

GridSolar, LLC

A Maine Limited Liability Company

Press Release

GridSolar, LLC Petitions Maine PUC To Develop and Distribute Solar Generation

For Immediate Release - February 1, 2009

Portland-based GridSolar, LLC, today filed a petition with the Maine Public Utilities Commission to become a Maine transmission and distribution utility. The GridSolar Project would develop up to 800 MW of distributed solar generation and represents an alternative to the proposal by CMP to spend \$1.5 billion on its Maine Power Reliability Project, the so-called "MPRP".

The GridSolar Project represents one of the largest proposed solar projects in the United States and would put Maine behind only California in terms of the amount of solar generation. At full build-out of 800 MW, the electricity generated would represent approximately half of all of the electricity used by all of CMP's residential customers and result in savings of more than \$60 million a year, a figure that would grow as the price of electricity increases over the 20 year period.

Richard Silkman, partner in GridSolar, said, "Our GridSolar Project represents a fundamentally different vision. Rather than expand the transmission system to bring electricity to Maine's cities and towns, the GridSolar Project provides electricity to our communities from within, using small-scale distributed solar generation"

GridSolar is proposing to operate as a utility in Maine subject to full regulation and oversight by the Maine Public Utilities Commission. All electricity generated by the GridSolar Project will be provided to Maine ratepayers at the cost of generation, not at the prevailing market price. GridSolar electricity pricing will remain constant even if the price of oil, natural gas or coal increase substantially, allowing GridSolar to offer electricity at a fixed price of 3 cents per kWh for 20 years.

This alternative to the MPRP offers many benefits to Mainers:

- The GridSolar Project is a lower cost option for Maine's ratepayers
- It provides solar generated electricity instead of electricity from fossil fuels
- It does not involve the need to expand or create new high voltage transmission rights-of-way

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- The project does not commit the State to spend \$1.5 billion in anticipation of possible increases in electricity demand.
- Solar generation will lower greenhouse gas emissions by more than half a million tons a year (equivalent to taking 100,000 cars off the roads).
- Maine will become a leader in solar technology and can utilize this leadership role to attract solar manufacturing and fabrication companies to Maine

According to Mark Isaacson, a partner in GridSolar, “The application of distributed solar generation to address grid reliability concerns is on the cutting edge of where the electric industry and so-called ‘smart grid’ technologies are heading in this country. By moving forward with the GridSolar Project, Maine will be well-positioned to attract federal and private research and development money to jump-start this new industry and the tens of thousands of jobs that will be created.”

The complete filing made by GridSolar can be downloaded at:

<http://www.competitive-energy.com/docs/FinalPetition-NotIncludingAppendixB.pdf>

The GridSolar Petition has been filed with the Maine Public Utilities Commission in Docket No. 2008-255. The PUC will review the Petition and will seek comments from interested parties in the case as well as others. We expect the Commission to rule on the Petition by this summer.

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Key Points about CMP's MPRP and our GridSolar Project:

- CMP has filed with the MPUC a proposal to spend about \$1.5 billion to upgrade its transmission grid to handle what it forecasts to be significant increases in peak loads over the next 10 years, which it estimates to be as high as 800 MWs. This is the Maine Power Reliability Project or MPRP. Importantly, this huge investment would be made to meet increases in CMP's peak load, but, once committed to, the investment would be "sunk" and irreversible, whether or not it is actually used.
- These increases in peak loads are caused primarily by two factors – (i) A shift in Maine's economy from manufacturing to service and health care and therefore a shift in electricity usage from around the clock to during normal business hours and (ii) Increases in the amounts of air conditioning in the growing commercial and residential sectors of the economy that put larger demands on the electric grid on very hot and humid days in the summer.
- CMP asserts that the MPRP is required because this increase in peak load growth will necessitate importing additional electricity over the transmission system. According to CMP, these increased loadings will cause the system to fail to meet national reliability standards that federal law requires all utilities to meet.

The CMP view of the electric grid is consistent with its limited role as a transmission utility. It sees the grid as a network of high voltage, high capacity transmission lines interconnecting load centers with large generating stations. This was the vision that created the existing network in the 1970s as new nuclear plants and a like number of large oil plants (e.g., the expansion of the Yarmouth Wyman Plant) were built in New England.

