

# Energy Efficiency in Iowa

- Iowa ranks 11<sup>th</sup> on the American Council for an Energy-Efficient Economy's (ACEEE) 2012 State Energy Efficiency Scorecard.
- Iowa has one of the top ten highest per capita investments in energy efficiency.

## Background

Historically, Iowa's per capita electricity consumption has been relatively high. However, Iowa's consumption could be even higher without its efficiency programs. One of the main ways Iowa implements efficiency is through the state's utilities. The Iowa Utility Board (IUB) approves utility programs that apply four different types of cost effectiveness tests, requires programs to be included for all types of customers, and provides standards in terms of energy and capacity saving targets in all plans. Utilities implement established energy efficiency plans and present clear efficiency goals to the IUB, while also determining how to provide contemporaneous recovery of money spent on energy efficiency programs.

### Energy Efficiency Goals

- State government leads by example
- Goal to become more efficient by 2025
- Utility-led incentive mechanisms
- Increase funding for R&D
- Implement stronger building energy codes

## Energy Efficiency Strategies

In 2010, Iowa **reached energy savings at around 1% of retail electricity sales** through utility energy efficiency programs. While this may appear as a relatively low percentage of energy savings, Iowa is well ahead of a majority of the country. For instance in 2010, California achieved energy savings at 1.79% of retail electricity sales, ranking 2<sup>nd</sup> in the country in savings, and Rhode Island achieved energy savings at 1.04% of retail electricity sales, ranking 8<sup>th</sup>. This demonstrates Iowa's competitiveness in setting aggressive targets even when compared to two of the nation's most energy efficient states.<sup>1</sup>

Iowa's advancement in energy efficiency policies and programs in order to effectively reduce the state's energy consumption levels in the long run has focused heavily on utility efficiency policies. However, the state has also made smaller strides in various other sectors to promote energy efficiency, which could be leveraged more aggressively in order to quicken the pace of efficiency progress. Iowa's first energy code

was established in 1978, and it has consistently been updated based on the latest edition of the International Energy Conservation Code (IECC).<sup>2</sup> In 2007 the Governor created **the Iowa Office of Energy Independence**, which has been tasked with recommending ways Iowa can become energy independent by 2025. Among the recommendations are strategies that leverage energy efficiency, such as ensuring the government leads by example and increasing industrial energy efficiency.<sup>3</sup>

### Energy Efficiency Savings

- According to a 2009 ACEEE study, the cost of electric efficiency in Iowa is \$0.017 per kWh saved.
- As a comparison, in 2009 Alliant Energy proposed a coal plant that would cost \$0.083-\$0.092 per kWh therefore making the energy efficiency efforts nearly **five times** more cost effective than new coal generation.

Source: Iowa State Government 2010 Energy Information Report

<sup>1</sup> Foster, Ben et al. "2012 State Energy Efficiency Scorecard." *American Council for an Energy-Efficient Economy*, October 2012. p. 31. <http://www.aceee.org/research-report/e12c>.

<sup>2</sup> Online Code Environment and Advocacy Network, "Iowa," *Building Codes Assistance Project*. History, October 2009, <http://energycodesocean.org/state-country/iowa>.

<sup>3</sup> Iowa Office of Energy Independence, "2011 Energy Independence Plan," p.11, 2011, <http://publications.iowa.gov/14164/>.

