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Harborside  
LD 1270

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Brooksville, Maine  
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To: The Committee on Energy, Utilities and Technology  
RE: LD 1270/ HP 845, An Act to Establish the Department of Energy Resources  
Dear Committee members, Sponsors and Co-Sponsors of this legislation ~

Thank you for reading this letter, in which I provide a little historical background and some thoughts for the future. I'll discuss some of the provisions of LD 1270/HP 845 in the order in which they appear.

First, the salary. I was the second Director of the Office of Energy Resources under Governor James B. Longley. It was a Cabinet-level position, and arose due to the Arab Oil Embargo. I succeeded Robert Monks who worked (essentially pro bono) for a salary of \$1.00 per year. I could not afford to do that, and the salary for the position was increased to \$15,000! I spent a certain amount of time on the internet yesterday trying to find out what "Range 91" and "Range 88" mean in actual dollars (with no luck); but I'm glad to see that the Commissioner of the new/old Energy Department seems to be in Range 91 along with other Commissioners in the Cabinet.

Second, you may be interested to know that, during my tenure, a Governor's Technology Advisory Committee was instigated by Walter Lachman, CEO of Fiber Materials in Biddeford. I was an ex-officio member. Honestly, back in 1975, it was like pushing a rope to get folks to appreciate the role of new tech in Maine's future. That's no longer the case! New tech in Maine will be driven in large part by energy availability. So, it seems quite fitting that the Commissioner should serve ex-officio on the board of the Maine Technology Institute.

Turning attention now to Part 9, starting on page 3 of LD 1270/HP 845:

All the duties listed in Sections 10303, 10304 and 10305 are conceptually similar to the duties as they were "back in the day", with the addition of the Efficiency Maine Trust. For instance, see Sec.10304 sub 4 sub D (page 4). Because it was Governor Longley's turn to be the co-chair of the New England Governors'/Eastern Canadian Premiers' Energy Committee, I served as his representative. That committee still exists in some form (<https://cap-cpma.ca/negecp/>) and Maine will need to be fully represented on it, whatever happens to the relations between the Trump Administration and our neighbors to the north.

Looking at Section 10305: My office prepared a State Energy Plan, an Energy Emergency Contingency Plan, and other documents and studies that are all addressed in this section, such as an Energy Extension Service which provided public information on conservation and weatherization. We worked closely with the PUC on issues of rate setting and NEPOOL operation. We were the office that handled fuel allocations that were made necessary by the Arab Oil Embargo. We evaluated the Pittston Oil Refinery project (and deemed it financially unsound) and reassured ourselves that the Maine Yankee nuclear power plant was adhering to best practices known at the time. Although our portfolio included raising funds for energy research and development, there were no federal grants to states for that purpose, and my "bold scheme" of instituting a ½ cent tax per barrel of oil flowing into Canada through the Montreal pipeline never made it off the Governor's desk! (I suspect too many vested interests at work.)

In the mid-1970s, the notions of energy conservation, renewable energy, and distributed generation were in their infancy but growing rapidly. Section 10306 of LD 1270/HP 845 (page 6) provides an important liaison between the technical expertise of the new Energy Department and the other state agencies. I am particularly

encouraged by the references to State-owned land and assets, and Revenue obligation securities. In my career since leaving Maine, I have been involved in evaluating some major energy projects for the underwriters of revenue bonds. Projects that are enthusiastically promoted by their developers (and sometimes by members of the general public) do not always pass muster when subjected to professional scrutiny. (I can think of at least one major waste-management headache in Maine that could have been avoided by a proper analysis before funding commitments were made.) Additionally, going forward, there may be pressure to allocate state properties to the creation of “crypto-mining” operations. These facilities use a large amount of electricity, which, if generated on-site, can have significant local environmental impacts. Having an Energy Department fully staffed to evaluate such projects in concert with other state agencies will be a major benefit as the State balances competing interests.

Regarding the hiring of consultants: Reminiscing, I had just two consultants: Bill Shipman from Bowdoin on energy economics, and Dick Hill from UMO on engineering. Times have certainly changed! I would hope that the Department will develop enough expertise in-house to know whether, and which, consultants will be the most valuable to assist with the State priorities as expressed in LD 1270/HP 845. Having retired from the consulting world, I know how important it is that the selection of consultants be free from political considerations. And, from the viewpoint of any good consultant, being able to assist a knowledgeable, dedicated client makes for the best work product. I would also like to see the new Department hire consultants who are familiar with the concept of “cradle to grave” life-cycle analysis of energy systems, and I would hope that the staff of the Department will focus on this aspect especially when evaluating new energy technologies and projects.

Finally, I was somewhat surprised to see that the legislation transfers participation in the regional greenhouse gas initiative from the Public Utilities Commission, and it seems to make the Energy Department’s participation optional. Was something left off the end of this section A-11 paragraph on page 12?

Thank you again for reading this short opinion. I wish you the best of luck getting anything positive accomplished in the current (completely unnecessary) economic and political turmoil.

Sincerely,  
Abbie McMillen