



Testimony in Support of LD 838, An Act to Establish the Maine Clean Energy Authority

**To the Committee on the Energy, Utilities and Technology
by Jack Shapiro, Climate and Clean Energy Program Director
January 20, 2026**

Senator Lawrence, Representative Sachs, 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 support of the sponsor's amendment to LD 838, An Act to Establish the Maine Clean Energy Authority.

LD 838 establishes a new Maine Clean Energy Authority (Authority) with the purpose of assisting in the build-out of the clean energy infrastructure needed to achieve Maine's climate and clean energy goals at lower costs. In so doing, the Authority would also help reduce our dependence on fossil fuels, the primary cause of the most recent rate increases Maine families and businesses are seeing in their energy bills as of the beginning of this month.

NRCM is supportive of the concepts embodied in this amendment, including the use of revenue bonds to reduce the costs of building energy infrastructure. The fundamental advantage of clean energy over fossil fuels is that there are no daily, weekly, or monthly fuel costs associated with power production. But the flip side of the low-operating cost advantage is that most costs come up front, making lower-cost financing extremely important.

The Authority as laid out in the amendment has a broad set of powers and responsibilities. As the Committee considers LD 838 and any additional amendments, there are a few areas where you may wish to focus your attention.

- Duties related to transmission. The amendment includes responsibilities in both sections 10503 and 10506 related to transmission studies and planning. LD 197 last year directed the Department of Energy Resources (DOER) to conduct a transmission study, which is underway and due to be reported back to the Committee by September 1, 2026.¹ The "Maine Transmission Infrastructure Study" includes considerations of existing rights-of-way, emerging and advanced transmission technologies, and future transmission needs

¹ *Resolve, to Direct the Governor's Energy Office to Conduct a Study Regarding the Future of Electric Transmission Infrastructure in the State.* June 10, 2025.

<https://mainelegislature.org/legis/bills/getPDF.asp?paper=SP0084&item=5&snum=132>

for the state, which may provide some of the information needed by the Authority as described in the amendment.² The New England Independent System Operator (ISO-NE) also regularly conducts transmission studies identifying needs for Maine and for Maine in the regional context. Ensuring that roles and responsibilities of the Authority with respect to DOER and ISO-NE will be important in ensuring that the Authority has its desired impact without duplicative effort or confusion amongst stakeholders and the public. Further, we suggest that to the extent the Authority conducts or assesses state or regional transmission needs, it should consider interregional transmission needs and planning as well.

- Solicitations. The amendment gives the Authority the power to fund a wide array of energy projects, selected through competitive solicitations. LD 1270 last year granted procurement authority for energy generation and storage projects to the newly created Maine DOER. Project selection criteria were explicit, including environmental impact and minimizing curtailment, among others.³ The Committee may wish to consider how these duties intersect. For example, would a project selected by DOER as guided by its most recent comprehensive energy plan be eligible for funding from the Authority as well? Sequencing should also be considered, as access to lower-cost financing through the Authority could make bids into DOER procurements more cost competitive.
- Project selection. The Committee could clarify how the Authority should identify and select projects, as well as how it would evaluate whether including bond financing as part of a project's capital needs is appropriate.
 - The Committee should consider the process by which the Authority should identify projected needs. The amendment includes some language describing how the Authority may assess transmission needs, but does not go into detail about how they may assess other types of projects like energy storage, grid enhancing technologies (GETs), non-wires alternatives (NWAs), etc. There are already existing public planning processes such as the integrated grid planning process or the DOER comprehensive energy plan process. The NWA process includes extensive vetting and cost benefit analysis. Other options could include further legislative direction, a regulatory process overseen by the Public Utilities Commission (PUC), or an independent process conducted by the Authority itself.
 - A recent study examining the role of the Colorado Electric Transmission Authority (CETA), which has similar authority to use revenue bonding to facilitate transmission development argued that CETA's authority should be used strategically and selectively to ensure maximum impact. The report recommends a focus on providing flexible and lower-cost early-stage capital available to

² Maine Department of Energy Resources. Maine Transmission Infrastructure Study. Accessed January 19, 2026. <https://www.maine.gov/energy/current-studies/transmission-infrastructure-study>

³ MRSA Chapter 35-A, Section 10313. *Competitive solicitations*. <https://legislature.maine.gov/statutes//35-A/title35-Asec10313.html>

projects aligned with public benefits. While the Colorado report focuses on transmission projects only, not the full spectrum of projects the amendment assigns to the Authority, its recommendations suggests that additional clarity and focus for the specific use-cases for Authority financing for specific kinds of projects (i.e., generation vs. energy storage vs. transmission or distribution projects) could allow the Authority to achieve the most cost savings and project acceleration for each dollar invested.⁴

- Utility ownership of storage. Section 10507 refers to utility ownership of energy storage, which is still a subject of considerable debate. While there are strong arguments for utility *operation* of energy storage systems – for example at a substation to relieve a constraint or avoid curtailment of lower-cost clean energy generation – the arguments that the utilities must *own* those storage systems, potentially at a higher cost for ratepayers, is less clear.
- Public Ownership. The amendment does not grant the Authority the ability to take an ownership stake in projects it finances, potentially forgoing the chance to use Maine’s natural abundance of low-cost renewable energy resources – the value of which are likely to rise over time as demand increases — to generate income or otherwise provide long-term value to the state. The Committee should consider whether going beyond public financing to authorize some amount of public ownership could provide additional benefits to ratepayers and the state as a whole.

While there are a number of areas for the Committee to focus on for a potential additional amendment to LD 838, we encourage the Committee to support LD 838 for the potential it brings to lower energy costs for Maine families and businesses, reduce our dependence on expensive fossil fuels, and move us closer to reaching Maine’s climate and clean energy goals.

Thank you, and I would be happy to answer any questions you may have.

⁴ Grid Strategies. *Strategic Use of Public Revenue Bonding Authority to Accelerate Transmission Development*. December 2025. https://gridstrategiesllc.com/wp-content/uploads/Grid-Strategies_CETA-Public-Financing-Report-1.pdf