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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

An Act to Establish the Maine Clean Energy Authority L.D. 838

DEPARTMENT OF ENERGY RESOURCES
January 20, 2026

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Department of Energy Resources (DOER).

The DOER testifies neither for nor against L.D. 838.

Thank you for the opportunity to testify on L.D. 838 as amended, *An Act to Establish the Maine Clean Energy Authority*. The Department appreciates the sponsor's commitment to lowering energy costs, improving reliability, and accelerating the clean energy transition. This is a significant and complex proposal that intersects with many existing state and regional processes. Having only recently received this language, my comments today are preliminary and focus on three areas where the bill would benefit from being more narrowly tailored: project scope, financing authority, and public-private roles.

First, the Authority's scope is too broad. L.D. 838 authorizes the Authority to develop, plan, finance, and build a wide range of infrastructure projects, including transmission, storage, non-wires alternatives, generation, geothermal, and beneficial electrification. Such breadth would require substantial administrative, financial, and staffing capacity and risks duplicating responsibilities already held by the Maine Public Utilities Commission, Department of Energy Resources, Department of Environmental Protection, and other state entities. Experience in other states shows that public financing delivers the greatest value when its function is more focused, such as on large-scale transmission with clear systemwide benefits. Narrowing the Authority's mandate to the financing of targeted projects to accelerate buildout and reduce project risks could improve implementation, reduce overlaps, and allow the Authority to build expertise where it is most needed.

Second, the bill grants financing and bonding powers without sufficient guardrails. As drafted, the Authority appears to be able to issue unlimited revenue and municipal bonds and provide loans and grants without defined criteria for project eligibility, public benefit, or cost-effectiveness. Public financing is most effective when it is tied to transparent standards, such as identified grid needs, quantifiable benefits to ratepayers, and coordination with regional planning entities. Narrowing the financing authority, identifying guiding criteria for investments, and strengthening the governance



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structure of the Authority would likely strengthen investor confidence, limit ratepayer exposure, and ensure that public debt is used only when the benefits are clear and broadly shared.

Third, the bill should more clearly define the Authority's public-private role. This type of public authority may work best as a targeted facilitator, using targeted public financing tools to de-risk development activities and attract private investment, rather than acting as the developer and owner operator itself. Activities such as permitting, stakeholder engagement, and right-of-way identification are areas where public support can add significant value. These early-stage activities are often less attractive to private investors but are critical for public buy-in and the ultimate success of a project. A more effective approach would be to prioritize coordination and targeted early-stage investments that de-risk projects and advance them to the point where private capital becomes viable, rather than focusing on construction or operations. When used strategically, a public financing authority can bridge financing and institutional gaps that prevent projects from moving forward, without displacing private capital. This model also reduces legal complexities and ensures the Authority complements, rather than competes with, existing entities.

In closing, as the Department recently indicated in a report published on the topic last November, facilitating access to public financing for targeted purposes could be a powerful tool to accelerate necessary and cost-effective development in Maine and is something the Department is keen to explore, though within a more narrowly targeted scope.

Thank you for your consideration.

Caroline Colan, Legislative Liaison
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