



Natural Resources Council of Maine

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Testimony in Support of LD 1270, An Act to Establish the Department of Energy Resources

To the Joint Standing Committee on Energy, Utilities, and Technology

**by Jack Shapiro, Climate and Clean Energy Program Director
April 8, 2025**

Senator Lawrence, Representative Sachs, and honorable members of the Energy, Utilities and Technology Committee. My name is Jack Shapiro, and I am the Climate and Clean Energy Director at the Natural Resources Council of Maine (NRCM). NRCM is a nonpartisan membership organization that has been working for more than 65 years to protect, restore, and conserve Maine's environment, now and for future generations. On behalf of our nearly 20,000 members and supporters, NRCM testifies in favor of LD 1270, An Act to Establish the Department of Energy Resources.

The current Governor's Energy Office oversees Maine's energy system, integral to daily life for all of Maine's households and businesses. Our energy system, like energy systems worldwide, is in the midst of a once-a-century transformation as we move from a system based on centralized and often polluting sources of energy to one that is dynamic, innovative, flexible, participatory, and clean. It's a change on par with the shift in computing from mainframe terminals to cloud computing and mobile technology. Managing these changes on behalf of the people of Maine is a hefty responsibility, and establishing a cabinet-level energy department is commensurate with those duties and aligns our structure with other states. This change would also help with staff retention and continuity of expertise, as well as laying the groundwork for a more consistent and steady approach to these issues over time and across administrations.

There are a few areas in which we believe the bill as printed could be improved, and we have included our suggested edits and revisions in this testimony as an appendix. These suggestions were shared in advance of the hearing with the sponsor and the Governor's Energy Office. We would be happy to return for the work session to discuss these suggestions or otherwise answer any additional questions about the points summarized herein:

- Include achieving Maine's climate and greenhouse gas emissions reduction targets in the responsibilities of the Department, as would be consistent with their inclusion in the responsibilities of the Public Utilities Commission (PUC) and legislation this session related to the Office of Public Advocate (OPA).

- In the requirements for the state energy plan, recognize the importance of considering demand flexibility, emerging issues, and clean energy and climate policies in the analysis and recommendations.
- Align the oil dependency reduction targets, last updated 14 years ago in 2011, with progress made, as well as the recent pathways analysis and the Maine Energy Plan.
- Make adjustments to the “Distributed Solar and Energy Storage Program” to account for uncertainty in federal funding availability.
- Include small changes to the procurement section to clarify accounting for low-income and environmental justice populations and a technical tweak to account for negative locational marginal price effects. We are also aware of additional suggested changes to the procurement section offered by others, including the Maine Renewable Energy Association (MREA), to increase project viability and help ensure better procurement outcomes, a goal we support as well.

In conclusion, we strongly support the creation of a standing Department of Energy Resources, and we also believe this legislative effort and the outcomes of the creation of this department would be stronger with the inclusion of the attached amendments.

Thank you for the opportunity to provide testimony. I would be happy to answer any questions you have, and as mentioned, we would be happy to participate in the work session.

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Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. 2 MRSA §6, sub-§1, as amended by PL 2011, c. 657, Pt. Y, §1, is further amended to read:

1. Range 91. The salaries of the following state officials and employees are within salary range 91:

Commissioner of Transportation;
Commissioner of Agriculture, Conservation and Forestry;
Commissioner of Administrative and Financial Services;
Commissioner of Education;
Commissioner of Environmental Protection;
Executive Director of Dirigo Health;
Commissioner of Public Safety;
Commissioner of Professional and Financial Regulation;
Commissioner of Labor;
Commissioner of Inland Fisheries and Wildlife;
Commissioner of Marine Resources;
Commissioner of Corrections;
Commissioner of Economic and Community Development;
Commissioner of Defense, Veterans and Emergency Management; ~~and~~
Executive Director, Workers' Compensation Board; and
Commissioner of Energy Resources.

