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## Testimony Neither for Nor Against LD 912, “An Act to Address the Use of Electricity by Data Centers”

April 3, 2025

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology,

My name is Heather Sanborn, here today as Public Advocate, to testify neither for nor against LD 912, “An Act to Address the Use of Electricity by Data Centers.” This testimony responds to the Sponsor’s amendment circulated last week.

We understand the sponsor’s intention is to take a proactive step to limit harm to ratepayers if a data center were to locate in Maine and we very much appreciate the forward-looking concern. While it seems extremely unlikely at this point that Big Tech would want to mine cryptocurrency or build AI data centers here given the high cost of electricity in Maine, that could potentially change in the future. An attempt to future-proof our utility laws to protect ratepayers is a worthwhile exercise.

However, we believe that the approach taken here may not be the most effective at protecting ratepayers. Many other states are also contending with this concern, and many early lessons have already been learned in those other states. A recent study by Eliza Martin at Harvard University and Ari Peskoe at the Electricity Law Initiative, entitled “Extracting Profits from the Public: How Utility Ratepayers are Paying for Big Tech’s Power,”<sup>1</sup> outlines five recommendations for PUCs to better protect consumers from subsidizing data centers:

- Establishing robust guidelines for reviewing special contracts,
- Requiring data centers to take service under tariffs rather than special contracts and considering new tariff classes that consider the unique risks data centers pose for other ratepayers,
- Facilitating the development of data centers only within “energy parks” that include co-located new generation, storage, and data centers or other commercial and industrial uses where the generation is sufficient power for the connected customers’ operations,
- Requiring utilities to provide more frequent demand forecasts, and
- Allowing new data centers to take service only if they commit to flexible operations.

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<sup>1</sup> Martin, Eliza and Peskoe, Ari. *Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech’s Power*. p. 22, <https://eelp.law.harvard.edu/wp-content/uploads/2025/03/Harvard-ELI-Extracting-Profits-from-the-Public.pdf>.

For more perspective, we recommend listening to this Volts podcast<sup>2</sup> that discusses the study findings with the authors. (We know some of you have a long commute!)

The approach taken in this bill may undermine Maine's future ability to implement the concept of export-only "energy parks," where a data center (and potentially other job-creating industrial users) could co-locate with a new clean generation facility and be islanded away from other ratepayers to avoid cost-shifts.

Thank you for your time, attention, and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 912 and will be available if requested for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

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<sup>2</sup> <https://www.volts.wtf/p/who-is-paying-for-all-that-data-center>