

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

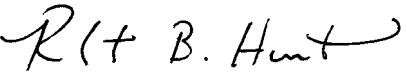
No. 1270

H.P. 845

House of Representatives, March 25, 2025

An Act to Establish the Department of Energy Resources

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative RUNTE of York.
Cosponsored by Senator BENNETT of Oxford and
Representatives: GEIGER of Rockland, KESSLER of South Portland, SACHS of Freeport,
WARREN of Scarborough, WEBB of Durham, Senator: LAWRENCE of York.

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. 2 MRSA §6, sub-§1, as amended by PL 2011, c. 657, Pt. Y, §1, is further amended to read:

1. Range 91. The salaries of the following state officials and employees are within salary range 91:

Commissioner of Transportation;

Commissioner of Agriculture, Conservation and Forestry;

Commissioner of Administrative and Financial Services;

Commissioner of Education;

Commissioner of Environmental Protection;

Executive Director of Dirigo Health;

Commissioner of Public Safety;

Commissioner of Professional and Financial Regulation;

Commissioner of Labor;

Commissioner of Inland Fisheries and Wildlife;

Commissioner of Marine Resources;

Commissioner of Corrections:

Commissioner of Economic and Community Development;

Commissioner of Defense, Veterans and Emergency Management; and

Executive Director, Workers' Compensation Board; and

Commissioner of Energy Resources.

Sec. A-2. 2 MRSA §6, sub-§4, as amended by PL 2019, c. 343, Pt. XXX, §2, is further amended to read:

4. Range 88. The salaries of the following state officials and employees are within salary range 88:

Director, Bureau of Air Quality;

Director, Bureau of Water Quality;

Director, Bureau of Land Resources:

Director, Bureau of Remediation and Waste Management;

Deputy Commissioner, Environmental Protection; and

Deputy Chief of the State Police; and

Deputy Commissioner, Energy Resources.

Sec. A-3. 2 MRSA §9, as corrected by RR 2023, c. 2, Pt. A, §2, is repealed.

Sec. A-4. 5 MRSA §960 is enacted to read:

1 **§960. Department of Energy Resources**

2 The position of Deputy Commissioner is a major policy-influencing position within
3 the Department of Energy Resources. Notwithstanding any provision of law to the
4 contrary, this position and any successor position is subject to this chapter.

5 **Sec. A-5. 5 MRSA §15302, sub-§3**, as amended by PL 2019, c. 343, Pt. D, §10, is
6 further amended to read:

7 **3. Board of Directors of the Maine Technology Institute.** The institute is governed
8 and all of its powers are exercised by a board of directors, referred to in this chapter as the
9 "board," consisting of 13 voting members and 2 3 nonvoting members.

10 A. The Governor shall appoint 10 voting directors, 8 of whom must be representatives
11 of targeted technologies. The other 2 directors must have demonstrated significant
12 experience in finance, lending or venture capital. In making the appointments from
13 targeted technologies, the Governor shall consider recommendations submitted by
14 representatives of targeted technology sectors. Directors of the board appointed by the
15 Governor are entitled to receive reimbursement at the legislative rate for necessary
16 expenses for their attendance at authorized meetings of the board.

17 B. The Commissioner of Economic and Community Development or the
18 commissioner's designee, the President of the Maine Community College System or
19 the president's designee and the Chancellor of the University of Maine System or the
20 chancellor's designee are ex officio voting directors.

21 C. The Director of the ~~Governor's~~ Office of Policy Innovation and the Future or the
22 director's designee is an ex officio nonvoting director.

23 D. The Maine Technology Institute Director is a nonvoting director.

24 E. The Commissioner of Energy Resources or the commissioner's designee is an ex
25 officio nonvoting director.

26 **Sec. A-6. 10 MRSA §965, sub-§3, ¶E** is enacted to read:

27 E. One of the at-large members must be knowledgeable in the field of clean energy
28 finance or technology solutions for climate change.

