

April 8, 2025

Via Electronic Mail

Committee on Energy, Utilities and Technology
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

RE: Public Hearing, LD 1270, *An Act to Establish the Department of Energy Resources*

Dear Senator Lawrence, Representative Sachs, and Members of the Committee,

The Alliance for Climate Transition ("ACT") appreciates the opportunity to submit comments to the Committee on Energy, Utilities, and Technology ("the Committee") in strong support of LD 1270, *An Act to Establish the Department of Energy Resources*.

ACT leads the just, equitable, and rapid transition to a clean energy future and a diverse climate economy. ACT is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. ACT members span the broad spectrum of the clean energy industry, including clean transportation, energy efficiency, wind, solar, energy storage, microgrids, fuel cells, and advanced and "smart" technologies.

ACT is dedicated to growing the clean energy economy in Maine and across the region, in pursuit of our mission to create a world-class and equitable clean energy hub in the Northeast. Our 300+ members include companies based in Maine, doing business, or hoping to make future investments in the state.

Establishing the Department of Energy Resources

ACT strongly supports elevating the Governor's Energy Office to a cabinet-level Department of Energy Resources. This proposal represents a critical step in aligning Maine's energy governance with national and regional best practices and ensuring the state is well-positioned to meet its energy and climate commitments.

Across the country, states with cabinet-level energy offices—such as New York, Massachusetts, New Hampshire and Connecticut—have demonstrated the effectiveness of this model in modernizing the electric grid, streamlining permitting processes, protecting ratepayers, and

facilitating clean energy investment. Maine has already set ambitious targets, including achieving 100% clean electricity by 2040 and deploying 3 gigawatts of offshore wind by the same year. Establishing the Department of Energy Resources will provide the necessary stability, coordination, and accountability to sustain progress toward these goals.

A strengthened energy office will also enhance Maine's capacity to ensure energy affordability and coordinate the increasing electrification of homes, businesses, and transportation. Given the growing threat of extreme weather events and global energy volatility, the state must proactively reinforce its electric grid, modernize transmission and distribution infrastructure, and expand energy storage capacity. Other states have leveraged similar governance structures to lower energy costs, improve grid resilience, and enhance reliability, and Maine would benefit from adopting this proven approach.

Beyond its impact on reliability, this proposal represents a sound economic decision. Maine's clean energy sector is poised for significant growth, with job creation spanning industries such as manufacturing, development of distributed energy resources, and heat pump installation. The proposed Department of Energy Resources will enable the state to attract private investment, support workforce development, and position Maine as a leader in the transition to a modern, low-carbon economy.

Energy affordability remains a pressing concern for Maine households. Rising utility costs place a considerable burden on families, limiting their ability to afford other essential needs such as food and healthcare. Elevation of the energy office will better enable the State to advance policies that promote efficiency, lower costs, and ensure a more resilient energy system.

Without continued expansion of clean energy, Maine risks greater dependence on fossil fuel generation, which is vulnerable to supply shortages and price volatility during extreme weather conditions. By investing in clean energy solutions, modernizing infrastructure, and fostering competition within the energy market, policymakers can help protect consumers from unpredictable energy costs while advancing long-term sustainability.

Importantly, this proposal is a fiscally responsible measure that does not require new funding. Instead, it enhances governance efficiency by consolidating energy planning, permitting, and procurement functions within a single, dedicated office that can be durable regardless of who is in the Governor's office.

This is not merely an administrative change—it is a necessary step to ensure Maine has the leadership and resources to meet its energy and climate objectives. With a rapidly growing clean energy sector, increasing electrification, and ambitious climate targets, now is the time to establish a cabinet-level Department of Energy Resources and equip it with the authority and capacity needed to support Maine's transition to a resilient and affordable clean energy future.

Competitive Procurement

General Support

ACT also strongly supports the proposal in LD 1270 to empower the Department of Energy Resources to conduct competitive energy procurements that align with the state's electric demand, reliability needs, ensuring the development of clean energy at scale while reducing costs for consumers.

Providing the Department of Energy Resources with explicit and delineated authority to procure energy resources is essential to ensuring a reliable, affordable, and sustainable energy future. Centralizing procurement authority within a dedicated cabinet-level energy office allows for a more strategic, coordinated approach to meeting Maine's energy needs.

This structure enhances the state's ability to secure cost-effective clean energy resources at scale, reducing reliance on volatile fossil fuel markets and protecting consumers from price spikes. In states with similar models, energy offices have successfully leveraged competitive procurement mechanisms to drive down costs, foster market competition, and ensure a stable energy supply.