GridSolar offers a different vision of the electric grid – one where distributed generation is better able to meet the demands that will be placed on the grid as a result of increases in peak loads.

- The increases in peak load are just that – increases in load during the few peak hours each year. CMP projects load to increase, but by 2017 its transmission network will fail to meet national reliability standards during only 850 hours of the year – less than 10% of all hours.
- Most of these peak hours occur during hot days when the sun is shining. Accordingly, solar generation is a good match for air conditioning load. It is not a perfect match, of course, but during those hours when load is high but sunlight is low, solar generation can be supplemented by propane or natural-gas fired generation and/or demand-response programs where businesses are paid to reduce their use of electricity and potentially batteries.
- GridSolar proposes to install distributed solar generation in relatively small installations at sites in southern, central, western and coastal Maine (about 2 MW at each location). This generation will be interconnected directly to the CMP distribution grid, and will meet peak load growth without the need to import generation over transmission lines from remote large generating units.

- If the cost of the CMP MPRP project is paid instead to GridSolar, GridSolar will deliver the electricity generated from the solar generation to the MPUC (and therefore Maine ratepayers) for 3 cents per kWh for 20 years. At full build out, this represents a savings to Maine ratepayers of \$60 million a year at current market prices of electricity, and this savings will grow if the price of oil, natural gas or coal increases over the next 20 years as most experts believe they will.
- GridSolar proposes to install 100 MW of solar generation over the next 5 years, but is prepared to install as much as is required to meet future peak load growth in Maine. At this level, Maine would have more installed solar generation than any state in the country except California – and could become a leading player in the use of solar generation to address grid reliability issues.
- The economic development opportunities are significant – this type of initiative can be coupled with the attraction of solar cell production facilities, research and development monies and infrastructure grants to vault Maine to the head of the line with respect to solar development in the country and, in fact, the world.

The photos below and on the following page are of distributed solar generation installations in Germany. With the possible exception of the farmhouse in the middle photo below, these installations could easily be mistaken for being located in rural Maine.





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Comparison of CMP's MPRP and the GridSolar Project

	CMP - MPRP	GridSolar Project
Grid Reliability		
⇒ Meets Federal NERC Grid Reliability Standards	Yes	Yes
Cost		
⇒ Total Cost at Full-Build-Out	\$1.5 Billion	\$1.5 Billion
⇒ Can be developed incrementally as peak load grows	No – The full \$1.5 billion is committed up-front. If load does not grow or if technology changes the way we use electricity, this investment could become stranded	Yes – The GridSolar Project will be built-out as load grows. No money will be invested in the hope that "they will come".
⇒ Creates Savings for Maine Ratepayers	No – all electricity will be imported and Maine ratepayers will pay the market price, currently around 8 cents per kWh	Yes – electricity generated by the GridSolar Project in Maine and will be available to Maine ratepayers at cost – a fixed price of 3 cents per kWh for 20 years
Environmental Issues		
⇒ Provides renewable, zero emission energy	No – electricity generated to meet peak loads will be from fossil fuel plants	Yes – solar power will displace fossil fuel use and will reduce greenhouse gas emissions by 500,000 tons a year – the equivalent of taking 100,000 cars off the road
⇒ Environmental Siting Concerns	Yes – transmission rights-of-way are controversial and, because they are location dependent, require the use of eminent domain to take land from private citizens	No – distributed solar generation is low to the ground, makes no noise, has no potential negative health effects and is not location dependent. No use of eminent domain.
Jobs and Economic Development		
⇒ Creates construction jobs	Yes – in the construction of new or upgraded transmission lines	Yes – in the fabrication of solar panels, site preparation and installation
⇒ Creates new jobs in Maine once operational	No	Yes – operations and maintenance of distributed solar generation facilities
⇒ Opportunity to create new industrial development in Maine	No – transmission poles, towers and lines are manufactured out-of-state	Yes – manufacturing and fabrication of solar panels is an emerging industry. New capacity can be located in Maine