Sec. A-2. 2 MRSA §6, sub-§4, as amended by PL 2019, c. 343, Pt. XXX, §2, is further amended to read:

4. Range 88. The salaries of the following state officials and employees are within salary range 88:

Director, Bureau of Air Quality;
Director, Bureau of Water Quality;
Director, Bureau of Land Resources;
Director, Bureau of Remediation and Waste Management;
Deputy Commissioner, Environmental Protection; ~~and~~
Deputy Chief of the State Police; and
Deputy Commissioner, Energy Resources.

Sec. A-3. 2 MRSA §9, as corrected by RR 2023, c. 2, Pt. A, §2, is repealed.

Sec. A-4. 5 MRSA §960 is enacted to read:

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The position of Deputy Commissioner is a major policy-influencing position within the Department of Energy Resources. Notwithstanding any provision of law to the contrary, this position and any successor position is subject to this chapter.

Sec. A-5. 5 MRSA §15302, sub-§3, as amended by PL 2019, c. 343, Pt. D, §10, is further amended to read:

3. Board of Directors of the Maine Technology Institute. The institute is governed and all of its powers are exercised by a board of directors, referred to in this chapter as the "board," consisting of 13 voting members and 2 3 nonvoting members.

A. The Governor shall appoint 10 voting directors, 8 of whom must be representatives of targeted technologies. The other 2 directors must have demonstrated significant experience in finance, lending or venture capital. In making the appointments from targeted technologies, the Governor shall consider recommendations submitted by representatives of targeted technology sectors. Directors of the board appointed by the Governor are entitled to receive reimbursement at the legislative rate for necessary expenses for their attendance at authorized meetings of the board.

B. The Commissioner of Economic and Community Development or the commissioner's designee, the President of the Maine Community College System or the president's designee and the Chancellor of the University of Maine System or the chancellor's designee are ex officio voting directors.

C. The Director of the ~~Governor's~~ Office of Policy Innovation and the Future or the director's designee is an ex officio nonvoting director.

D. The Maine Technology Institute Director is a nonvoting director.

E. The Commissioner of Energy Resources or the commissioner's designee is an ex officio nonvoting director.

Sec. A-6. 10 MRSA §965, sub-§3, ¶E is enacted to read:

E. One of the at-large members must be knowledgeable in the field of clean energy finance or technology solutions for climate change.

Sec. A-7. 30-A MRSA §4723, sub-§2, ¶B-1, as enacted by PL 2021, c. 657, §14, is amended by amending subparagraph (4) to read:

(4) A commissioner with expertise in energy efficiency issues regarding residential structures; ~~and~~

Sec. A-8. 30-A MRSA §4723, sub-§2, ¶B-1, as enacted by PL 2021, c. 657, §14, is amended by enacting a new subparagraph (4-A) to read:

(4-A) A commissioner with expertise in the construction sustainability requirements established in section 4726, subsection 2; and

Sec. A-9. 30-A MRSA §4723, sub-§2, ¶B-1, as enacted by PL 2021, c. 657, §14, is amended by amending subparagraph (5) to read:

(5) ~~Four~~ Three members who have:

(a) Experience or expertise in any of the following: housing development and rehabilitation; supporting unhoused populations; improving labor standards; economic and community development; transportation; municipal land use planning; the building trades; the real estate market; or banking and finance; and

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(b) An interest in and commitment to increasing the availability and affordability of housing opportunities for the people of the State.

Sec. A-10. 35-A MRSA Pt. 9 is enacted to read:

PART 9

ENERGY RESOURCES

CHAPTER 103

DEPARTMENT OF ENERGY RESOURCES

§10301. Department established

The Department of Energy Resources is established as a cabinet-level department.

§10302. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

- 1. Commissioner.** "Commissioner" means the Commissioner of Energy Resources.
- 2. Department.** "Department" means the Department of Energy Resources.

§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.

§10304. Commissioner

The department is under the control and supervision of the Commissioner of Energy Resources, who reports directly to the Governor.

