



For a thriving New England

CLF Maine 53 Exchange Street, Suite 200
Portland, ME 04101
P: 207.210.6439
www.clf.org

**Testimony before the Committee on Energy, Utilities and Technology
in support of LD 1270, *An Act to Establish the Department of Energy Resources***

April 8, 2025

Senator Lawrence, Representative Sachs and members of the Committee on Energy, Utilities and Technology, my name is Sean Mahoney, and I am the Vice President and senior counsel of the Conservation Law Foundation (CLF). I appreciate this opportunity to testify in support in support of LD 1270, *An Act to Establish the Department of Energy Resources*.

CLF, founded in 1966, is a public interest advocacy group that works to solve the environmental and energy challenges threatening the people, natural resources and communities in Maine and across New England. In Maine for almost four decades, CLF is a member-supported organization that works to ensure that laws and policies are developed, implemented and enforced that protect and restore our natural resources; are good for Maine's economy and environment; and equitably address the climate crisis.

A Department of Energy Resources will enhance vital work on Maine's energy system.

The Governor's Energy Office (GEO) is doing some of most important work on assessing how the state can ensure that its energy system is affordable, reliable and clean. For instance, the GEO recently issued reports on the status and future of Maine's Renewable Portfolio Standard, Maine's clean energy industry and Maine's "Energy Plan," all of which will inform how the state can cost-effectively and reliably satisfy its statutory obligations to obtain more electricity from renewable resources and to reduce greenhouse gas emissions.

The vital work being performed by the GEO will be enhanced by the establishment of a Department of Energy Resources (Department) outside of the Governor's Office. This will allow for a more comprehensive approach to energy system planning and allow the GEO to help design and advance an energy system that is cleaner, more reliable and more affordable. Given the critical role that energy plays in our everyday lives and the significance of the GEO's work on energy-related issues, elevating the GEO to a cabinet-level position is warranted.

The positive impacts of a Department of Energy Resources can be expanded even further.

As initially drafted, LD 1270 will enhance the significant work of the Department to ensure that an affordable, reliable and clean energy system. This impact can be expanded by implementing several minor, friendly amendments to the bill language. For instance, the ability of the state to cost-effectively and reliably meet its clean energy and climate obligations will be advanced by amending Section A-10 to expressly include reference to clean energy and climate, as follows:

§10303. Departmental responsibilities



The department has responsibilities relating to energy resources, planning, programs and development. The department shall conduct planning, develop and implement policies and establish programs designed to ensure all households, communities and businesses in the State have access to an affordable, reliable, clean, and resilient energy supply to meet energy demand and support economic development, while supporting the achievement of the greenhouse gas reduction obligations and climate policies pursuant to Title 38, section 576-A and section 577, subsection 1 and the renewable energy and clean energy goals in Title 35 section 3210. The department is designated as the energy office for the State.

...

§10305. Powers and duties of department

Under the supervision of the commissioner, the department shall:

- 1. State energy plan.** Prepare and submit a comprehensive state energy plan to the Governor and the joint standing committee of the Legislature having jurisdiction over energy matters by January 15th of each odd-numbered year. The state energy plan must:

...

F. Include strategies and actions sufficient to meet ~~Address the association between energy planning and meeting the greenhouse gas emissions reduction goals in the state climate action plan pursuant to Title 38, section~~ sections 577 and 576-A;

...

16. Climate policies. Ensure Maine’s energy goals, policies, and plans align with and support the achievement of the greenhouse gas emissions reduction goals in the state climate action plan pursuant to Title 38, sections 577 and 576-A; ...

Further, the provisions in Section A-10 of LD 1270 concerning competitive procurements by the Department of Energy Resources can be strengthened by making the following changes:

§10313. Competitive solicitations

...

- 4. Evaluation and selection.** The department may coordinate with other entities, including, but not limited to, state agencies, the Office of the Public Advocate, expert consultants, transmission and distribution utilities, other New England states and the independent system operator of the New England bulk power system or a successor organization, in the evaluation and selection of proposals under this section. In evaluating a proposal, the department shall determine if the proposal:

...

E. Avoids, minimizes, mitigates or compensates for environmental impacts in line with current state law; and impacts on low-income populations; and

F. Minimizes impacts to low-income and environmental justice populations; and

F.G. Adequately demonstrates project viability within a commercially reasonable time frame.

...



8. Negative Pricing. Any contract approved by the Commission or the Department for a state procurement of renewable and clean energy resources shall include a provision that requires that payments to a Seller shall be reduced by the difference between the absolute value of the hourly locational marginal price (LMP) at the delivery point and \$0.00 per MWh for each period of time that the Seller delivers energy when the market price for such energy at the delivery point is negative in the real-time or day-ahead markets.

Establishing a cabinet-level department will align Maine with other states in New England that have similar departments. Greater alignment with other states will empower Maine's energy officials, and the Maine homes and businesses they represent, in regional discussions and deliberations on energy system planning, coordination and cost allocation. CLF supports the establishment of the Department of Energy Resources and urges the Committee to vote ought to pass on LD 1270. Thank you.