

## Power play

### Backers of a new environmentally friendly electric plan see added value in green energy

BY MICHAELA CAVALLARO

**F**or all but the largest electricity customers in Maine, deregulation has been just about unnoticeable. Residential and small business customers rely almost entirely on the default electricity supply, with little competition for their dollar. But in the last few months, all that has changed.

As of late January, hundreds of businesses and individuals in the state are willingly paying a premium for so-called "green" power. The effort was spearheaded by a Brunswick-based nonprofit group called Maine Interfaith Power & Light (MEIPL), which, when deregulation took effect three years ago, began collecting signed letters of intent from faith-based organizations, nonprofits and individuals who said that if power produced from renewable resources — wind, solar, biomass and low-impact hydroelectric facilities — were available in Maine, they would choose it. By last December, MEIPL had signed letters from 1,300 organizations and individuals, a stark contrast to an earlier green power effort — by Presque Isle-based Energy Atlantic — that stopped accepting new accounts in 2001 after attracting just 100 customers at its peak.

In a measure of MEIPL's success, on March 17, Maine Green Power Connection ([www.maine.greenpower.org](http://www.maine.greenpower.org)), a new organization that encompasses MEIPL, businesses, educational institutions and nonprofits and promotes clean electricity products, was scheduled to announce, among several other items, that Interface Fabrics Group, formerly known as Guilford of Maine, has made a five-year commitment to purchase 10% of its power through the organization.

Although the company, which manufactures fabrics for commercial interiors, has a long-standing commitment to environmental responsibility, Paul Paydos, Interface's vice president of technical services, says the decision to invest in green power has commercial benefits as well. "Obviously, the office furniture industry is going through some very difficult times, so anything one can do to gain a competitive advantage is a good idea," he says. "We have many major customers who are very excited we're doing this — they will, in turn, be able to market the furniture as having a significant component, the fabric, produced using 100%

certified renewable energy."

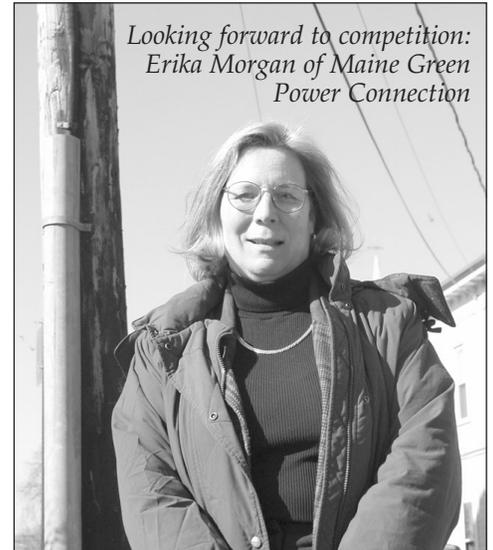
It's precisely that angle — that businesses will be able to use their purchase of green power in their marketing and branding efforts — that Erika Morgan, program manager of Maine Green Power Connection, thinks will make the service's 10% premium palatable to budget-conscious business owners. "If they are at all affected or worried about customers for whom values matter — 'cultural creatives' has become the shorthand — these are the kinds of customers who care about [a business'] environmental footprint," Morgan says.

### Unexplored potential

That combination of environmental consciousness and bottom-line practicality has typified Morgan's approach to green power from the beginning. MEIPL was created by a group of concerned citizens affiliated with a variety of Maine churches, whose members provided an instant pool of potential supporters for an organization whose mission statement reads, "For the preservation of God's creation, we join together to purchase electric power that has the least possible adverse effect on this fragile earth — our island home."

With its stacks of non-binding letters in favor of green power, MEIPL was able to attract the attention of Competitive Energy Services (CES), a Portland-based retail electricity supplier. Mark Isaacson, managing principal of CES, is frank about the role MEIPL played in convincing his company to find a wholesale supplier of renewably produced energy. "They were the protagonist, trying to get someone to act as a retail provider," he says. "We never would have done it on our own."

For CES, which began supplying electricity to eight large businesses in Maine when deregulation took effect and has expanded to serve increasingly smaller customers ever since, green power is a potentially profitable product line, although Isaacson emphasizes its money-making potential "still remains to be proven." But the green power CES is marketing through its affiliate, Maine Renewable Energy, is also a means to stimulate the competitive energy market in Maine. "To date, we've seen varying degrees of participation by industrial cus-



*Looking forward to competition:  
Erika Morgan of Maine Green  
Power Connection*

tomers and almost none by residential and small business," Isaacson says. "It's been our view that the market can't exist in the long run without participation across the board."

According to Morgan, customer acquisition runs \$300-\$400 per account in the industry. Since CES has a limited advertising budget, Maine Green Power Connection's willingness to build a mailing list, send out newsletters and do other forms of inexpensive but effective outreach to potential customers is crucial. "They don't quit," Isaacson says, the admiration in his voice clear. And, adds Barry Friedman of Boulder, Colo.-based Platts Research & Consulting, which runs a dedicated information service for green energy providers, the grassroots approach may well be more effective than a splashy ad campaign. "This product lends itself very well to direct sales — person to person. Under normal utility operations, that's not feasible, nor is it cost-effective," he says.

With its new name, its high-profile announcement of green power customers (including several state-owned buildings) at the State House and its determination to publicly recognize every organization that chooses its products, Maine Green Power Connection will try to reach the broadest audience possible in coming months. Though there are many companies for whom the 10% premium over standard electricity is simply too much — "We're socially conscious, but it's tough enough to make a profit in this state" without spending an additional \$80,000 a year on the electric bill, says Ham Marden, president of Winslow-based Marden's Surplus & Salvage — Morgan hopes to have 5,000 paying customers by 2004. Beyond that goal, she says, "The measure of success will be when there is not only one [green-power provider] out there, but when there are several, competing with each other." ■