1. Appointment. The Governor shall appoint the commissioner, subject to review by the joint standing committee of the Legislature having jurisdiction over energy matters and confirmation by the Senate. The commissioner serves at the pleasure of the Governor.

2. Deputy commissioner. The commissioner shall appoint a deputy commissioner to assist the commissioner with the operations of the department. The deputy commissioner serves at the pleasure of the commissioner.

3. Personnel. The commissioner may employ, subject to the Civil Service Law, personnel for the department and prescribe the duties of these employees as the commissioner determines necessary to fulfill the duties of the department. The commissioner may delegate duties assigned to the commissioner under this chapter to personnel of the department.

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4. Powers and duties of commissioner. The commissioner is responsible for the execution of the duties of the department. The commissioner shall:

- A. Advise the Governor and state agencies on matters related to energy;
- B. Serve as a member of the Efficiency Maine Trust Board, established under Title 5, section 12004-G, subsection 10-C;
- C. In collaboration with the relevant state agencies, coordinate state energy policy and actively foster cooperation with the Efficiency Maine Trust, established in chapter 97, and the Maine State Housing Authority, established in Title 30-A, chapter 201; and
- D. Represent the State's interests in relevant regional energy organizations and forums to coordinate energy policy.

§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:

- A. Identify opportunities to lower and to maintain reasonable total energy costs for consumers in the State;
- B. Evaluate energy data, including, but not limited to, data on energy supply, demand and costs in this State with consideration of all available energy sources, including demand management resources;
- C. Detail the State's progress toward meeting its energy goals for new renewable energy generation and energy storage, including distributed energy and demand management resources;
- D. Evaluate the State's progress in meeting the oil dependence reduction targets in section 10309;
- E. Identify resource and transmission and distribution capacity and infrastructure needs as well as technological and regulatory approaches to facilitate the development and integration of new renewable energy generation within the State and support the State's renewable resource portfolio requirements specified in section 3210 in close coordination with the independent system operator of the New England bulk power system or a successor organization, the Public Utilities Commission's integrated grid planning under section 3147 and transmission and distribution utilities;
- F. Include strategies and actions sufficient to meet the greenhouse gas emissions reduction goals in the state climate action plan pursuant to Title 38, sections 577 and 576-A;G. Include a cost and resource estimate for technology development to meet the goals and objectives of the state energy plan; and
- H. Include energy supply and demand forecasts that must be considered in other planning efforts including updates to the state climate action plan under Title 38, section 577 and the Efficiency Maine Trust's triennial plan under section 10104, subsection 4.

The joint standing committee of the Legislature having jurisdiction over energy matters may report out legislation by April 1st of each odd-numbered year relating to the content of the state energy plan. The joint standing committee of the Legislature having jurisdiction over natural resources matters may make recommendations regarding that legislation to the joint standing committee of the Legislature having jurisdiction over energy matters;

2. Recommendations. Make recommendations, if needed, for additional legislative and administrative actions to ensure that the State can meet the goals and objectives of the state energy plan under subsection

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1. The department shall develop, recommend and, as appropriate, take action to implement integrated or comprehensive strategies, including at regional and federal levels, to carry out the goals and objectives of the state energy plan, to secure the State's interest in energy resources and the supply and cost-effective use of those resources and lower the total cost of energy to consumers in this State;

3. Annual report. By January 15th of each year, prepare and submit to the joint standing committee of the Legislature having jurisdiction over energy matters a report that describes the activities of the department during the previous calendar year in carrying out its duties under this section and describes the State's progress in implementation of the state energy plan prepared pursuant to subsection 1 and its annual accounting pursuant to section 10308, subsection 2. After receipt and review of the annual report, the joint standing committee may report out legislation relating to energy policy;

4. Energy data collection and analysis. In collaboration with other relevant state and federal agencies, private industry and nonprofit organizations, collect and analyze energy data, including, but not limited to, data on energy supply, demand and costs in this State with consideration of all available energy sources;

