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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

Resolve, to Pilot a Behavioral Demand Response Program to Lower Electric Bills and Improve Grid Reliability L.D. 2140

DEPARTMENT OF ENERGY RESOURCES
February 19, 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. 2140.

We appreciate and applaud the sponsor's interest in advancing demand management programs in Maine – proven tools that can play a key role in increasing the affordable and efficient utilization of the grid. This testimony is offered neither for nor against the bill, but to provide context on demand management policy, existing efforts in Maine, and opportunities for coordination moving forward.

Demand management refers to strategies that influence when and how much electricity is consumed to effectively balance electric supply with demand on the electricity grid. Demand management can play a central role in increasing affordability by providing a flexible, cost-effective alternative to traditional grid infrastructure upgrades and by helping make sure lowest-cost electricity sources are utilized as much as possible. By reducing the need for new large-scale generation and potentially costly grid upgrades, demand management helps lower costs for all ratepayers by more efficiently utilizing existing infrastructure, unlocking underutilized electricity supply, and delivering economic and environmental benefits across the state. Effective demand management resources could include, but are not limited to, smart distributed energy resources that voluntarily respond to dispatch signals, such as distributed solar, battery or other customer-sited storage, standby generators, connected thermostats, networking electric vehicle chargers, networked electric storage water heaters, and other consumer devices.

The 2025 Maine Energy Plan¹ highlights the significant potential for load flexibility (the outcome achieved through effective demand management) to support affordability and facilitate an increasingly clean electricity grid, among other benefits. Objective D highlights that “load flexibility can provide cost-effective reliability while reducing peak loads and infrastructure needs.”

¹ <https://www.maine.gov/energy/studies-reports-working-groups/current-studies-working-groups/energyplan2040>



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In Maine, action is already being taken to implement demand management strategies. Efficiency Maine Trust has and continues to offer a variety of programs with regards to demand management. The state's climate plan includes recommendations to "manage the impact of buildings, vehicles, and industry on the grid with innovative demand-management and load-flexibility strategies." Further, numerous states have advanced policies, programs, solicitations, regulations, and other efforts targeting the potential value of demand management. Though DOER agrees that there are significant opportunities ahead to get the greatest benefit of demand management, including expanded education and communications efforts, the state is likely beyond a pilot phase.

In addition, under the authority granted through LD 1270 last year, DOER is authorized to solicit competitive proposals for demand management resources, and, in the event any proposals are beneficial to ratepayers, obtain contracts for those resources with the electric utilities. This is an additional opportunity to complement the existing programs already underway. In December of 2025, DOER issued a Competitive Solicitation Schedule for Calendar Year 2026² which highlighted an anticipated solicitation for energy storage and considerations for an additional demand management solicitation. This schedule is intended to inform potential solicitation participants and interested stakeholders of anticipated timelines and milestones for DOER's competitive solicitations in 2026. As described in the schedule, DOER is taking additional steps, in close coordination with the Efficiency Maine Trust and stakeholders to explore the feasibility and potential for a competitive solicitation for demand management. Based on the outcome of these steps, which will include public engagement, DOER may issue one or more requests for proposals for demand management.

At this time, we do not believe a separate two-year pilot is necessary and would want to ensure that if passed it does not delay or inhibit implementation that can deliver near-term affordability benefits utilizing existing authority and direction. But we would welcome the opportunity to coordinate with the sponsor, the Efficiency Maine Trust, the Maine Public Utilities Commission, and other stakeholders to ensure this legislative vehicle can effectively support the timely delivery of meaningful affordability opportunities for Maine ratepayers through effective demand management at scale.

Thank you for your consideration.

Caroline Colan, Legislative Liaison
Department of Energy Resources

² <https://www.maine.gov/energy/divisions/planning-policy/solicitations>