A stronger energy office with procurement authority can also align resource acquisition with long-term policy objectives, such as Maine's 100% clean electricity target by 2040. By conferring consolidated procurement authority to the state energy office, the state can take a holistic approach to energy planning—prioritizing reliability, affordability, and sustainability while reducing regulatory bottlenecks that slow clean energy deployment.

Furthermore, granting a cabinet-level energy office procurement authority enables the state to respond more effectively to emerging challenges, including climate-driven disruptions and evolving energy market dynamics. Maine, like other states, faces increasing risks from extreme weather events that can disrupt power supply and strain grid infrastructure. With the ability to directly procure energy resources, the Department of Energy Resources can prioritize investments in resilient infrastructure, distributed energy resources, and energy storage, ensuring the grid remains reliable under stress.

Increased procurement authority also strengthens Maine's position in regional energy markets. A well-empowered energy office can negotiate better terms for long-term power purchase agreements, secure stable electricity prices, and support the development of in-state clean energy resources—reducing dependence on imported fossil fuels and keeping more energy dollars within Maine's economy.

A centralized energy procurement authority also enhances transparency and accountability in energy resource decisions. A cabinet-level office with a clear mandate to procure energy resources will operate under a well-defined framework, ensuring that procurement processes are competitive, cost-effective, and aligned with state policy goals. This approach fosters public confidence in the state's energy planning efforts while providing the oversight needed to ensure that ratepayers benefit from efficient and responsible energy investments.

Suggested Additions

ACT encourages the Committee to enhance the proposal in LD 1270 in the following ways:

First, we recommend that final legislation should set specific minimum amounts that must be contracted under each procurement.

Amending the bill to establish specific minimum sizes for each procurement is a crucial step in providing market certainty and sending clear signals to developers and investors. The energy industry operates on long project development timelines, often requiring years of planning, financing, and permitting before a project can be realized. It is in Maine's interest to develop a pipeline of projects at sufficient levels of maturity to participate competitively in solicitations run by the Department of Energy Resources.

Without clear procurement targets, developers and financiers may hesitate to commit resources, leading to a slower and less efficient buildout of clean energy infrastructure.

Establishing minimum procurement sizes ensures that the market has a predictable and stable pipeline of opportunities, encouraging investment in new generation, transmission, and storage projects. Additionally, setting defined procurement thresholds will help Maine remain competitive with other states that are actively advancing clean energy projects through structured, predictable procurement processes.

Second, we recommend that final legislation should require opportunities for stakeholders to provide feedback to proposed procurement methodologies.

Providing statutory requirements to establish regular opportunities for stakeholder feedback in the development and refinement of procurement methodologies will help ensure that the state's energy solicitations are designed for success. Effective procurement methodologies are key to securing the best outcomes for ratepayers, the state's economy, and Maine's long-term energy goals. Industry stakeholders bring invaluable expertise on the financial, technical, and regulatory challenges associated with energy project development.

By institutionalizing the requirement for predictable stakeholder feedback opportunities, Maine

can proactively refine its procurement strategies, ensuring they remain responsive to evolving market conditions, cost trends, financing realities, and technological advancements.

A structured engagement process will also help identify and address potential barriers that could lead to unsuccessful solicitations. In some cases, poorly designed procurement criteria—such as unrealistic timelines, inflexible contract structures, or misaligned financial risk allocation—can deter participation or result in higher-than-necessary bid prices. By providing a formal venue for industry participants to share insights on financing realities and project feasibility, the state can design solicitations that attract competitive bids, encourage innovation, and optimize costs. This iterative approach will enable Maine to learn from past procurements, adjust as necessary, and continuously improve the effectiveness of its energy procurement program.

Regular reviews will provide an opportunity to assess whether procurement goals are being met, identify unintended consequences, and ensure that the program continues to serve the state's policy objectives effectively. By embedding these opportunities for evaluation and adjustment into the legislative framework, Maine can build a procurement program that is not only effective in the near term but also adaptable and resilient in the face of changing energy market dynamics.

Finally, establishing regular stakeholder review mechanisms in statute enhances transparency and accountability, reinforcing public trust in the procurement process.

Thank you for the opportunity to provide testimony in support of LD 1207. ACT would be happy to answer any questions or to work with members of the committee on legislative language to incorporate our proposed additions to the bill.

Sincerely,

/s/ Tim Snyder

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