



**Testimony 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, my name is James Cote and I am here today on behalf of Versant Power in support of LD 1270.

As you know, the ability of Maine people and businesses to access dependable and affordable energy is a critical aspect of our state's competitiveness and something that is only growing in importances as we undergo substantial and rapid energy transitions. The significance and complexity of the issues surrounding energy warrant a governmental agency with commensurate expertise, resources and standing to confront these challenges.

Versant Power maintains and is appreciative of the constructive relationship we have had with the Governor's Energy Office (GEO) across administrations. We believe that many of the provisions in LD 1270 could provide a new Department of Energy Resources (DOER) with additional tools to strategically plan for and implement policies that benefit Maine's energy customers and facilitate a bright energy future.

More specifically, Versant is supportive of the proposed enabling language of the DOER (contained in subsection 10303), which we believe appropriately balances the interests of individual households and businesses with the values of affordability, reliability and resilience. These are values that Versant Power shares.

Versant is also supportive of grid-scale, competitive renewable energy procurements when such processes are structured to meet state climate and energy goals most cost-effectively. We understand that stakeholders continue to discuss the ideal size, timing, and requirements of these future procurements, which LD 1270 contemplates being led by the new DOER, and we look forward to engaging in further discussions.

Versant appreciates having had the opportunity to offer feedback to GEO regarding the role utilities would play in future procurements initiated and overseen by the DOER and has provided substantive feedback regarding the areas we believe are most appropriate for utility involvement¹ –

¹ For example, in subsection 10313, part 5, utilities are directed to enter into negotiations with bidders of competitive solicitations whose proposals are selected by the Department for a term sheet. Historically, these types of negotiations have occurred between a state entity (the Public Utilities Commission) and a winning bidder in order to establish agreeable terms later expanded into a full contract between the bidder and the utility (on behalf of its customers). We urge caution regarding the potential transfer of term sheet negotiation obligations from a state agency

e.g. mechanics related to payment (on behalf of ratepayers) for procured energy and energy attributes; the negotiation of commercially reasonable contract terms; and the appropriate allocation of contract risks between ratepayers and bidders – and those for which other entities are likely better positioned – e.g. economic development, labor or other policy considerations associated with procurements; and issues regarding energy pricing. We look forward to ongoing engagement with the GEO, Committee and other stakeholders as you consider this legislation.

Finally, Versant believes that the usage of ratepayer dollars by various energy agencies must be done judiciously and would encourage continued dialogue about how the DOER can be structured to minimize any redundancy with entities such as the Public Utilities Commission that may currently be utilizing ratepayer funding for similar purposes.

Versant Power supports the establishment of a new cabinet level Department of Energy Resources – a concept that has also enjoyed bipartisan support in recent years. Importantly, the timing of this proposal appears politically practical and durable. Maine will see a transition of administrations in January of 2027, and notwithstanding the time needed to build out the Department, such timing should allow Maine’s next Governor, and future Legislatures, to work with a new DOER on implementing their policy priorities.

Thank you for your consideration, and we would be pleased to answer any questions or provide more information for the work session at your request.

to utilities themselves given many terms of policy-driven procurements are likely relevant to areas significantly outside the utility’s purview.