5. Energy information dissemination. Review and coordinate the dissemination of energy information developed by cabinet-level state agencies intended for the public and the media;

6. Technical assistance. Provide technical assistance and information to the Governor and the Legislature regarding the State's short-range and long-range energy needs and the resources, including flexible resources, required to meet those needs;

7. Funds from public and private sources. Seek, accept and administer funds from public and private sources and develop partnerships with public and private entities to support the goals of the department, including, but not limited to, promoting energy efficiency, demand-side management and distributed generation;

8. Federal government funds. Receive and administer funds from the United States Department of Energy's State Energy Program and other federal funds as appropriate;

9. Electricity agreements. Work with transmission and distribution utilities, the commission, state agencies involved in the permitting of energy generation facilities and other relevant entities to negotiate agreements that create value for electricity consumers with developers of renewable generation who are interested in building energy generation facilities or developing or using energy transmission infrastructure in this State;

10. Energy transmission capacity planning and policy. Monitor energy transmission capacity planning and policy affecting this State and make recommendations to the Governor and the Legislature as necessary for changes to the relevant laws and rules to facilitate energy infrastructure planning and development;

11. Petroleum products. Monitor petroleum product inventories, deliveries, curtailments and shortfalls and other matters relating to the availability of petroleum products in the State;

12. State energy security plan. Prepare and submit a state energy security plan in accordance with federal requirements;

13. Clean energy program. Establish and manage a program to promote clean energy job development and clean technology business innovation in coordination with industry, educational and training organizations to support current and future workforce needs;

14. Beneficial electrification. Coordinate with the commission and the Efficiency Maine Trust, established in chapter 97, to monitor beneficial electrification trends and opportunities and to establish beneficial electrification and demand flexibility targets and regulatory frameworks; and

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15. Renewable resource portfolio requirements. Review and report on the status and impacts of the implementation of the renewable resource portfolio requirements as described in section 3210.

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;

17. Emerging issues. Make recommendations to the Public Utilities Commission and other relevant departments and agencies regarding executing complex procurements, planning and integrating distributed energy resources, implementing performance-based metrics, addressing barriers to load flexibility and demand management, and implementing cost-effective alternatives to traditional transmission and distribution investments, among other emerging issues in the power sector transition.

§10306. Coordination; advice to state agencies

The department shall advise state agencies regarding energy-related principles for agencies to consider, along with the laws and policies governing those agencies, in:

1. State-owned land and assets. The sale, lease or other allowance for use of state-owned land or assets for the purpose of development of energy infrastructure;

2. Revenue obligation securities. The issuance of revenue obligation securities for energy facilities pursuant to Title 10, section 1044;

3. State facility energy programs. Energy programs at state facilities and operations to improve energy efficiency, greenhouse gas emissions reduction and demand management; and

4. Energy program administration. The administration of state-funded and federally funded energy programs to support:

A. The federal low-income home energy assistance program that provides heating assistance to eligible low-income persons and any state-funded or privately funded heating assistance program of a similar nature assigned to the department for administration; and

B. The federal weatherization assistance program that offers home weatherization grants and heating system upgrades to eligible low-income persons.

The department shall coordinate with the Department of Environmental Protection, the Office of Policy Innovation and the Future, established in Title 5, section 3102, the Efficiency Maine Trust, the Department of Transportation, the Public Utilities Commission, and other departments and agencies as needed, on matters related to climate mitigation, greenhouse gas reduction strategies and adaptation policies.

This section does not alter any of the responsibilities or limit any of the authority of the Department of Administrative and Financial Services, Bureau of General Services pursuant to Title 5. This section does not alter or limit the ability of departments or agencies of the State, along with the Bureau of General Services pursuant to Title 5, to generate or cogenerate energy at state facilities for use on site and elsewhere.

§10307. Rulemaking

The department may adopt rules the commissioner determines necessary for the proper implementation of this chapter. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A, unless otherwise specified.

§10308. Funding

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In addition to funds provided from the General Fund or other available resources, the department is funded in accordance with this section.

