



Testimony of the Efficiency Maine Trust
Michael D. Stoddard, Executive Director

IN FAVOR OF

LD 1270 –

An Act to An Act to Establish the Department of Energy Resources

Presented to the Joint Committee on Energy, Utilities, and Technology

April 8, 2025

Senator Lawrence, Representative Sachs, and Members of the Committee on Energy, Utilities and Technology, I appreciate the opportunity to testify today on behalf of the Efficiency Maine Trust (the Trust) **in favor of LD 1270**.

According to US EIA, Maine spends \$8.3 billion dollars per year on energy, about 9% of total GDP. As the members of this Committee are well aware, energy issues are fundamental to Maine's economic prosperity and environmental sustainability. And these issues are highly technical and complex.

It is both appropriate and desirable that Maine State government should elevate the role and responsibilities of the current Energy Office to the level of a department. In our view, doing so would help attract and retain staff possessing the expertise and institutional memory to help inform policymakers and regulators on the complexities of energy issues. Elevating this office to a department also would help empower the staff to advocate more effectively on behalf of Maine and its energy stakeholders in regional and federal forums.

The long-term goal for Maine's energy policy should be to have an energy system that is affordable, reliable, and sustainable.

To meet that goal, the State benefits from having a strong team in the executive branch that can fully support Maine's policymakers, regulators and stakeholders on a wide spectrum of energy issues. In our view, there are several roles the department can play in providing necessary support. These include:

- o performing research, analysis and reporting on macro energy issues;
- o providing advice to the Governor, the Legislature and other State agencies;

- advocating for policies and programs that will advance the goals and priorities of the State on energy matters, including before the Legislature, the Public Utilities Commission, ISO-New England, and the Federal Energy Regulatory Commission, important policymaking and regulatory forums where decisions have major impacts on Maine's energy supply, transmission/transportation, and consumption;
- serving as a point of contact for communications with the energy supply chain (including fuel suppliers, electric and gas utilities, and developer/operators of power plants);
- longer-term planning, such as for power supply or carbon reductions; and,
- problem solving on complex energy challenges.

In particular, we see a valuable role that could be filled by an elevated energy department in working to solve the thorniest energy issues facing the state. The Department would be well situated to bring key stakeholders and policymakers together to develop or broker solutions to highly complex, technical challenges. Today, Maine faces a number of complex challenges, including how to meet our clean energy goals at the lowest cost, how to improve the process for distributed energy resources interconnecting with the grid, and how best to ensure reliability in the face of increasing severe weather events.

In the decades since Maine last had a full-fledged energy department in the executive branch, other institutions have evolved to deliver elements of what Maine needs in the area of energy. Agencies such as the PUC, MaineHousing, Efficiency Maine Trust, the Department of Environmental Protection, the Office of Public Advocate, Maine Technology Institute and others have grown into this space. So that each of these entities can continue to efficiently and effectively serve the public interest on energy issues, we would ask you to give careful review of, and seek to provide as clear delineation as possible for, the roles and responsibilities of the Department of Energy Resources in relation to these other entities. Doing so will help minimize redundant or inefficient initiatives and processes, forum shopping, and general confusion.

It may be tempting to simplify this task by lumping all energy matters under the umbrella of this new Department and having the other institutions in this space play a supporting role. However, we submit that doing so would cost the State some of the advantages it currently enjoys from having these institutions each playing their unique roles with a balance of independence and cooperation. For example, the PUC remains the appropriate place to adjudicate certain decisions about utility operations and certain procurements of energy resources. MaineHousing remains the appropriate entity to implement programs providing weatherization to low-income homes.

And as this Committee knows, the Trust remains focused primarily on implementation of market-based programs for energy efficiency and beneficial electrification, and for the planning process that leads to these programs. We have had success with this responsibility in large part

because our organization enjoys a significant degree of independence from the executive branch, relying on oversight from a stakeholder board of trustees, the PUC, and the Legislature. The supply chain and Maine consumers value the impartiality and objectivity with which we make and implement our plans, and how we have balanced priorities to ensure that we are helping to lower energy costs and energy-related pollution, while giving all regions and all sectors of the state economy an opportunity to participate. They also value our ability to expedite mid-course corrections when something isn't working well, and our practice of transparently evaluating and reporting our results.

We appreciate that the bill appears to keep intact the Trust's independence and its continued role as a one-stop shop for consumers seeking to purchase high-efficiency equipment (and for the suppliers and contractors seeking to sell and install that equipment) to install and operate on the customer's side of the meter.

For these reasons, we ask that you vote "Ought to Pass."

Respectfully submitted,

/s/MDS

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