29 **Sec. A-7. 30-A MRSA §4723, sub-§2, ¶B-1**, as enacted by PL 2021, c. 657, §14,
30 is amended by amending subparagraph (4) to read:

31 (4) A commissioner with expertise in energy efficiency issues regarding
32 residential structures; ~~and~~

33 **Sec. A-8. 30-A MRSA §4723, sub-§2, ¶B-1**, as enacted by PL 2021, c. 657, §14,
34 is amended by enacting a new subparagraph (4-A) to read:

35 (4-A) A commissioner with expertise in the construction sustainability
36 requirements established in section 4726, subsection 2; and

37 **Sec. A-9. 30-A MRSA §4723, sub-§2, ¶B-1**, as enacted by PL 2021, c. 657, §14,
38 is amended by amending subparagraph (5) to read:

39 (5) ~~Four~~ Three members who have:

1 (a) Experience or expertise in any of the following: housing development and
2 rehabilitation; supporting unhoused populations; improving labor standards;
3 economic and community development; transportation; municipal land use
4 planning; the building trades; the real estate market; or banking and finance;
5 and

6 (b) An interest in and commitment to increasing the availability and
7 affordability of housing opportunities for the people of the State.

8 **Sec. A-10. 35-A MRSA Pt. 9** is enacted to read:

9 **PART 9**

10 **ENERGY RESOURCES**

11 **CHAPTER 103**

12 **DEPARTMENT OF ENERGY RESOURCES**

13 **§10301. Department established**

14 The Department of Energy Resources is established as a cabinet-level department.

15 **§10302. Definitions**

16 As used in this chapter, unless the context otherwise indicates, the following terms
17 have the following meanings.

18 **1. Commissioner.** "Commissioner" means the Commissioner of Energy Resources.

19 **2. Department.** "Department" means the Department of Energy Resources.

20 **§10303. Departmental responsibilities**

21 The department has responsibilities relating to energy resources, planning, programs
22 and development. The department shall conduct planning, develop and implement policies
23 and establish programs designed to ensure all households, communities and businesses in
24 the State have access to an affordable, reliable and resilient energy supply to meet energy
25 demand and support economic development. The department is designated as the energy
26 office for the State.

27 **§10304. Commissioner**

28 The department is under the control and supervision of the Commissioner of Energy
29 Resources, who reports directly to the Governor.

30 **1. Appointment.** The Governor shall appoint the commissioner, subject to review by
31 the joint standing committee of the Legislature having jurisdiction over energy matters and
32 confirmation by the Senate. The commissioner serves at the pleasure of the Governor.

33 **2. Deputy commissioner.** The commissioner shall appoint a deputy commissioner to
34 assist the commissioner with the operations of the department. The deputy commissioner
35 serves at the pleasure of the commissioner.

1 **3. Personnel.** The commissioner may employ, subject to the Civil Service Law,
2 personnel for the department and prescribe the duties of these employees as the
3 commissioner determines necessary to fulfill the duties of the department. The
4 commissioner may delegate duties assigned to the commissioner under this chapter to
5 personnel of the department.

6 **4. Powers and duties of commissioner.** The commissioner is responsible for the
7 execution of the duties of the department. The commissioner shall:

8 A. Advise the Governor and state agencies on matters related to energy;

9 B. Serve as a member of the Efficiency Maine Trust Board, established under Title 5,
10 section 12004-G, subsection 10-C;

11 C. In collaboration with the relevant state agencies, coordinate state energy policy and
12 actively foster cooperation with the Efficiency Maine Trust, established in chapter 97,
13 and the Maine State Housing Authority, established in Title 30-A, chapter 201; and

14 D. Represent the State's interests in relevant regional energy organizations and forums
15 to coordinate energy policy.