1. Federal funds. The department is funded by federal funds that are available to and received by the department. Such federal funds may be applied to support the personnel services and all other costs of the department.

2. Efficiency Maine Trust funding. To the extent federal funds under subsection 1 are inadequate to meet the funding needs of the department, the department may receive funds from the Efficiency Maine Trust, established in chapter 97, but only for that portion of the department's activities that supports or reasonably relates to programs or activities of the Efficiency Maine Trust. The commissioner shall keep an accounting of the department's resources devoted to its various duties and activities, including that portion of its resources devoted to activities in support of or reasonably related to programs or activities of the Efficiency Maine Trust. The department shall provide the accounting to the joint standing committee of the Legislature having jurisdiction over energy matters as part of its annual report under section 10305, subsection 3. The joint standing committee of the Legislature having jurisdiction over energy matters shall make recommendations to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs with regard to any proposed allocation of Efficiency Maine Trust funds to support the department. In accordance with any legislative allocation or deallocation of Efficiency Maine Trust funds to support the department, the commissioner shall request from the Efficiency Maine Trust and the trust shall provide the allocated resources to the department.

3. Acceptance and administration of funds. The department may accept, administer and expend funds, including, but not limited to, funds from the Federal Government or from private sources, for purposes consistent with this chapter. The commissioner shall provide a report of the amount of any outside funding received from private sources and its designated purpose to the Governor and the joint standing committee of the Legislature having jurisdiction over energy matters on an annual basis.

§10309. Oil dependence reduction plan

The department, with input from stakeholders and in consultation with the Efficiency Maine Trust, established in chapter 97, shall develop a plan to reduce the use of oil in all sectors of the economy in this State. The plan must include:

1. Targets. Be designed to achieve the targets of reducing the State's consumption of oil by at least 60% from 2007 levels by 2030 and by at least 90% from 2007 levels by 2050;

2. Policies and infrastructure changes. Focus on near-term policies and infrastructure changes that set the State on a reasonable trajectory to meet the 2030 and 2050 targets in subsection 1;

3. Priorities. Prioritize the improvement of energy efficiency and the transition to the use of alternative energy sources for heating and transportation; and

4. Data and analyses. Draw on existing state data and studies rather than new analyses, including, but not limited to, analyses and data from the state climate action plan pursuant to Title 38, section 577 and the progress updates to the climate action plan under Title 38, section 578; the state energy plan pursuant to section 10305, subsection 1; and the Efficiency Maine Trust's triennial plan pursuant to section 10104, subsection 4 and analyses completed by the Federal Government, nonprofit organizations and other stakeholders.

§10310. Maine Energy Resources Development Program

The Maine Energy Resources Development Program, referred to in this section as "the program," is established to promote energy research and demonstration activities related to the use of indigenous,

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renewable resources and more efficient use of energy. The department, as funding allows, shall administer the program. The commissioner may accept funds from private sources for the purpose of funding the program.

1. Report. The commissioner shall include in the state energy plan under section 10305, subsection 1 a report that specifies, in regard to the program, the expenditure of program funds, the purposes for which the funds were used, the benefits that resulted from program expenditures, and the amount of the funds and the sources from which the funds were derived.

2. Program expenditures. For all proposed program expenditures of \$10,000 or more, the commissioner shall seek approval from the Governor. If the Governor approves, the commissioner shall seek approval for those expenditures from the Legislature under the procedures authorizing the transfer of funds set forth in Title 5, section 1585.

§10311. Distributed Solar and Energy Storage Program

The Distributed Solar and Energy Storage Program is established to provide funding to foster the continued growth of cost-effective distributed solar facilities and energy storage systems in this State. The department, as funding allows, shall develop the program no later than July 1, 2028.

1. Definitions. As used in this section, the following terms have the following meanings.

A. "Combined project" means a distributed solar facility that is paired with an energy storage system.

B. "Distributed solar facility" means a solar generating facility interconnected to a transmission and distribution utility as defined in section 102, subsection 20-B.

