

Dear Editor,
It is with great disappointment that I am writing with news of the closing of our pellet mill. It was an extremely difficult decision after two years of unbelievable perseverance, obstacles, successes, and failures. One of the primary obstacles we were not able to overcome was the oppressive and unsustainable cost of electricity and a \$7000 disconnection notice the week before Christmas (which certainly got us in an A Christmas Carol mood.) Scrooge still exists, he clearly works for Central Maine Power.

In the planning phase of our project, we provided CMP a precise list of our total Kw need and we were told (verbally of course because CMP is "not allowed to give estimates, only invoices"), to expect an electric bill of \$500.00 +/- per month worst case scenario. One can imagine my surprise and disdain when our bills started coming in at \$2000-\$3000 per month. I will give them the benefit of the doubt where estimates are ballparks but 400-500% off?? It is my feeling we were duped into establishing service with CMP as opposed to instead moving forward with a combination of solar and generator power right off the bat. Conspiracy theory??

Regardless of one's opinion of Governor LePage, he is absolutely correct that one of the biggest economic hurdles we are facing in Maine is the cost of energy. Our Pellet project is a perfect illustration of the problem. As a result of the unbalanced application of CMP's pricing schedules, they alone consumed over 25% of our total revenue each month. It is unconscionable that one entity garnishes such a huge piece of the pie that there is not enough left to create all the added value of a year-round manufacturing business such as ours. The game is rigged to where CMP cannot and will not lose. They literally have a license to steal.

CMP promotes itself as "a leader in economic development". I pursued and took advantage of any and every program I could find available for our business. As a Pine Tree certified business, I was able to take advantage of one of CMP's "economic development" pricing schedules. Because of this program, after paying CMP just under \$30,000 for 12 months of power, we were generously awarded our "economic development" credit of \$199.00. So, their idea of helping manufacturing businesses is awarding a \$199.00 rebate on \$30,000.00 worth of power? What an absolute joke. I transferred our pricing schedule to "time of use" (which by the way, had to discover on my own as CMP establishes service at the rate THEY see fit) where demand charges are lower based on time of day. This involved our employees working 7pm to 7am and myself going in to make pellets at 3am. Even this had very little effect on our bills. I asked to CMP come check our meters as there was no consistency what so ever in our usage. They sent out one of their engineers, not an independent contractor, but a CMP employee and as you can imagine.... everything tested out just fine. What a surprise. Their answer for any abnormality in the usage was basically whatever the meter says goes. So, they install it, they repair it, they have total control over the reading, reporting, and application of cost-all in house. Conspiracy theory?? In addition, after enrolling in their energy manager program which allowed us to closely track usage, we had energy spikes during times when the mill was shut down and all the breakers turned off. When asked, they say there was a software glitch...if I didn't catch that would they have? How many homes and other businesses does that go unnoticed? Conspiracy theory?? CMP has on their website a list of meter-read dates for each read cycle of customers. We downloaded the list and paid

close attention to it because when you are trying to manage monthly demand it is critical to know what day the demand "resets". One day either way could cost us \$1100.00. I interrupted the meter reader on two separate occasions coming to read our meter two days early. I made a fuss, they acknowledged the error and read it on the correct day. How many times did they do that when I wasn't there or didn't notice? How many other businesses do they do that to? That is a lot of free money for them and arguably quite unethical. Conspiracy theory??

From my experience, they have a business model **where:**

1) **The customer pays** to build the infrastructure, but CMP retains ownership. (We paid for all materials for service to be brought into our site. We bought the transformer, transformer vault, wire, etc., yet we don't own it, CMP does.)

2) **The customer pays** for goods and services regardless of whether or not they are actually provided or consumed. (During power outages or other circumstance where CMP determines a reading can't be taken, they can and do bill based on past usage. Take our Halloween windstorm for example. We were without power for 8 days-over 25% of the month, yet our bill was 10% higher than previous month. This provides them with an unconditional, continuous revenue stream NO MATTER WHAT.)

3) **The customer pays** the costs of repairs to the infrastructure. (CMP splits storm repairs with customers 50/50 UP TO \$1,000,000 annually after which 100% of the cost of repairs is passed on to the customers).

