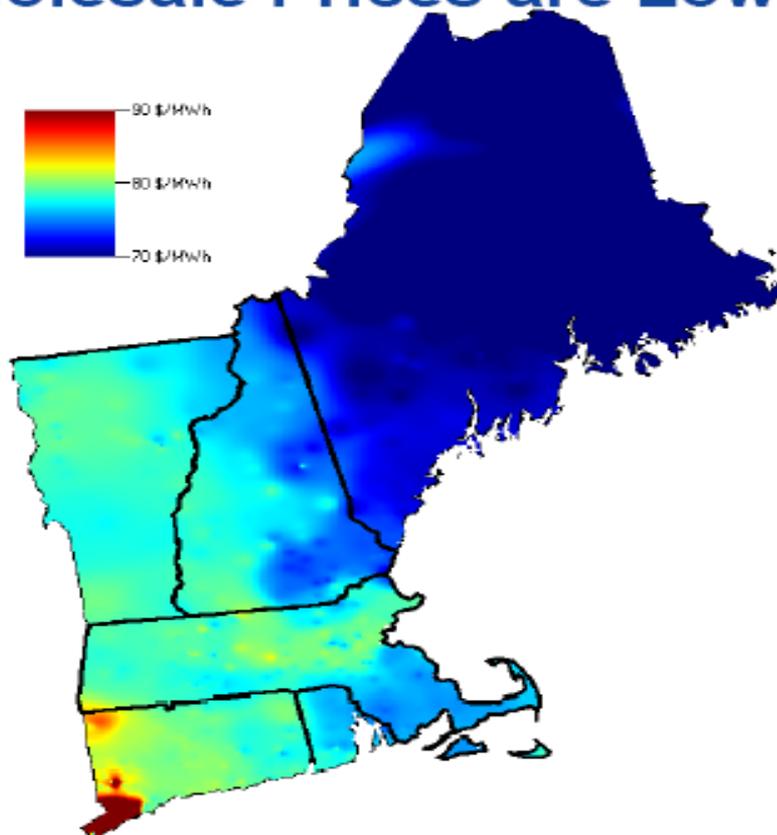
Electricity Prices Track Fuel Prices



Source: ISO New England

Submitted by the Maine Public
Utilities Commission

Energy Market: Wholesale Prices are Lower in Maine

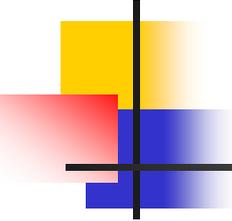


2005 Average Prices

Increasing supply will tend to
drive down prices

Source: ISO New England

Submitted by the Maine Public
Utilities Commission



Summary for Maine

- More generation will tend to lead to lower prices
- Maine law calls for resources like wind
 - 35-A M.R.S.A. §3210 (Maine Portfolio Requirement)
 - 35-A M.R.S.A. §3401-3404 (Maine Wind Energy Act)
 - 35-A M.R.S.A. § 3210-C(2) (New Renewable Resource Policy)
- Maine, and the region, cannot meet regional CO₂ policy goals unless Maine does its part to host wind.