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Date:

(Filing No. H-)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 207, L.D. 307, “An Act Regarding Energy, Utilities and Technology”

Amend the bill by striking out the title and substituting the following:

'An Act to Establish the Maine Data Center Coordination Council and Place a Temporary Limitation on Certain Data Centers'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. Interim suspension on certain data center approvals.

1. Definitions. For the purposes of this section, the following terms have the following meanings.

- A. "Commission" means the Public Utilities Commission.
- B. "Data center" means any facility in the State, which may be a freestanding structure or a facility within a larger structure, that primarily contains electronic equipment used to process, store and transmit digital information that uses environmental control equipment to maintain the proper conditions for the operation of electronic equipment.
- C. "Electric demand" means, with respect to a data center, the projected or current electricity usage of the data center calculated based on aggregated load at a single site or contiguous parcels under common ownership or control.
- D. "Exemption order" means an order issued by the commission after an adjudicatory proceeding as described in subsection 3.

2. Interim suspension. Notwithstanding any provision of law to the contrary, prior to November 1, 2027, a municipality, a quasi-municipal entity or an agency of the State may not accept an application for or issue, approve or make finally effective a permit, certificate, license, lease authorization or other approval for the development, construction or operation of a data center with a projected or current electric demand of 20 megawatts

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1 or more, other than a data center that has received an exemption order pursuant to
2 subsection 3.

3 **3. Exempt data center projects.** A developer or operator of a data center may petition
4 the commission for an exemption order to demonstrate to a municipality or agency of the
5 State that the data center is not subject to the interim suspension under subsection 2. The
6 commission may issue an exemption order after an adjudicatory proceeding, if the
7 commission determines in its discretion that:

8 A. The developer or operator of the data center:

9 (1) Prior to the effective date of this Act, established control of the data center site
10 through ownership, an executed purchase agreement or option or binding long-
11 term lease or option;

12 (2) Prior to the effective date of this Act, executed a binding interconnection
13 agreement or obtained written confirmation from the applicable transmission and
14 distribution utility specifying available electric capacity at the data center site
15 without requiring transmission or distribution upgrades funded through
16 transmission and distribution rates;

17 (3) Demonstrates to the commission's satisfaction that the owner or operator has
18 the capability to execute on a timely basis a binding construction contract or
19 redevelopment agreement;

20 (4) Demonstrates to the commission's satisfaction that the owner or operator has
21 the capability to execute on a timely basis a substantial financial commitment
22 through secured financing, equity contribution or other legally binding financial
23 obligation; and

24 (5) Demonstrates the owner or operator has established appropriate cost allocation
25 mechanisms with the transmission and distribution utility in whose service territory
26 the data center will be located to ensure that the project bears the full cost of any
27 infrastructure upgrades required to serve the load; and

28 B. The data center:

29 (1) Will not materially increase transmission and distribution costs to ratepayers
30 in the State;

31 (2) Does not have a projected electrical demand that will exceed the level
32 documented in the binding interconnection agreement or written confirmation from
33 the utility described in paragraph A, subparagraph 2;

34 (3) Does not have projected water withdrawals, consumption or discharge that will
35 materially adversely affect local water resources, municipal or regional water
36 systems or wastewater treatment capacity; and

37 (4) Does not have projected natural gas consumption, if any, including fuel used
38 for on-site generation or backup generation, that will materially increase rates or
39 utility infrastructure requirements borne by other natural gas customers.

40 In evaluating a petition under this subsection, the commission may consult with the
41 Department of Environmental Protection, the Department of Energy Resources and any
42 relevant municipal water or wastewater authorities. The commission may impose

1 conditions in its exemption order that the commission determines are necessary to protect
2 ratepayers, water resources, natural gas customers or system reliability.

3 If the commission issues an exemption order in accordance with this subsection, the
4 commission shall promptly, and no later than the next general electric rate or stranded cost
5 recovery proceeding, allocate to ratepayers any transmission and distribution rate
6 reductions resulting solely from the projected and actual operation of a data center that has
7 received the exemption order.

8 **4. Limitation on increased electric demand.** Prior to November 1, 2027, a data
9 center receiving an exemption order pursuant to subsection 3 may not increase its electric
10 demand beyond the level documented in its petition to the commission unless the
11 commission approves the increase following notice and opportunity for hearing and finds
12 that the criteria described in subsection 3, paragraphs A and B remain satisfied and that the
13 data center's electric demand delivered through the facilities of a transmission and
14 distribution utility is no more than 100 megawatts.

15 **5. Restriction on financial incentives.** Notwithstanding any provision of law to the
16 contrary, prior to November 1, 2027, a state agency or quasi-independent state agency may
17 not approve, award or disburse state-funded financial incentives, grants, loans, refundable
18 or transferable tax credits or other discretionary economic development benefits for a data
19 center with an electric demand of 20 megawatts or more. This subsection does not apply to
20 incentives that were finally approved and legally binding prior to the effective date of this
21 Act.

22 **6. Repeal.** This section is repealed November 1, 2027.

23 **Sec. 2. Establishment of Maine Data Center Coordination Council.** The
24 Department of Energy Resources shall convene the Maine Data Center Coordination
25 Council, referred to in this legislation as "the council," to provide strategic input, facilitate
26 coordinated state planning considerations and evaluate policy tools to address data center
27 opportunities and related benefits and risks to the State. For the purposes of this section,
28 "data center" means any facility in the State, which may be a freestanding structure or a
29 facility within a larger structure, that primarily contains electronic equipment used to
30 process, store and transmit digital information that uses environmental control equipment
31 to maintain the proper conditions for the operation of electronic equipment.