16 **§10305. Powers and duties of department**

17 Under the supervision of the commissioner, the department shall:

18 **1. State energy plan.** Prepare and submit a comprehensive state energy plan to the
19 Governor and the joint standing committee of the Legislature having jurisdiction over
20 energy matters by January 15th of each odd-numbered year. The state energy plan must:

21 A. Identify opportunities to lower and to maintain reasonable total energy costs for
22 consumers in the State;

23 B. Evaluate energy data, including, but not limited to, data on energy supply, demand
24 and costs in this State with consideration of all available energy sources;

25 C. Detail the State's progress toward meeting its energy goals for new renewable
26 energy generation and energy storage, including distributed energy resources;

27 D. Evaluate the State's progress in meeting the oil dependence reduction targets in
28 section 10309;

29 E. Identify resource and transmission and distribution capacity and infrastructure
30 needs to facilitate the development and integration of new renewable energy generation
31 within the State and support the State's renewable resource portfolio requirements
32 specified in section 3210 in close coordination with the independent system operator
33 of the New England bulk power system or a successor organization, the Public Utilities
34 Commission's integrated grid planning under section 3147 and transmission and
35 distribution utilities;

36 F. Address the association between energy planning and meeting the greenhouse gas
37 emissions reduction goals in the state climate action plan pursuant to Title 38, section
38 577;

39 G. Include a cost and resource estimate for technology development to meet the goals
40 and objectives of the state energy plan; and

1 H. Include energy supply and demand forecasts that must be considered in other
2 planning efforts including updates to the state climate action plan under Title 38,
3 section 577 and the Efficiency Maine Trust's triennial plan under section 10104,
4 subsection 4.

5 The joint standing committee of the Legislature having jurisdiction over energy matters
6 may report out legislation by April 1st of each odd-numbered year relating to the content
7 of the state energy plan. The joint standing committee of the Legislature having jurisdiction
8 over natural resources matters may make recommendations regarding that legislation to the
9 joint standing committee of the Legislature having jurisdiction over energy matters;

10 **2. Recommendations.** Make recommendations, if needed, for additional legislative
11 and administrative actions to ensure that the State can meet the goals and objectives of the
12 state energy plan under subsection 1. The department shall develop, recommend and, as
13 appropriate, take action to implement integrated or comprehensive strategies, including at
14 regional and federal levels, to carry out the goals and objectives of the state energy plan, to
15 secure the State's interest in energy resources and the supply and cost-effective use of those
16 resources and lower the total cost of energy to consumers in this State;

17 **3. Annual report.** By January 15th of each year, prepare and submit to the joint
18 standing committee of the Legislature having jurisdiction over energy matters a report that
19 describes the activities of the department during the previous calendar year in carrying out
20 its duties under this section and describes the State's progress in implementation of the state
21 energy plan prepared pursuant to subsection 1 and its annual accounting pursuant to section
22 10308, subsection 2. After receipt and review of the annual report, the joint standing
23 committee may report out legislation relating to energy policy;

24 **4. Energy data collection and analysis.** In collaboration with other relevant state
25 agencies, private industry and nonprofit organizations, collect and analyze energy data,
26 including, but not limited to, data on energy supply, demand and costs in this State with
27 consideration of all available energy sources;

28 **5. Energy information dissemination.** Review and coordinate the dissemination of
29 energy information developed by cabinet-level state agencies intended for the public and
30 the media;

31 **6. Technical assistance.** Provide technical assistance and information to the Governor
32 and the Legislature regarding the State's short-range and long-range energy needs and the
33 resources to meet those needs;

34 **7. Funds from public and private sources.** Seek, accept and administer funds from
35 public and private sources and develop partnerships with public and private entities to
36 support the goals of the department, including, but not limited to, promoting energy
37 efficiency, demand-side management and distributed generation;

38 **8. Federal government funds.** Receive and administer funds from the United States
39 Department of Energy's State Energy Program and other federal funds as appropriate;

40 **9. Electricity agreements.** Work with transmission and distribution utilities, the
41 commission, state agencies involved in the permitting of energy generation facilities and
42 other relevant entities to negotiate agreements that create value for electricity consumers
43 with developers of renewable generation who are interested in building energy generation
44 facilities or developing or using energy transmission infrastructure in this State;

