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Testimony Neither for Nor Against
LD 1270, “An Act to Establish the Department of Energy Resources”
April 8, 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 1270, “An Act to Establish the Department of Energy Resources.”

We strongly support the main purpose of this bill, which is to elevate the Governor’s Energy Office (GEO) to a cabinet-level department. As we navigate the anticipated growth in electricity demand and the clean energy transition over the coming decade, energy planning becomes even more important than it was in the past. Elevating the GEO into a department seems like a reasonable, and perhaps overdue, step in recognizing the critical importance of energy issues in our state.

We take a more cautious approach to the procurement section of the bill. Issues for the committee to consider regarding procurement include:

- 1) **Timing and predictability.** We understand that part of the impetus behind shifting procurement responsibilities to the department is to make the timing of such procurements more routine and predictable. We think this is an important goal, and one we share.
- 2) **Division of responsibilities.** The department would likely be well-suited to facilitating stakeholder input on procurements, designing requests for proposals (RFPs), and providing timely answers to bidders’ questions. The department may also be suited to some initial evaluation of the responding bids. However, the OPA is concerned that the PUC should be the one making the determination as to the final award of contracts. The quasi-judicial function of the PUC and its relative independence from the political branch could allow it to be more protective of ratepayer interests than if the department were able to take on the entire process itself. We do appreciate that the PUC has sometimes been ponderous in its review of bids and negotiation of subsequent contracts, and we would welcome firm timelines that could help expedite decision-making. We also think the use of form contracts developed in advance alongside the RFPs could assist in speeding up the timeline.

- 3) **Standard of review.** In our view, the current draft of LD 1270 contains a standard of review that is inadequate. We think that future procurements should adhere to a clearer standard that is more protective of Maine ratepayer interests. For example, the PUC could be required to find that the benefits to Maine ratepayers will likely outweigh the costs over the life of the contract.
- 4) **Harmonization of existing procurement authorities.** We recommend that the committee take a careful look at all the various existing procurement statutes and consider which ones should be repealed and which should be collapsed into a department-led, PUC-reviewed structure like that contemplated by LD 1270.

We stand ready to hammer out the procurement provisions with the GEO, the stakeholders, and the Committee in the coming weeks.

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 1270 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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