Key Iowa Energy Policy Issues

Overall

Iowa is a national renewable energy leader, with high levels of wind energy, longstanding energy efficiency programs, and a growing solar market. But there is potential for much more.

*Iowa should secure its place as a **renewable energy and energy efficiency leader** for years to come and ensure that Iowa reaps the environmental and economic benefits from more clean energy.*

Wind energy

Iowa is a national leader on wind energy, but still has significant potential for growth. In 2016, wind energy accounted for over 36% of Iowa's electricity mix, the highest of any state. Wind installations reached 7,308 megawatts (MW), ranking Iowa third in installed capacity. Iowa has the potential to generate over 40 times its current electricity needs with wind - and to help supply the region and nation with clean energy.

Wind provides significant economic and environmental benefits across Iowa. Between 8,000 and 9,000 Iowa jobs have been created in the wind sector. Wind contributes property tax revenue to local governments, which is used to support schools, health services, roads and bridges, and to offset or reduce property taxes paid by other sectors. Wind provides annual payments to rural landowners who host wind turbines. Wind is a low-cost resource that keeps electricity prices stable and low. In fact, in the Midwest region, wind energy is typically the lowest cost source of new electric generation – even if federal tax incentives are not included. Wind is also driving large reductions in emissions in the power sector, which in Iowa has been dominated by coal-fired power plants for decades.

Some key policies and strategies to help grow wind energy include:

- ***Set long-term goals for wind*.** Iowa should plan for success by establishing long-term goals, which will also assist with planning for transmission, workforce and economic development. Setting goals for wind is especially important to ensure transmission development keeps pace to allow for additional wind development. Continued growth in wind energy can also ensure that businesses in Iowa, or businesses considering locating in Iowa, can access enough renewable energy to meet corporate renewable energy commitments. Major national studies indicate that Iowa could reach 20,000 MW by 2030 and exceed 35,000 MW by 2050. The Iowa Energy Plan includes a strategy for setting 'aggressive' long-term renewable energy goals.

- ***Expand transmission grid with appropriate siting and routing*.** A lack of adequate transmission infrastructure is one of the most significant barriers to further wind development in Iowa. While more transmission is needed, it must be sited and routed to minimize environmental and community impacts. When those impacts cannot be avoided, appropriate mitigation must account for and remedy any adverse impacts. There is a strong foundation for successful transmission development from the Midwest ISO Multi-Value transmission projects being built in key parts of Iowa.

- ***Ensure local policies support wind growth.*** County policies in Iowa for siting wind projects have a track record of supporting wind project development while balancing local needs. As wind development spreads to more of the state, counties will continue to have an important role in setting the local policies needed for successful and cost-effective growth in wind development.

Solar energy

Iowa's solar resources are as good as or better than most U.S. states. Solar energy complements Iowa's energy needs and existing energy resources, including wind energy. Solar PV currently powers farms, businesses, universities, utilities, communities, other large consumers, vehicles and homes. There is significant potential to repeat these successful uses of solar energy across Iowa. Thanks to ongoing advances, solar energy costs have come down significantly and solar market growth is gaining momentum. Iowa has more distributed solar than most Midwest states, but lags behind on utility-scale solar. Solar energy has the potential to meet over 100 times Iowa's current electricity needs.

Key policies and strategies to support further growth in solar energy include the following:

- ***Maintain and expand net metering*.** Net metering allows customers' solar generation and electricity use to net out on a monthly basis. If customers use more electricity than they generate, they pay the retail rate for the excess. If customers generate more than they use, they get a bill credit at the retail rate for future use. Some utilities, including both electric investor-owned utilities, currently offer net metering. This policy should be expanded statewide.

- ***Maintain and expand Iowa tax incentives*** for a wide range of solar applications, including home, business, farm, utility and community solar. Iowa's upfront tax incentive and production tax incentive have proved successful and should be expanded to keep up with demand in the market.

- ***Set long-term goals for solar*.** Iowa should plan for success by establishing long-term goals, which will also assist with related planning for transmission, workforce and economic development.

- ***Ensure fair treatment for solar customers***. In addition to net metering, the utility rates and charges paid by solar customers is a critical factor in enabling solar development. Utilities should not discriminate against customers with solar and raise rates or charges that undermine the economics of solar.

Energy efficiency

Using energy more efficiently means getting the same or better results for things like lighting or heating and cooling in our homes and businesses, but doing so using less energy. Iowa has a long track record of success in energy efficiency, but technologies and efficiency opportunities continue to evolve. There are significant opportunities to improve energy efficiency – and save money – in homes, small business, large industrial users and in agriculture.

Some key policies include:

- ***Ensuring that all customers*** contribute to and can benefit from utility energy efficiency programs. This has been a successful approach in Iowa for over twenty years and should be continued.

- ***Set ambitious annual savings targets*** to ensure that significant energy efficiency savings are achieved year after year.

- ***Implement the latest building and energy codes and standards***. Codes and standards ensure that new buildings and equipment are efficient from day one.