1 **10. Energy transmission capacity planning and policy.** Monitor energy
2 transmission capacity planning and policy affecting this State and make recommendations
3 to the Governor and the Legislature as necessary for changes to the relevant laws and rules
4 to facilitate energy infrastructure planning and development;

5 **11. Petroleum products.** Monitor petroleum product inventories, deliveries,
6 curtailments and shortfalls and other matters relating to the availability of petroleum
7 products in the State;

8 **12. State energy security plan.** Prepare and submit a state energy security plan in
9 accordance with federal requirements;

10 **13. Clean energy program.** Establish and manage a program to promote clean energy
11 job development and clean technology business innovation in coordination with industry,
12 educational and training organizations to support current and future workforce needs;

13 **14. Beneficial electrification.** Coordinate with the commission and the Efficiency
14 Maine Trust, established in chapter 97, to monitor beneficial electrification trends and
15 opportunities and to establish beneficial electrification targets and regulatory frameworks;
16 and

17 **15. Renewable resource portfolio requirements.** Review and report on the status
18 and impacts of the implementation of the renewable resource portfolio requirements as
19 described in section 3210.

20 **§10306. Coordination; advice to state agencies**

21 The department shall advise state agencies regarding energy-related principles for
22 agencies to consider, along with the laws and policies governing those agencies, in:

23 **1. State-owned land and assets.** The sale, lease or other allowance for use of state-
24 owned land or assets for the purpose of development of energy infrastructure;

25 **2. Revenue obligation securities.** The issuance of revenue obligation securities for
26 energy facilities pursuant to Title 10, section 1044;

27 **3. State facility energy programs.** Energy programs at state facilities and operations
28 to improve energy efficiency, greenhouse gas emissions reduction and demand
29 management; and

30 **4. Energy program administration.** The administration of state-funded and federally
31 funded energy programs to support:

32 A. The federal low-income home energy assistance program that provides heating
33 assistance to eligible low-income persons and any state-funded or privately funded
34 heating assistance program of a similar nature assigned to the department for
35 administration; and

36 B. The federal weatherization assistance program that offers home weatherization
37 grants and heating system upgrades to eligible low-income persons.

38 The department shall coordinate with the Department of Environmental Protection and
39 the Office of Policy Innovation and the Future, established in Title 5, section 3102, on
40 matters related to climate mitigation, greenhouse gas reduction strategies and adaptation
41 policies.

1 This section does not alter any of the responsibilities or limit any of the authority of the
2 Department of Administrative and Financial Services, Bureau of General Services pursuant
3 to Title 5. This section does not alter or limit the ability of departments or agencies of the
4 State, along with the Bureau of General Services pursuant to Title 5, to generate or
5 cogenerate energy at state facilities for use on site and elsewhere.

6 **§10307. Rulemaking**

7 The department may adopt rules the commissioner determines necessary for the proper
8 implementation of this chapter. Rules adopted pursuant to this section are routine technical
9 rules as defined in Title 5, chapter 375, subchapter 2-A, unless otherwise specified.

10 **§10308. Funding**

11 In addition to funds provided from the General Fund or other available resources, the
12 department is funded in accordance with this section.

13 **1. Federal funds.** The department is funded by federal funds that are available to and
14 received by the department. Such federal funds may be applied to support the personal
15 services and all other costs of the department.

16 **2. Efficiency Maine Trust funding.** To the extent federal funds under subsection 1
17 are inadequate to meet the funding needs of the department, the department may receive
18 funds from the Efficiency Maine Trust, established in chapter 97, but only for that portion
19 of the department's activities that supports or reasonably relates to programs or activities
20 of the Efficiency Maine Trust. The commissioner shall keep an accounting of the
21 department's resources devoted to its various duties and activities, including that portion of
22 its resources devoted to activities in support of or reasonably related to programs or
23 activities of the Efficiency Maine Trust. The department shall provide the accounting to
24 the joint standing committee of the Legislature having jurisdiction over energy matters as
25 part of its annual report under section 10305, subsection 3. The joint standing committee
26 of the Legislature having jurisdiction over energy matters shall make recommendations to
27 the joint standing committee of the Legislature having jurisdiction over appropriations and
28 financial affairs with regard to any proposed allocation of Efficiency Maine Trust funds to
29 support the department. In accordance with any legislative allocation or deallocation of
30 Efficiency Maine Trust funds to support the department, the commissioner shall request
31 from the Efficiency Maine Trust and the trust shall provide the allocated resources to the
32 department.

