#### STATE OF MAINE **DEPARTMENT OF ENVIRONMENTAL PROTECTION**



JANET T MILLS GOVERNOR



# **TESTIMONY OF**

# **MELANIE LOYZIM, COMMISSIONER** MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

## SPEAKING NEITHER FOR NOR AGAINST

L.D. 1808 AN ACT TO ENACT THE MAINE CLIMATE SUPERFUND ACT SPONSORED BY REP. LOOKNER

#### AND

### L.D. 1870 AN ACT TO ESTABLISH A CLIMATE SUPERFUND COST RECOVERY PROGRAM TO IMPOSE PENALTIES ON CLIMATE POLLUTERS SPONSORED BY SEN. BRENNER

# BEFORE THE JOINT STANDING COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

## DATE OF HEARING:

### MAY 5, 2025

Senator Tepler, Representative Doudera, and members of the Environment and Natural Resources Committee, I am Melanie Loyzim, Commissioner of the Department of Environmental Protection, speaking neither for nor against L.D. 1808 and L.D. 1870.

As Commissioner of the Department and Co-Chair of the Maine Climate Council, I know how costly it is for Mainers to invest in resilient infrastructure - for their homes, businesses and communities. The State of Maine has made tremendous investments

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that will help us weather the storms of the future, but we will continue to need BILLIONS of dollars to upgrade our wastewater treatment plants and roadways, raise homes, rebuild piers, and take so many other necessary steps to prepare for the stronger storms, higher waters, and droughts that we know are coming. A Climate Superfund could provide Maine with substantial funding to meet these needs.

Vermont and New York enacted similar laws last year. The Department has not fully analyzed how either of these approaches could be implemented in Maine. Either version would create a significant new administrative burden for the Department, and the Department would require significant additional support from legal counsel. The polluter pays principle may seem simple, but getting large, out-of-state corporations to cut checks to the Department will be anything but simple.

There are many technical details of implementing these proposals that deserve careful analysis and adjustment to Maine's specific context. Just one example is that the data that would be relied upon to apportion financial responsibility across all companies that extracted fossil fuels or refined crude oil is currently maintained by the federal government. The Department currently only requires greenhouse gas emission reporting for some licensed Maine facilities. It is unclear if the State could require reporting by out-of-state companies for activities that occur outside Maine's borders, even if those activities have an effect within Maine, without any underlying federal authority like the Clean Air Act or Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Any changes to federal reporting requirements could have a significant impact on the Department's ability to implement either of these proposals.

New York and Vermont's Climate Superfund laws are currently being challenged in federal court. On December 30, 2024, the U.S. Chamber of Commerce and the American Petroleum Institute filed a federal lawsuit against Vermont. New York was subsequently sued on February 6, 2025 by 22 states and multiple industry associations.

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On May 1, 2025, the federal Department of Justice filed a suit against both states for their Climate Superfund Laws.

Adopting some version of a Climate Superfund in Maine <u>now</u> creates an administrative burden for the Department to develop a program that may be struck down by judges in the coming year. The last couple of insane weeks of Committee work is not the right time to pass into law something of this importance. The Department and the Governor's Office of Policy, Innovation and the Future will track implementation efforts and legal developments in other states and can report this information to the Legislature next year if the Legislature would like to consider this concept further.

Thank you for the opportunity to testify today. I would be happy to answer any questions you have now and at the work session.