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Media Contact: Gretchen Gailey
(202) 489-3821 | ggailey@frontierfinancials.com

US Marijuana Production Energy Costs Exceed \$6 Billion

Shifting Industry Dynamics Fuel New Thinking on Growers' Electricity Use

Washington – New Frontier, the leading Big Data provider in the cannabis industry, analyzes the high energy costs associated with cultivating marijuana in its latest report, *Illuminating Cannabis: The Future of Energy in the Cannabis Industry*. Marijuana is the most energy intensive agricultural crop produced in the U.S. Its production consumes one percent of the country's electrical output at a cost of \$6 billion annually, using the energy equivalent of 1.7 million homes.

“Both operators and legislators will need to be very mindful of the high energy demands of the legal cannabis industry. Companies that adopt the most energy efficient practices will have an important cost advantage as the industry becomes more competitive and prices fall, and states that prioritize energy efficiency will reduce the fast-growing industry's impact on the grid and on the environment,” said New Frontier Founder and CEO Giadha Aguirre De Carcer.

“Most key parties are not yet engaged. California and elsewhere has begun to address the destructive impacts of unregulated outdoor cultivation, but have yet to recognize what may be even greater environmental consequences from the prodigious amounts of energy used by indoor operations,” said Dr. Evan Mills, Energy Analyst and member of the U.N. Intergovernmental Panel on Climate Change.

High energy costs, which can account for as much as half of the total wholesale price, are driven by the electricity required to grow the plant indoors, manage the intense heat generated by conventional indoor cultivation lights, and the ventilation, cooling, water and humidity management systems required to maintain optimal growing conditions for the plants.

“The unrestrained use of energy to cultivate marijuana cannot be sustained. In this must-read new report for regulators, investors, and growers, New Frontier explains how energy saving opportunities, including those stemming from advances in technologies like LED lighting, can diminish the industry's burden to our limited resources and overall environment,” said Dr. Joseph Romm, author of *Climate Change: What Everyone Needs to Know* and New Frontier Advisor.

This report looks at how those costs are impacting the industry and explores strategies growers can adopt to more effectively manage energy use. Topics covered include:

- The Challenge of Conventional Lighting
- The Market Forces Fueling Reduced Energy Use
- High Costs of Promising Technologies

- Lighting Innovation
- Quality vs. Profitability

If you have any questions or would like to receive a copy of *Illuminating Cannabis: The Future of Energy in the Cannabis Industry*, contact Gretchen Gailey at 202-489-3821 or ggailey@frontierfinancials.com.

About New Frontier:

New Frontier is the first company to provide objective, sophisticated and comprehensive analytics and reporting for the nascent and underserved cannabis industry. New Frontier, the premiere Big Data shop in the sector, looks beyond the plant cultivation and distribution, to raise the industry bar and provide visibility into what will inevitably soon be a mature and more complex industry. New Frontier is headquartered in Washington, D.C. For more information or media inquiries, please visit www.frontierfinancials.com or contact Gretchen Gailey at 202-489-3821 or ggailey@frontierfinancials.com.