33 **3. Acceptance and administration of funds.** The department may accept, administer
34 and expend funds, including, but not limited to, funds from the Federal Government or
35 from private sources, for purposes consistent with this chapter. The commissioner shall
36 provide a report of the amount of any outside funding received from private sources and its
37 designated purpose to the Governor and the joint standing committee of the Legislature
38 having jurisdiction over energy matters on an annual basis.

39 **§10309. Oil dependence reduction plan**

40 The department, with input from stakeholders and in consultation with the Efficiency
41 Maine Trust, established in chapter 97, shall develop a plan to reduce the use of oil in all
42 sectors of the economy in this State. The plan must:

43 **1. Targets.** Be designed to achieve the targets of reducing the State's consumption of
44 oil by at least 30% from 2007 levels by 2030 and by at least 50% from 2007 levels by 2050;

1 **2. Policies and infrastructure changes.** Focus on near-term policies and
2 infrastructure changes that set the State on a reasonable trajectory to meet the 2030 and
3 2050 targets in subsection 1;

4 **3. Priorities.** Prioritize the improvement of energy efficiency and the transition to the
5 use of alternative energy sources for heating and transportation; and

6 **4. Data and analyses.** Draw on existing state data and studies rather than new
7 analyses, including, but not limited to, analyses and data from the state climate action plan
8 pursuant to Title 38, section 577 and the progress updates to the climate action plan under
9 Title 38, section 578; the state energy plan pursuant to section 10305, subsection 1; and the
10 Efficiency Maine Trust's triennial plan pursuant to section 10104, subsection 4 and analyses
11 completed by the Federal Government, nonprofit organizations and other stakeholders.

12 **§10310. Maine Energy Resources Development Program**

13 The Maine Energy Resources Development Program, referred to in this section as "the
14 program," is established to promote energy research and demonstration activities related to
15 the use of indigenous, renewable resources and more efficient use of energy. The
16 department, as funding allows, shall administer the program. The commissioner may accept
17 funds from private sources for the purpose of funding the program.

18 **1. Report.** The commissioner shall include in the state energy plan under section
19 10305, subsection 1 a report that specifies, in regard to the program, the expenditure of
20 program funds, the purposes for which the funds were used and the amount of the funds
21 and the sources from which the funds were derived.

22 **2. Program expenditures.** For all proposed program expenditures of \$10,000 or
23 more, the commissioner shall seek approval from the Governor. If the Governor approves,
24 the commissioner shall seek approval for those expenditures from the Legislature under the
25 procedures authorizing the transfer of funds set forth in Title 5, section 1585.

26 **§10311. Distributed Solar and Energy Storage Program**

27 The Distributed Solar and Energy Storage Program is established to provide funding
28 to foster the continued growth of cost-effective distributed solar facilities and energy
29 storage systems in this State. The department, as funding allows, shall develop the program
30 no later than July 1, 2028.

31 **1. Definitions.** As used in this section, the following terms have the following
32 meanings.

33 A. "Combined project" means a distributed solar facility that is paired with an energy
34 storage system.

35 B. "Distributed solar facility" means a solar generating facility interconnected to a
36 transmission and distribution utility as defined in section 102, subsection 20-B.

37 C. "Energy storage system" has the same meaning as in section 3481, subsection 6.

38 D. "Program" means the Distributed Solar and Energy Storage Program established in
39 this section.

40 **2. Program development.** The program must be designed to obtain and provide
41 available federal funds to support cost-effective distributed solar facilities and energy

1 storage systems. The department shall consult with the commission in developing and
2 administering the program.