C. "Energy storage system" has the same meaning as in section 3481, subsection 6.

D. "Program" means the Distributed Solar and Energy Storage Program established in this section.

2. Program development. The program must be designed to obtain and provide available federal funds to support cost-effective distributed solar facilities and energy storage systems. The department shall consult with the commission in developing and administering the program. If federal funds are not obtained, the program shall be designed and established with a purpose of supporting cost-effective low-income solar and energy storage programs pursuant to this section.

3. Funding. In order to support the department's activities in administering the program, the department may request funds from the commission for the department's administrative costs, which may include, but are not limited to, costs associated with hiring consultants and department personnel and contracting for technical analyses. Notwithstanding section 117, if the department requests funding in accordance with this subsection, the commission may provide funding, to the extent available, from the Public Utilities Commission Reimbursement Fund under section 117. If the Public Utilities Commission Reimbursement Fund does not have sufficient funding, notwithstanding section 116, subsection 4, the commission may provide funding from the Public Utilities Commission Regulatory Fund in accordance with this subsection.

4. Federal funds. The department shall apply for available federal funds to fund the program, including, but not limited to, funds from the United States Environmental Protection Agency's greenhouse gas reduction fund under 42 United States Code, Section 7434. Nothing in this subsection limits other uses of federal funds received by the department consistent with applicable federal requirements.

5. Ratepayer funds. Except as provided in subsections 3 and 6, ratepayer funds may not be used to implement the program or to provide funding under the program to distributed solar facilities or energy storage systems.

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6. State funds. Funds from the Maine Clean Energy and Sustainability Accelerator may be used to implement low-income solar and energy storage programs established pursuant to this section.

7. Energy procurement. The department shall petition the commission to procure energy in accordance with section 3803 from distributed solar facilities or combined projects pursuant to the program. The commission may not direct a transmission and distribution utility to enter into a long-term contract for energy, capacity or renewable energy credits from a distributed solar facility or a combined project unless the commission finds that the contract will benefit ratepayers and the procurement is in accordance with section 3804. The commission shall conduct the first of regular procurements pursuant to the program no later than November 1, 2025.

§10312. Reporting of petroleum product inventories and deliveries

The following provisions govern the reporting of petroleum product inventories and deliveries.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Petroleum product" means propane; gasoline; unleaded gasoline; gasohol; kerosene; #2 heating oil; diesel fuel; kerosene-based jet fuel; aviation gasoline; #4, #5 and #6 residual oil for utility and nonutility uses; and Bunker C oil.

B. "Primary storage facility" means a facility that receives petroleum products into the State by pipeline or by ship.

C. "Primary supplier" means a refiner, marketer, distributor, firm or person who makes the first sale of any petroleum product to resellers or consumers in this State.

2. Primary storage facility inventory and delivery reporting. On the first and 3rd Monday of each month, an owner or lessee of a primary storage facility in the State shall make an accurate report to the department of petroleum product inventories and deliveries on a form provided by the commissioner. The form must contain a conspicuous statement of the penalties provided in subsection 4 and must require, with regard to the owner's or lessee's primary storage facility, the following information:

A. The total inventory of each petroleum product stored in the State, as measured within not more than 3 working days prior to the reporting date; and

B. The quantities of each petroleum product delivery expected into the State within 15 days of the reporting date or within any longer period established by the commissioner.

3. Primary supplier petroleum product delivery reporting. On the 3rd Monday of each month, a primary supplier of petroleum products shall make an accurate report to the department of actual and anticipated deliveries on a form provided by the commissioner, unless the report is already being submitted in accordance with federal regulations. The form must contain a conspicuous statement of the penalties provided in subsection 4 and must require the following information:

A. Actual deliveries of all petroleum products in this State during the preceding calendar month;

B. Anticipated deliveries of all petroleum products in this State during the following calendar month or during any longer period established by the commissioner; and

C. Allocation fractions for all petroleum products for the following month or for any longer period established by the commissioner.