I have spent many hours communicating with The Governors Energy Director, our State Representative, everyone at CMP who would take my calls or emails (until they flat out stopped responding), the MPUC, and researching the MPUC website as related to electricity and CMP. This has all come to the same dead end, where CMP is very well protected, clearly has friends in high places, and is untouchable. I can't help but feel as though it is legalized extortion. They send you a bill, for pretty much what they see fit-without any regard for ancillary businesses. If you question the bill, you are ultimately met with pay or we will disconnect you-essentially pay or they will put you out of business. Which is basically what they did to us. This past December we ultimately paid CMP \$150.00 PER DAY or \$12.50 per hour. Essentially another employee that does not contribute to the profitability of the business.

We can all choose who we buy our power from, but have no choice of who delivers it as CMP is a publicly regulated monopoly. Just to further paint the picture, one month in particular, we used less than \$60 worth of electricity, and were charged almost \$2000 for delivery. Again...we paid \$2000 to CMP to have \$60 worth of power delivered. How that is legal is beyond me.

CMP has been allowed to hamstring the economy of this State. Maine is in desperate need of sustainable industry with jobs (especially in the forest products manufacturing sector) that don't depend so heavily on people having disposable income arising from money that was more often than not, made out of state. We are at risk of losing one of our oldest and traditional industries in forest products. This pellet project was born from the need to retain markets for low quality wood. In practicing sustainable forestry, as we do, we are essentially "weeding" the forest of the diseased, damaged, and or otherwise low-quality trees to allow the healthy trees room to grow and thrive. The paper industry has been, and still is (albeit a shadow of its former self), the primary market for these low-quality pulpwood trees. If we continue to lose these markets, it becomes very difficult to practice

good, sustainable forestry. Regardless of your personal opinion of forestry and logging, it is the largest and farthest-reaching segment of the Maine economy. The Maine Forest Product Council has estimated Maines forest economy has an \$8 billion-dollar impact in our state with 1 out of every 20 jobs, and \$1 out of every \$16 dollars of Maine gross state product coming from the forest products sector. It has also been estimated that every log truck load of wood going down the road adds, on average, \$10,000-\$15,000 value into the economy of our state. At this point in time with all the mill closures, it has been estimated that we have lost market for approximately 350 truckloads of wood, every day, 365 days per year in Maine. You do the math. That is an alarming hit to our economy. It is easy to sit here on the coast in our economic bubble where there is a false sense of security and that tourism will save the day. That is all well and good unless you live above Ellsworth or north of route 1. The majority of our state is struggling and most towns don't have "trickle down" economies that benefit from a handful of fortunate and successful people. Think of what the mid-coast region would be if we had no tourism, no wealthy residents to need services, or no lobsters to add to the economy. I never in a million years would have thought we could lose the paper industry in Maine-yet here we are. Could the same happen to the lobster industry? Are we comfortable that people will continue to come here? Some will embrace the changes here, and some won't and will vacation elsewhere. Are we comfortable that the financial markets won't crash, leaving even the wealthy with little to no disposable income to hire services? Are we comfortable that lobsters will continue to be sustainable given the changes in our climate and oceans? These are things I think about with regards to economic security. I feel we are walking a fine line. My point is this, one of the biggest road blocks to the success of manufacturing in Maine is the cost of energy.

Maybe if enough of us call CMP out on their profit mongering and greedy practices, we can get some due change going forward. It would be too little to late for our project, but I will continue to be a squeaky wheel in hope of a better business climate for the future. Pay close attention to your bills, ask questions, don't just assume they are correct or fair. We need to fight for a sustainable growing economy that doesn't rely so heavily on people bringing money here from places where the economy is more favorable.

In closing:
I would like to thank the residents of Boothbay who voted to approve our TIF Credit Enhancement Agreement with the town. We never took advantage of it, but the sentiment is there just the same. I would also like to thank Dan Breyer for the encouragement and support through this process. I am sorry that this is the ultimate outcome but rest assured we gave it our all and left no stone unturned.

I would like to thank all our customers who gave us a chance and chose to buy local. We strove to provide a quality product and honest service.

I would like to thank Eric and Justin of EM Wood Construction, Mike Tomacelli of Mid-Coast Machine, Tim and Linda Wilcox of Tim's Tree Service, Fred Stover of Stover Electric, without all of whom this project would not have been possible.

I would like to thank Stephanie Hawke for listening to my rants and advocating for us at the State level, and Brenda Blackman at The First for financial guidance and assistance, and whoever took the time to read this.

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