



**Testimony in Support of LD 307, Resolve, to Establish the Maine Artificial Intelligence
Data Center Coordination Council**

**To the Committee on Energy, Utilities and Technology
by Jack Shapiro, Climate and Clean Energy Program Director
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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 LD 307 a Resolve to Establish the Maine Artificial Intelligence Data Center Coordination Council.

LD 307 creates a council within the Maine Department of Energy Resources (DOER) to consider the various issues related to the potential buildout of AI data centers in Maine. We appreciate the sponsor bringing this proposal forward and commend the comprehensive scope of issues that the resolve covers.

While other states have thus far seen AI data center development proposals that are larger in both size and quantity, it is widely understood that AI data centers could be a significant source of strain on the electricity system. It is also true however, that, with the proper policy framework, the unprecedented demand for new load presents an opportunity for innovative approaches to accelerate Maine's clean energy transition, keep rates affordable for Maine homes and businesses, and accelerate dynamic flexible energy management across the state.

Some of the principles – which we believe to be within the scope laid out for the council established by this resolve – should include the following:

- **Consider AI data centers as a distinct class of customer.** Because of the potential of AI data centers to massively and rapidly appropriate limited and increasingly expensive transmission and distribution (T&D) capacity and electricity supplies, these loads represent a distinct customer type, which should be considered as such, under a tailored set of regulatory principles aimed at: 1) Mitigating impacts on the electrical system; 2) Providing net benefits to Maine ratepayers; 3) Minimizing local environmental impacts; 4) Providing local economic benefits; and 5) Advancing Maine's clean energy transition. As an example, Minnesota recently enacted a bill that directs the Minnesota PUC to

establish a new “very large customer class” to ensure that all costs associated with serving data centers will not be passed on to other ratepayers.

- **Provide net benefits to ratepayers.** AI data center proposals should be subject to a comprehensive ratepayer impact analysis and be required to pay for T&D infrastructure upgrades associated with interconnecting to the grid. Proposed projects should also be required to provide 100% new and additional renewable energy, on-site and off-site. These facilities could also employ dynamic, flexible demand management strategies, better utilizing existing system headroom and supporting development of a market for demand-side aggregation in Maine.
- **High standards for the climate and environment.** Projects should be required to conduct a comprehensive greenhouse gas analysis, to ensure consistency with Maine’s climate and clean energy policies and avoid the experience happening elsewhere where data center development has been paired with large diesel backup generators, creating pollution and noise in host communities. Projects should also be held to the highest standards for operational energy efficiency, water use, and natural resource conservation.
- **Shared economic benefits in host communities.** Projects should be required to conduct robust community outreach, operate transparently without the use of non-disclosure agreements (NDAs), establish community benefits agreements with host communities, and pay fair wages in their construction and operations phases.

In addition to the above, in light of the fact that large AI data centers have not been proposed in Maine at present, the Committee should consider whether it makes sense to establish a moratorium on approving projects over a certain size until these guardrails can be put into place.

In conclusion, this resolve is as timely as it is important. The council established by this resolve would be well positioned to recommend policies ensuring that Maine ratepayers are not only unharmed by AI data center development but could benefit. AI data center siting, put frankly, is a buyers’ market. In other states, large technology companies are demonstrating a willingness to pay far above market prices for energy, due to the fierce competition in the sector. Maine should not lower its standards for climate or environmental protection, nor should ratepayers subsidize these large companies’ access to our limited electricity system resources.

We encourage the Committee to vote Ought to Pass on LD 307, and I would be happy to try to answer any questions the Committee has.

Thank you.