

# FACT SHEET: ENERGY EFFICIENCY IN RURAL IOWA

Energy efficiency is a key element to Iowa's role in leading the transition to clean, renewable energy.

## ENERGY EFFICIENCY IS IMPORTANT<sup>1</sup>

### Resiliency

Most disruptions to service happen as electricity is distributed to homes and businesses. These disruptions have little to do with energy supply issues. Energy efficient buildings have a lower demand for power, which puts less stress on the system and a smoother start to restore power in an outage.



### Reliability

Energy efficiency boosts reliability by decreasing the demand for electricity. In reducing demand on the system, energy efficiency offsets the need for more power generation.

## CHALLENGES TO IOWA'S ENERGY EFFICIENCY

### Effects of Senate File 2311

Passed in 2018, Senate File 2311 establishes spending caps for energy efficiency programs, allows customers to opt out of efficiency plans, and removes requirements for utilities to file energy efficiency plans with the Iowa Utilities Board.

➤ After passage of Senate File 2311, Iowa dropped from 19 to 24 in the American Council for an Energy-Efficient Economy's state score card.<sup>2</sup>

#### ➤ Alliant Energy's plans<sup>3</sup>

- Alliant Energy's revised energy efficiency plan cuts low-income weatherization funding by about 40 percent from \$3.2 million to \$2 million per year.
- Alliant Energy's plan also dramatically lowers energy savings which means more power generated and more revenues for major utilities.

#### ➤ MidAmerican Energy's plans<sup>4</sup>

- Savings in MidAmerican Energy's electric efficiency program will be 44 percent less than their previous five-year plan and natural gas savings cut by 77 percent.
- MidAmerican Energy also eliminated its agriculture program that helps farmers save significantly on livestock and grain drying expenses.

Alliant Energy's plan will achieve 25 percent less savings than their previous plan and natural gas savings 79 percent less.

1 Relf, Grace, et al. "Keeping the Lights On: Energy Efficiency and Electric System Reliability." American Council for an Energy-Efficient Economy, Oct. 29, 2018, [aceee.org/research-report/u1809](http://aceee.org/research-report/u1809). Accessed December 2018.

2 "ACEEE 2018 State Energy Efficiency Scoreboard." American Council for an Energy-Efficient Economy, Oct. 4, 2018, [aceee.org/press/2018/10/aceee-2018-state-energy-efficiency](http://aceee.org/press/2018/10/aceee-2018-state-energy-efficiency). Accessed December 2018.

3 "Impacts of Alliant Energy's Proposed Energy Efficiency Plan." Iowa Environmental Council, July 2018, [iaenvironment.org/webres/File/Summary%20of%20IPL%20EE%20Plan%207\\_23\\_18.pdf](http://iaenvironment.org/webres/File/Summary%20of%20IPL%20EE%20Plan%207_23_18.pdf). Accessed December 2018.

4 "Impacts of MidAmerican Energy's Proposed Energy Efficiency Plan." Iowa Environmental Council, July 2018, [iaenvironment.org/webres/File/Summary%20of%20MidAm%20EE%20Plan%207\\_23\\_18.pdf](http://iaenvironment.org/webres/File/Summary%20of%20MidAm%20EE%20Plan%207_23_18.pdf). Accessed December 2018.



## CHALLENGES CONTINUED

### Program funding cuts

Low-Income Home Energy Assistance Program provides weatherization and kits to help low-income households save on their energy bills. These programs are essential to help those who are behind on bills lower energy demand and make their homes healthier. **Funding for these programs was cut by more than 50 percent.**

In 2017, Iowa's Low-Income Home Energy Assistance Program served 1,495 homes, including 35 percent with elderly and 20 percent with young children.

| Company            | Funding pre-Senate File 2311 | Funding post-Senate File 2311 |
|--------------------|------------------------------|-------------------------------|
| Alliant Energy     | \$3,200,000                  | \$2,000,000                   |
| Black Hills Energy | \$642,900                    | \$200,000                     |
| MidAmerican Energy | \$2,600,000                  | \$1,076,000                   |
| <b>Total</b>       | <b>\$6,442,900</b>           | <b>\$3,276,000</b>            |

## SPOTLIGHT ON RURAL COMMUNITIES

### Income analysis

Recent analysis by American Council for an Energy-Efficient Economy shows rural households spend a higher percentage of income on energy bills compared to metropolitan households.<sup>5</sup>

- Rural low-income households spend 9 percent more of their income on energy bills.
  - Rural manufactured housing (like trailer parks) spend 42 percent more of their income than rural single-family homes.
  - Rural elderly homes spend 44 percent more than non-elderly households.
  - Rural renters spend 29 percent more than homeowners.
  - Non-white households spend 19 percent more than white counterparts in rural areas.

## OTHER IMPACTS OF ENERGY EFFICIENCY

### The role of broadband

- Expanding broadband in rural areas brings economic opportunities and allows energy efficient technologies to be co-delivered through local utilities or energy and internet service providers.

### Health impacts

- Energy efficiency can lead to improvements in health. Upgrades in homes can reduce triggers of respiratory illnesses—such as mold, exposure to cold air or sudden temperature changes, air pollution, and pollen.<sup>6</sup>



5 Ross, Lauren, et al. "The High Cost of Energy in Rural America: Household Energy Burdens and Opportunities for Energy Efficiency." American Council for an Energy-Efficient Economy, July 18, 2018, [aceee.org/research-report/u1806](http://aceee.org/research-report/u1806). Accessed December 2018.

6 "Asthma: Overview." Mayo Clinic, [mayoclinic.org/diseases-conditions/asthma/symptoms-causes/syc-20369653](http://mayoclinic.org/diseases-conditions/asthma/symptoms-causes/syc-20369653). Accessed December 2018.