3 **3. Funding.** In order to support the department's activities in administering the
4 program, the department may request funds from the commission for the department's
5 administrative costs, which may include, but are not limited to, costs associated with hiring
6 consultants and department personnel and contracting for technical analyses.
7 Notwithstanding section 117, if the department requests funding in accordance with this
8 subsection, the commission may provide funding, to the extent available, from the Public
9 Utilities Commission Reimbursement Fund under section 117. If the Public Utilities
10 Commission Reimbursement Fund does not have sufficient funding, notwithstanding
11 section 116, subsection 4, the commission may provide funding from the Public Utilities
12 Commission Regulatory Fund in accordance with this subsection.

13 **4. Federal funds.** The department shall apply for available federal funds to fund the
14 program, including, but not limited to, funds from the United States Environmental
15 Protection Agency's greenhouse gas reduction fund under 42 United States Code, Section
16 7434. Nothing in this subsection limits other uses of federal funds received by the
17 department consistent with applicable federal requirements.

18 **5. Ratepayer funds.** Except as provided in subsections 3 and 6, ratepayer funds may
19 not be used to implement the program or to provide funding under the program to
20 distributed solar facilities or energy storage systems.

21 **6. Energy procurement.** The department may petition the commission to procure
22 energy in accordance with section 3803 from distributed solar facilities or combined
23 projects that receive federal funding pursuant to the program. The commission may not
24 direct a transmission and distribution utility to enter into a long-term contract for energy,
25 capacity or renewable energy credits from a distributed solar facility or a combined project
26 unless the commission finds that the contract will benefit ratepayers and the procurement
27 is in accordance with section 3804.

28 **§10312. Reporting of petroleum product inventories and deliveries**

29 The following provisions govern the reporting of petroleum product inventories and
30 deliveries.

31 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
32 following terms have the following meanings.

33 A. "Petroleum product" means propane; gasoline; unleaded gasoline; gasohol;
34 kerosene; #2 heating oil; diesel fuel; kerosene-based jet fuel; aviation gasoline; #4, #5
35 and #6 residual oil for utility and nonutility uses; and Bunker C oil.

36 B. "Primary storage facility" means a facility that receives petroleum products into the
37 State by pipeline or by ship.

38 C. "Primary supplier" means a refiner, marketer, distributor, firm or person who makes
39 the first sale of any petroleum product to resellers or consumers in this State.

40 **2. Primary storage facility inventory and delivery reporting.** On the first and 3rd
41 Monday of each month, an owner or lessee of a primary storage facility in the State shall
42 make an accurate report to the department of petroleum product inventories and deliveries
43 on a form provided by the commissioner. The form must contain a conspicuous statement

1 of the penalties provided in subsection 4 and must require, with regard to the owner's or
2 lessee's primary storage facility, the following information:

3 A. The total inventory of each petroleum product stored in the State, as measured
4 within not more than 3 working days prior to the reporting date; and

5 B. The quantities of each petroleum product delivery expected into the State within 15
6 days of the reporting date or within any longer period established by the commissioner.

7 **3. Primary supplier petroleum product delivery reporting.** On the 3rd Monday of
8 each month, a primary supplier of petroleum products shall make an accurate report to the
9 department of actual and anticipated deliveries on a form provided by the commissioner,
10 unless the report is already being submitted in accordance with federal regulations. The
11 form must contain a conspicuous statement of the penalties provided in subsection 4 and
12 must require the following information:

13 A. Actual deliveries of all petroleum products in this State during the preceding
14 calendar month;

15 B. Anticipated deliveries of all petroleum products in this State during the following
16 calendar month or during any longer period established by the commissioner; and

17 C. Allocation fractions for all petroleum products for the following month or for any
18 longer period established by the commissioner.

19 **4. Violations.** A person who violates this section is subject to the following penalties.

20 A. An owner or lessee of a primary storage facility or a primary supplier who fails to
21 provide the information required by this section commits a Class D crime. Violation of
22 this paragraph is a strict liability crime as defined in Title 17-A, section 34, subsection
23 4-A.

