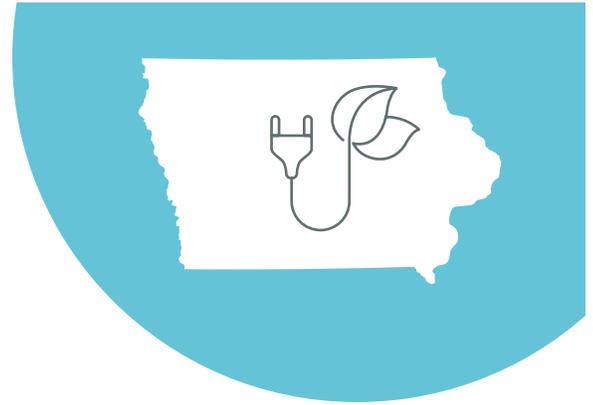


# FACT SHEET: ENERGY EFFICIENCY OFFERS SAVINGS FOR IOWANS



While access to electricity is essential for homes and businesses across the U.S., the cost of service can pose a burden to customers. One key strategy to limit this burden is to implement efficiency measures that can cut costs by reducing energy consumption.

## ENERGY COSTS HAVE AN OUTSIZED IMPACT ON RURAL RATEPAYERS

- On average, a U.S. household spends \$1,409.52 for electricity annually. In 2020, Iowans paid \$1,293.36 annually.<sup>1</sup>
- Rural households tend to have a higher energy burden—the percentage of household income spent on energy.<sup>2</sup>
  - Rural households spend 40% more than their metropolitan counterparts on their energy bills relative to income.<sup>3</sup> The average burden for rural elderly residents is typically 44% higher than the non-elderly.<sup>4</sup>
  - Low-income households spend three times more of their income on energy costs compared to the median spending of non-low-income households.<sup>5</sup>
  - Non-white and older adult households, as well as families living in low-income multi-family housing, manufactured housing, and older buildings also have disproportionately high energy burdens.<sup>6</sup>

## INVESTMENTS IN ENERGY EFFICIENCY SUPPORT ECONOMIC OPPORTUNITY

Energy efficiency allows rural residents to decrease their energy use and burden while simultaneously supporting local economies. Local professionals can do energy audits and make many energy-efficiency improvements to homes and businesses.

- The sector employs 2.1 million workers in the design, installation, and manufacture of energy-efficiency products and services.<sup>7</sup> Of these, 281,589 are in rural communities.<sup>8</sup>
- The median hourly wage of \$24.44 for energy-efficiency careers is 28% above the national median.<sup>9</sup>
- In Iowa, energy efficiency is the largest energy sector.<sup>10</sup>
- Energy-efficiency jobs are not limited to urban areas. In Iowa, energy-efficiency workers are located in every county, and the state currently has 18,263 jobs related to energy efficiency, with 8,082 of those in rural areas.<sup>11</sup>

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## STRONG POLICIES CAN ASSIST IN IMPROVING ENERGY EFFICIENCY

Investments in energy efficiency can create significant cost savings. For example, weatherization efforts can reduce low-income household energy burden by as much as 25%.<sup>12</sup>

While many families and businesses may benefit from implementing energy-efficiency improvements, the cost of investment presents its own burden. States can improve rural energy-efficiency efforts through policies that encourage statewide collaboration on rural energy-efficiency programs, incentivize program administrators for reaching rural customers, measure rural economic impacts of energy efficiency policies, and help municipal electric utilities and rural electric co-ops succeed.<sup>13</sup>

- Iowa ranks 36th among states in energy-efficiency policy at the state or local level.<sup>14</sup>



### Iowa Energy Center Grant Program

- The Iowa Energy Center Grant Program offers grants to businesses, colleges and universities, and private nonprofit agencies for projects that benefit Iowa ratepayers and aid in the implementation of one of the key focus areas of the Iowa Energy Plan: technology-based energy research and development, energy workforce development, support for rural and underserved areas, biomass conversion, natural gas expansion in underserved areas, electric grid modernization, or alternative fuel vehicles. The program administers \$2.5 million a year, and grants have a minimum value of \$10,000 and a maximum of \$1 million.<sup>15</sup>

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### Revolving Loan Programs

- The Iowa Energy Center's Energy Infrastructure Revolving Loan Program offers loans to individuals and businesses to fund the construction and development of projects. Loans can be a minimum of \$50,000 and a maximum of \$2.5 million. The Iowa Energy Center can administer \$14 million per fiscal year, with a limit of \$5 million per quarter.<sup>16</sup>
- The Iowa Area Development Group Energy Bank Revolving Loan Fund offers low-interest loans for qualifying energy-efficiency and renewable-energy projects. Loans have a minimum value of \$50,000 and a maximum value of \$300,000 and are for businesses and industries, with a focus on manufacturing.<sup>17</sup>



### Utility offered incentives

- Many utilities in Iowa offer their own incentives to encourage energy efficiency. For example, the two largest investor-owned utilities—MidAmerican Energy and Interstate Power and Light—offer rebates to residential and commercial customers for energy efficiency upgrades.<sup>18</sup>



### Weatherization Assistance Program

- The Iowa Department of Human Rights administers the federal Weatherization Assistance Program. This program helps low-income households afford weatherization upgrades to their homes.<sup>19</sup>

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