4. Violations. A person who violates this section is subject to the following penalties.

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A. An owner or lessee of a primary storage facility or a primary supplier who fails to provide the information required by this section commits a Class D crime. Violation of this paragraph is a strict liability crime as defined in Title 17-A, section 34, subsection 4-A.

B. An owner or lessee of a primary storage facility or a primary supplier who knowingly or recklessly supplies false or misleading information is guilty of a violation of Title 17-A, section 453. An owner or lessee of a primary storage facility who supplies false or misleading information commits a civil violation for which a fine of \$2,500 may be adjudged.

5. Department reports. If the department determines, based on available information, that there is or may be a significant shortfall in supply inventories or anticipated deliveries into the State of home heating oil or kerosene, the department shall provide a report to the joint standing committee of the Legislature having jurisdiction over energy matters including:

A. The information that suggests a supply shortfall;

B. Current and anticipated inventories of home heating oil and kerosene storage supplies;

C. Any recommendations of the department for actions by the State in response to the anticipated supply shortfall; and

D. A report on inventories, deliveries, curtailments, shortfalls or other matters relating to the availability of petroleum products in this State, at the request of the joint standing committee of the Legislature having jurisdiction over energy matters.

§10313. Competitive solicitations

Beginning January 1, 2026, and every 2 years thereafter, the department shall conduct one or more competitive solicitations during the following 2-year period to procure energy, associated environmental attributes or a combination of both from renewable and clean resources through long-term contracts if the department determines procurement is necessary to achieve the emissions reduction and renewable and clean energy goals of the State and to meet and manage reasonably expected growth in electricity demand and reliability needs. The department is the primary entity responsible for initiating and conducting new procurements for renewable and clean resources, which may include energy storage or demand management, and related transmission, unless otherwise designated or within any 4-year period after January 1, 2027 if the department has not made a determination in line with the comprehensive state energy plan pursuant to section 10305, subsection 1.

1. Solicitation initiation. If the department determines one or more competitive solicitations are necessary based on the comprehensive state energy plan required pursuant to section 10305, subsection 1 and related analysis, the department shall initiate solicitations in order to select resources for contracts under this section. The resource types, amounts, timetable and method for solicitations of long-term contracts using a competitive bidding process must be proposed by the department, and the department shall seek public comment on a draft proposal, in addition to other means such as requests for information, prior to publishing any final solicitation.

2. Consultants. The department may hire expert consultants necessary to assist in the development of the solicitation and evaluation of proposals.

3. Solicitation coordination. A solicitation may be coordinated with other state agencies or transmission and distribution utilities and with other New England states or entities designated by those states.

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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:

A. Provides cost-effective clean energy generation to electric ratepayers in the State and the region over the term of the contract;

B. Provides the benefits of renewable or clean energy generation, demand management or transmission toward meeting the State's emissions reduction goals pursuant to Title 38, section 576-A;

C. When possible, avoids or minimizes unnecessary transmission and distribution costs or investments;

D. Contributes to the State's economic and workforce development goals;

E. Avoids, minimizes, mitigates or compensates for environmental impacts in line with current state law;

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

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

5. Negotiations and contracts. Public utilities shall enter into negotiations with bidders whose proposals are selected by the department for a term sheet. Negotiated contracts must be submitted to the commission for review and approval.

6. Contract approval. If the commission determines that a proposed contract is consistent with the term sheet approved by the department, is commercially reasonable and adequately protects ratepayers, the commission shall approve the contract and order investor-owned transmission and distribution utilities to enter into the contract.

7. Bidding fees. The department may require a bidder to pay a reasonable and nonrefundable bidding fee to defray the department's administrative costs associated with a solicitation. A bidding fee must be set forth in the announcement for the applicable solicitation period.

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.

