

National Association of State Energy Officials

> Joint Standing Committee on Energy, Utilities, and Technology Maine State House Augusta, ME, 04330

April 8, 2025

Dear Members of the Joint Standing Committee on Energy, Utilities, and Technology,

The National Association of State Energy Officials (NASEO) represents the State Energy Offices in all 56 states, territories and the District of Columbia. With over four decades of engagement with State Energy Offices across the nation, NASEO has witnessed the value-add of a trusted, state department of energy in supporting governor and legislature policy development, multi-resource energy planning, program implementation, energy cooperation, and federal outreach. Each of these functions are key to any state attempting to deliver affordable and reliable energy solutions for consumers and businesses. The critical importance of state energy policy and programs – especially given affordability concerns for electricity and delivered fuels – in every state warrants cabinet-level, departmental structures such as the excellent approach proposed by Governor Mills.

Most state legislatures and governors recognize the critical role of energy – electricity, fuels, efficiency, renewables – to their state's economic future. Changes in energy markets and policy innovation mean that states are increasingly opting to evolve State Energy Offices into cabinet-level departments tasked with such priorities as:

- Supporting policy development, energy planning, and program implementation;
- Advising the governor and state agencies on energy issues across all fuels and end uses, as well as consideration of electric transmission and distribution resource integration and modernization;
- Responding to legislators' requests and implementing governor and legislature policies;
- Engaging with energy utilities and the utility commission to ensure the governor's and legislature's policy (distinct from regulation) views are fully represented in regulatory proceedings;
- Attracting and administering federal energy funds and incentives to benefit the consumers, businesses, and local governments;
- Representing the state's energy priorities in working with other states' departments of energy (e.g., New Hampshire) regionally and nationally; and

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While State Energy Offices located within other state departments have strong programmatic and economic development functions, they often have more limited standing in supporting policy development and planning. Evolving these offices to become cabinet-level departments of energy signals to the business community, investors, and consumers the importance the state places on delivering affordable, reliable, and innovative energy solutions. It also offers some economies in administering programs, conducting energy planning and attracting and retaining the professional staff necessary to provide expertise. The relative standing within state government as a cabinet-level department also aids in elevating the state's energy priorities and needs with the U.S. Department of Energy and in attracting federal energy resources.

Following are a few examples of states that have made similar determinations about the importance of delivering affordable and reliable energy through the functions of cabinet-level departments of energy:

- **Oregon** The Oregon Department of Energy (ODOE) leads energy planning, policy, and program development and implementation, and has functions related to resilience, energy emergency response, energy siting, and climate change. The department is a cabinet-level agency with a director appointed by the governor and is a member of the governor's cabinet. ODOE engages directly with the legislature and works closely with other policy advisors within the governor's office. The department serves as the designated State Energy Office before the U.S. Department of Energy.
- Virginia The Virginia Department of Energy oversees planning, policy, and program development and implementation related to clean energy and energy efficiency initiatives, offshore wind, economic development, mineral mining, geology, gas and oil, coal, and abandoned mine lands. The Executive Director of Virginia Energy is appointed by the Governor and provides information and testimony to the legislature. The department serves as the designated State Energy Office before the U.S. Department of Energy.
- **Maryland** The Maryland Energy Administration (MEA) leads energy planning, policy, and program development and implementation, including clean energy and resiliency, clean transportation and innovation, energy siting, and climate policy. MEA's Director is part of the governor's cabinet and engages directly with the legislature and other agencies in support of the state's energy goals. MEA serves as the designated State Energy Office before the U.S. Department of Energy.
- New Hampshire The New Hampshire Department of Energy informs the development of state energy policies, administers programs across energy sectors, and enables increased efficiency and economies from an integrated administration and operation of various energy related functions of state government. The Governor-appointed Commissioner leads the department and regularly engages with the legislature. The department serves as the designated State Energy Office before the U.S. Department of Energy.

Establishing the Maine Department of Energy Resources can enhance the state's ability to foster energyrelated economic development, coordinate with different agencies and key stakeholders, implement the state's energy plans, and achieve agreed upon energy goals. Governor Mills' leadership-oriented proposal is in keeping with the strategic moves by other states to make clear the importance of delivering affordable and reliable energy to their businesses and consumers. Sincerely,

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David Terry President NASEO