



JANET MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ENERGY RESOURCES
62 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0062

DAN BURGESS
ACTING COMMISSIONER
DEPARTMENT OF ENERGY RESOURCES

TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

L.D. 307: Resolve, to Establish the Maine Artificial Intelligence Data Center Coordination Council

**DEPARTMENT OF ENERGY RESOURCES
February 5, 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 in support of L.D. 307.

The rapid growth of data centers in the U.S. is presenting new and complex policy considerations on a wide variety of topics. While Maine and the New England region are not currently experiencing the same level of data center development interest or related electric demand growth seen in other parts of the country, future development activity could have meaningful implications for Maine's energy system, natural resources, economy, and communities. In the absence of significant large-scale development pressure here in Maine, but a rapidly developing national policy landscape, now is an appropriate time for the state to engage in this proactive planning effort.

On the topic of energy, advancements in artificial intelligence (AI) represent an opportunity to improve the efficiency and performance of our energy systems but also raise challenges with potential load growth from new data centers, cost implications, and other impacts on the operations of the electric grid. Nationally, data center development is emerging as a major driver of energy demand, with utility forecasts estimating 50 GW or more of new load driven by data center growth over the next five years.¹ Data centers consumed about 4.4% of total U.S. electricity in 2023 and are expected to account for roughly 6.7 to 12% of total U.S. electricity by 2028 according to a recent report from Lawrence Berkeley National Lab.² However, potential impacts will vary significantly by project depending on the type of data center, the efficiency of equipment, building design, geographic location, access to infrastructure, and various policy decisions. Planning is also complicated by evolving forecasts, primarily private-sector driven development, and overlapping local, state, regional, and federal jurisdiction.

DOER participated in the Governor's AI Task Force last year, which explored the implications of AI and outlined recommendations in its final report issued in October. While this wasn't a deep dive into the energy impacts, key issues identified for further study include proactive planning of energy generation, transmission, and broadband infrastructure; capacity and interconnection considerations; ratepayer

¹ <https://www.utilitydive.com/news/us-data-center-power-demand-could-reach-106-gw-by-2035-bloombergnef/806972/>

² <https://escholarship.org/uc/item/32d6m0d1>



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protections; and responsible siting practices. Since this effort, DOER has continued to engage state partners and national experts to monitor data center developments and assess potential impacts to energy reliability and affordability, consistent with our obligations to Maine consumers.

Across the country, we are seeing states experiencing significant data center development begin to coalesce around several common principles: large loads should be responsible for securing or bringing their own supply, they must avoid shifting costs to existing ratepayers, and they should fund necessary grid upgrades needed to interconnect consistent with cost-causation principles. We have also seen more than 30 states authorize tax incentives to attract development or incent certain development practices. These findings are presented in an October report by the Idaho National Lab.³

At the federal level, policy and regulatory reforms are also being contemplated. The U.S. Department of Energy (DOE) has directed the Federal Energy Regulatory Commission (FERC) to explore reforms to ensure timely and orderly interconnection of large loads. In response, FERC opened a docket under an accelerated schedule. As regional entities including the New England States Committee on Electricity (NESCOE), in coordination with Maine, and ISO-NE, have engaged in these forums, they have emphasized the importance of maintaining reliability, strong ratepayer protections, and coordinated planning efforts. Additional federal actions, including a recent executive order calling for a national AI policy framework, are signaling a potentially expanded federal role in regulating large loads and interconnection processes.

In response to this evolving landscape, DOER is working in close coordination with state agencies, regional partners, and national organizations such as the National Association of Energy Officials (NASEO) to track policy trends and identify Maine-specific considerations and development activity. Although current development pressure in Maine remains modest compared to other regions, continued coordination and proactive planning on this topic are essential to ensure we protect Maine ratepayers, maintain grid reliability, minimize environmental impacts, and can support responsible economic development where appropriate.

We believe that the structure and composition of the proposed council will effectively and efficiently support an evaluation of state planning considerations and policy tools to manage AI data center opportunities, along with their potential benefits and risks for the State. Given the reality of the pace of development in Maine, we believe that this process will deliver thoughtful and comprehensive recommendations that can be implemented in advance of substantial interest in the Maine market.

Thank you for your consideration.

Caroline Colan, Legislative Liaison
Department of Energy Resources

³ https://inl.gov/content/uploads/2024/04/INL-Data-Centers-T1M2-Initiatives_v2-1.pdf