Sec. A-11. 38 MRSA §579, first ¶, as repealed and replaced by PL 2013, c. 588, Pt. A, §49, is amended to read:

The department may participate in the regional greenhouse gas initiative under chapter 3-B. The commissioner or the commissioner's designee and the ~~members of the Public Utilities Commission~~ Commissioner of Energy Resources or the commissioner's designee are authorized to act as representatives for the State in the regional organization as defined in section 580-A, subsection 20, may contract with organizations and entities when such arrangements are necessary to efficiently carry out the purposes of this section and may coordinate the State's efforts with other states and jurisdictions participating in that initiative, with respect to:

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Sec. B-1. Legislation; schedule. The Department of Energy Resources shall work with the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters and staff from the Office of Policy and Legal Analysis and the Office of the Revisor of Statutes to review those parts of the Maine Revised Statutes governing the administration and activities of the Governor's Energy Office. The purpose of the review is to develop legislation to effect the transition of responsibilities from the Governor's Energy Office to the Department of Energy Resources as established in this Act and to correct any errors and inconsistencies in the law that result from this Act. By January 1, 2026, the Department of Energy Resources shall submit the legislation developed pursuant to this section to the Second Regular Session of the 132nd Legislature.

Sec. B-2. Transition provisions, Governor's Energy Office. The following provisions govern the transition of the Governor's Energy Office within the Executive Department to the Department of Energy Resources.

1. The Department of Energy Resources is the successor in every way to the powers, duties and functions of the Governor's Energy Office.

2. All existing rules, regulations and procedures in effect, in operation or adopted in or by the Governor's Energy Office or any of its administrative units or officers are hereby declared in effect and continue in effect until rescinded, revised or amended by the Department of Energy Resources.

3. All existing contracts, agreements and compacts currently in effect in the Governor's Energy Office continue in effect.

4. All records, property and equipment previously belonging to or allocated for the use of the Governor's Energy Office become, on the effective date of this Part, the property of the Department of Energy Resources.

5. All existing forms, licenses, letterheads and similar items bearing the name of or referring to the Governor's Energy Office may be used by the Department of Energy Resources until existing supplies of those items are exhausted.

6. Notwithstanding any provision of law to the contrary, the State Controller shall transfer any unobligated balances related to the coastal zone management program remaining in the Bureau of Policy and Management program, Department of Marine Resources, Other Special Revenue Funds and federal funds to the Department of Energy Resources no later than the effective date of this Part.

SUMMARY

This bill eliminates the Governor's Energy Office, creates a new cabinet-level Department of Energy Resources and transfers the functions of the Governor's Energy Office to the new department. The Department of Energy Resources has responsibility for oversight of state energy policies, programs and development efforts, is the designated state energy office and is directed to assess energy supply and infrastructure needs while aligning with the State's greenhouse gas reduction targets. The department also administers the Distributed Solar and Energy Storage Program and the Maine Energy Resources Development Program and coordinates state energy policy and actively fosters cooperation with the Efficiency Maine Trust. The bill establishes a process for the conduct of competitive solicitations by the department.

The Commissioner of Energy Resources is appointed by the Governor and is responsible for developing and implementing the comprehensive state energy plan, overseeing energy efficiency efforts and supporting renewable energy goals, including reducing energy costs, increasing renewable energy capacity and lowering oil dependence. The bill establishes the salary range of the commissioner and deputy commissioner, adds the commissioner as a nonvoting member of the board of directors of the Maine

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Technology Institute and authorizes the commissioner to act as a representative of the State in the regional greenhouse gas initiative. The bill also amends the membership of the Maine State Housing Authority to require that one of the commissioners have expertise in the sustainability requirements for construction projects funded by the authority and amends the at-large membership of the Finance Authority of Maine to require that one of the members be knowledgeable in the field of clean energy finance or technology solutions to climate change.

The bill requires the Department of Energy Resources to work with the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters and staff from the Office of Policy and Legal Analysis and the Office of the Revisor of Statutes to develop legislation to effect the transition of responsibilities from the Governor's Energy Office to the Department of Energy Resources.