24 B. An owner or lessee of a primary storage facility or a primary supplier who
25 knowingly or recklessly supplies false or misleading information is guilty of a violation
26 of Title 17-A, section 453. An owner or lessee of a primary storage facility who
27 supplies false or misleading information commits a civil violation for which a fine of
28 \$2,500 may be adjudged.

29 **5. Department reports.** If the department determines, based on available information,
30 that there is or may be a significant shortfall in supply inventories or anticipated deliveries
31 into the State of home heating oil or kerosene, the department shall provide a report to the
32 joint standing committee of the Legislature having jurisdiction over energy matters
33 including:

34 A. The information that suggests a supply shortfall;

35 B. Current and anticipated inventories of home heating oil and kerosene storage
36 supplies;

37 C. Any recommendations of the department for actions by the State in response to the
38 anticipated supply shortfall; and

39 D. A report on inventories, deliveries, curtailments, shortfalls or other matters relating
40 to the availability of petroleum products in this State, at the request of the joint standing
41 committee of the Legislature having jurisdiction over energy matters.

42 **§10313. Competitive solicitations**

Beginning January 1, 2026, and every 2 years thereafter, the department shall conduct one or more competitive solicitations during the following 2-year period to procure energy, associated environmental attributes or a combination of both from renewable and clean resources through long-term contracts if the department determines procurement is necessary to achieve the emissions reduction and renewable and clean energy goals of the State and to meet and manage reasonably expected growth in electricity demand and reliability needs. The department is the primary entity responsible for initiating and conducting new procurements for renewable and clean resources, which may include energy storage, demand management and related transmission, unless otherwise designated or within any 4-year period after January 1, 2027 if the department has not made a determination in line with the comprehensive state energy plan pursuant to section 10305, subsection 1.

1. Solicitation initiation. If the department determines one or more competitive solicitations are necessary based on the comprehensive state energy plan required pursuant to section 10305, subsection 1 and related analysis, the department shall initiate solicitations in order to select resources for contracts under this section. The resource types, amounts, timetable and method for solicitations of long-term contracts using a competitive bidding process must be proposed by the department, and the department shall seek public comment on a draft proposal, in addition to other means such as requests for information, prior to publishing any final solicitation.

2. Consultants. The department may hire expert consultants necessary to assist in the development of the solicitation and evaluation of proposals.

3. Solicitation coordination. A solicitation may be coordinated with other state agencies or transmission and distribution utilities and with other New England states or entities designated by those states.

4. Evaluation and selection. The department may coordinate with other entities, including, but not limited to, state agencies, the Office of the Public Advocate, expert consultants, transmission and distribution utilities, other New England states and the independent system operator of the New England bulk power system or a successor organization, in the evaluation and selection of proposals under this section. In evaluating a proposal, the department shall determine if the proposal:

A. Provides cost-effective clean energy generation to electric ratepayers in the State and the region over the term of the contract;

B. Provides the benefits of renewable or clean energy generation, demand management or transmission toward meeting the State's emissions reduction goals pursuant to Title 38, section 576-A;

C. When possible, avoids or minimizes unnecessary transmission and distribution costs or investments;

D. Contributes to the State's economic and workforce development goals;

E. Avoids, minimizes, mitigates or compensates for environmental impacts in line with current state law and impacts on low-income populations; and

F. Adequately demonstrates project viability within a commercially reasonable time frame.

5. Negotiations and contracts. Public utilities shall enter into negotiations with bidders whose proposals are selected by the department for a term sheet. Negotiated contracts must be submitted to the commission for review and approval.

6. Contract approval. If the commission determines that a proposed contract is consistent with the term sheet approved by the department, is commercially reasonable and adequately protects ratepayers, the commission shall approve the contract and order investor-owned transmission and distribution utilities to enter into the contract.

7. Bidding fees. The department may require a bidder to pay a reasonable and nonrefundable bidding fee to defray the department's administrative costs associated with a solicitation. A bidding fee must be set forth in the announcement for the applicable solicitation period.