32 1. The council shall evaluate issues related to data centers located or proposed to be
33 located in the State, with the goals of protecting ratepayers, maintaining electric grid
34 reliability, minimizing environmental impacts and enabling responsible and appropriately
35 sited economic development. In conducting its evaluation, the council shall consider the
36 State's policy goals related to renewable energy in the Maine Revised Statutes, Title 35-A,
37 section 3210, greenhouse gas reduction objectives, including those in Title 38, section
38 576-A, goals for broadband service established in Title 35-A, section 9202-A, the state
39 economic development strategy and the legislative findings described in Title 38, section
40 480-A. In carrying out its work, the council shall:

41 A. Review and consider legislation related to data centers that has been considered or
42 adopted in other states;

- 1 B. Evaluate projections of electric load growth, infrastructure needs and system
2 reliability and resource adequacy impacts associated with data centers in the State and
3 the ISO-New England region;
- 4 C. Identify strategies to protect ratepayers from rate inflation or negative financial
5 effects resulting from data centers, including, but not limited to, cost allocation
6 approaches, rate design changes, impact fees, efficiency standards, energy supply
7 obligations and demand response and load flexibility during periods of high demand
8 or grid emergencies;
- 9 D. Review applicability of existing state programs and financial tools to data centers;
- 10 E. Assess potential environmental and natural resource impacts, including, but not
11 limited to, water use, emissions, land use and other impacts on host communities, and
12 identify strategies to minimize adverse impacts;
- 13 F. Consider data-sharing requirements and processes for proposed data centers,
14 including use of nondisclosure agreements and identify information essential to grid
15 operators, electric utilities, state agencies and policy makers regarding electric load,
16 peak demand, water use and other operational characteristics necessary to inform state
17 and local planning;
- 18 G. Offer guidance to assist municipalities in assessing potential data center impacts
19 and benefits, including the use of community benefit agreements; and
- 20 H. Develop recommendations to clarify roles, responsibilities, information-sharing
21 practices and timelines among state agencies, utilities, municipalities and other
22 governmental entities to support coordinated, timely and well-informed responses to
23 data center development inquiries.
- 24 2. The Commissioner of Energy Resources or the commissioner's designee shall serve
25 as chair of the council. The council must include the following 14 additional members:
- 26 A. The Director of the Maine Office of Community Affairs or the director's designee;
- 27 B. The Commissioner of Economic and Community Development or the
28 commissioner's designee;
- 29 C. The Public Advocate or the Public Advocate's designee;
- 30 D. The chair of the Public Utilities Commission or the chair's designee;
- 31 E. The president of the Maine Connectivity Authority or the president's designee;
- 32 F. The Commissioner of Environmental Protection or the commissioner's designee;
- 33 G. The executive director of the Wabanaki Alliance or the executive director's
34 designee;
- 35 H. The following 7 members appointed by the Commissioner of Energy Resources or
36 the commissioner's designee:
- 37 (1) A representative of the Maine Municipal Association;
- 38 (2) One representative each from the 2 investor-owned transmission and
39 distribution utilities in the State and one representative of the interests of
40 cooperative and municipally owned utilities in the State;

- 1 (3) One representative of an environmental advocacy organization;
- 2 (4) One representative of a labor organization; and
- 3 (5) One representative with technical expertise in data center design and operation.

4 The Commissioner of Energy Resources or the commissioner's designee may invite
 5 additional agency representatives, experts or stakeholders to provide comment or provide
 6 assistance to the council as the commissioner determines appropriate to address technical,
 7 economic and environmental factors of data center development.

8 3. The council shall hold at least 5 meetings. The council shall provide an opportunity
 9 for public comment on the council's draft findings prior to submitting the final strategy
 10 report described in subsection 4.

11 4. By February 1, 2027, the council shall submit a final strategy report with the findings
 12 of its evaluation and any recommendations, including any proposed legislation, to the
 13 Governor and the joint standing committee of the Legislature having jurisdiction over
 14 energy matters. The committee may report out a bill related to the report to the 133rd
 15 Legislature in 2027.

16 **Sec. 3. Appropriations and allocations.** The following appropriations and
 17 allocations are made.

18 **ENERGY RESOURCES, DEPARTMENT OF**

19 **Department of Energy Resources Z424**

20 Initiative: Provides one-time funding for contracted technical and facilitation support for
 21 the Maine Data Center Coordination Council.

22 GENERAL FUND	2025-26	2026-27
23 All Other	\$0	\$95,000
24		
25 GENERAL FUND TOTAL	\$0	\$95,000

27 **ENERGY RESOURCES, DEPARTMENT OF**
 28 **DEPARTMENT TOTALS**

29 GENERAL FUND	2025-26	2026-27
30	\$0	\$95,000
31		
32 DEPARTMENT TOTAL - ALL FUNDS	\$0	\$95,000

33 **PUBLIC UTILITIES COMMISSION**

34 **Public Utilities - Administrative Division 0184**

35 Initiative: Provides one-time funding for contracted consulting services.

36 OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
37 All Other	\$0	\$201,608
38		
39 OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$201,608

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