



Eastern Maine Electric Cooperative

A Touchstone Energy® Cooperative
The power of human connections®



*Built by and belonging to
the communities of
Eastern and Northern Maine*

January 14, 2022

Letter Regarding Standard Offer Service Electricity Supply Pricing

Dear Co-op Member:

You may have seen in the news that the Standard Offer Service electricity supply prices for Central Maine Power and Versant Power increased significantly on January 1, 2022.

The Standard Offer Supply electricity price for Eastern Maine Electric Cooperative (Co-op) did **NOT** increase. The existing Standard Offer Supply electricity price of 5.9 cents per kilowatt hour will continue to be the price.

Effective January 1, 2022, the residential Standard Offer Service prices for Central Maine Power and Versant Power increased from the low to mid 6 cent per kilowatt hour range to 11 cents to 11.8 cents per kilowatt hour, which represents an increase between 83% and 88% over the 2021 prices. The Standard Offer Service price increase for these other utilities is due to the current market conditions in the electricity market, which is greatly influenced by natural gas prices. Their new prices are effective for the 2022 year. Later in 2022, the Maine Public Utilities Commission will initiate a competitive bid process for their pricing in 2023.

Again, the Standard Offer Service price for Co-op members of 5.9 cents per kilowatt hour is **NOT** increasing.

The Co-op continually monitors the electricity market. In March 2020, when the electricity market was much lower than it currently is, the Co-op entered into a long-term contract with New Brunswick Power for a Standard Offer Service price of 5.9 cents that covers the period from November 1, 2020, through October 31, 2025.

Maintaining the existing 5.9 cent price and not paying current market prices for the Standard Offer Service represents approximately \$342 annually that will not be paid by a Co-op Member that uses 550 kilowatt hours a month. Maintaining the 5.9 cent price represents approximately \$4.9 million dollars annually that Co-op members will not pay.

The objective is to try and have the lowest Standard Offer Service price that is possible. Additionally, having stability in the price over a period of time and avoiding large, instant increases are also important objectives. While the future cannot be predicted, the Co-op certainly hopes that the electricity market pricing will come back down especially before the end of the existing contract in 2025.

However, during the term of the existing Standard Offer Service contract, the Co-op will continue to monitor the electricity markets and take appropriate actions to provide the best long-term, stable Standard Offer Service price possible.

I wish everyone a happy, prosperous, and healthy New Year.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott M. Hallowell". The signature is fluid and cursive, with a large initial "S" and "H".

Scott M. Hallowell
CEO