Sec. A-11. 38 MRSA §579, first ¶, as repealed and replaced by PL 2013, c. 588, Pt. A, §49, is amended to read:

The department may participate in the regional greenhouse gas initiative under chapter 3-B. The commissioner or the commissioner's designee and the ~~members of the Public Utilities Commission~~ Commissioner of Energy Resources or the commissioner's designee are authorized to act as representatives for the State in the regional organization as defined in section 580-A, subsection 20, may contract with organizations and entities when such arrangements are necessary to efficiently carry out the purposes of this section and may coordinate the State's efforts with other states and jurisdictions participating in that initiative, with respect to:

PART B

Sec. B-1. Legislation; schedule. The Department of Energy Resources shall work with the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters and staff from the Office of Policy and Legal Analysis and the Office of the Revisor of Statutes to review those parts of the Maine Revised Statutes governing the administration and activities of the Governor's Energy Office. The purpose of the review is to develop legislation to effect the transition of responsibilities from the Governor's Energy Office to the Department of Energy Resources as established in this Act and to correct any errors and inconsistencies in the law that result from this Act. By January 1, 2026, the Department of Energy Resources shall submit the legislation developed pursuant to this section to the Second Regular Session of the 132nd Legislature.

Sec. B-2. Transition provisions, Governor's Energy Office. The following provisions govern the transition of the Governor's Energy Office within the Executive Department to the Department of Energy Resources.

1. The Department of Energy Resources is the successor in every way to the powers, duties and functions of the Governor's Energy Office.

2. All existing rules, regulations and procedures in effect, in operation or adopted in or by the Governor's Energy Office or any of its administrative units or officers are hereby declared in effect and continue in effect until rescinded, revised or amended by the Department of Energy Resources.

3. All existing contracts, agreements and compacts currently in effect in the Governor's Energy Office continue in effect.

4. All records, property and equipment previously belonging to or allocated for the use of the Governor's Energy Office become, on the effective date of this Part, the property of the Department of Energy Resources.

5. All existing forms, licenses, letterheads and similar items bearing the name of or referring to the Governor's Energy Office may be used by the Department of Energy Resources until existing supplies of those items are exhausted.

6. Notwithstanding any provision of law to the contrary, the State Controller shall transfer any unobligated balances related to the coastal zone management program remaining in the Bureau of Policy and Management program, Department of Marine Resources, Other Special Revenue Funds and federal funds to the Department of Energy Resources no later than the effective date of this Part.

SUMMARY

This bill eliminates the Governor's Energy Office, creates a new cabinet-level Department of Energy Resources and transfers the functions of the Governor's Energy Office to the new department. The Department of Energy Resources has responsibility for oversight of state energy policies, programs and development efforts, is the designated state energy office and is directed to assess energy supply and infrastructure needs while aligning with the State's greenhouse gas reduction targets. The department also administers the Distributed Solar and Energy Storage Program and the Maine Energy Resources Development Program and coordinates state energy policy and actively fosters cooperation with the Efficiency Maine Trust. The bill establishes a process for the conduct of competitive solicitations by the department.

The Commissioner of Energy Resources is appointed by the Governor and is responsible for developing and implementing the comprehensive state energy plan, overseeing energy efficiency efforts and supporting renewable energy goals, including reducing energy costs, increasing renewable energy capacity and lowering oil dependence. The bill establishes the salary range of the commissioner and deputy commissioner, adds the commissioner as a nonvoting member of the board of directors of the Maine Technology Institute and authorizes the commissioner to act as a representative of the State in the regional greenhouse gas initiative. The bill also amends the membership of the Maine State Housing Authority to require that one of the commissioners have expertise in the sustainability requirements for construction projects funded by the authority and amends the at-large membership of the Finance Authority of Maine to require that one of the members be knowledgeable in the field of clean energy finance or technology solutions to climate change.

The bill requires the Department of Energy Resources to work with the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters and staff from the Office of Policy and Legal Analysis and the Office of the Revisor of Statutes to develop legislation to effect the transition of responsibilities from the Governor's Energy Office to the Department of Energy Resources.