

Oppose Senate File 2311 with Amendments H-8340 and H-8359

This bill, (with amendments H-8340 and 8359 proposed by the bill manager), undermines Iowa's clean energy leadership by effectively ending utility energy efficiency programs and removing consumer protections and oversight. This bill will increase energy costs, threaten nearly 20,000 energy efficiency jobs and 800 solar jobs, reduce consumer choice, and increase reliance on fossil fuels.

Iowa has some of the lowest energy rates in the Midwest and the country while at the same time developing one of the strongest clean energy economies. This bill undermines policies that have led to Iowa's cost-effective clean energy leadership.

Major Issues with SF 2311

Deregulation Without Competition

- This bill is designed to give Iowa's monopoly utilities a free pass to raise rates on their customers.
- Consumers have no choice in their provider for electric or gas service. This bill deregulates utilities **without providing for any competition.**
- The bill **decreases consumer choice.** The bill could scale back or even eliminate the few consumer choices available today, including energy efficiency and solar.

Undermining Iowa's Leadership and Economic Benefits on Clean Energy

- There were over **20,000 direct jobs in the energy efficiency sector in Iowa** in 2016.ⁱ These jobs are threatened as the bill would gut energy efficiency programs.
- In 2016, Iowa was ranked as the **third least expensive state overall for energy prices.**ⁱⁱ Iowa's long-standing energy efficiency programs have helped keep energy costs low in Iowa.
- Utility efficiency programs generate between \$2 and \$3 in benefits for every \$1 invested.

Shifting Costs and Risks to Consumers

- Reduces needed oversight on all utilities, including the rural electric cooperatives that already have the highest rates and fewest options for customers to manage energy bills.
- Rolls back energy efficiency, which is a very low-cost resource. Energy efficiency benefits everyone and helps **keep utility rates low and stable for all customers.** Rolling back energy efficiency will increase costs to customers in the long run.

Attack on Energy Efficiency

- **NEW:** Amendments eliminate requirements that rural electric cooperatives and municipal utilities provide cost-effective energy efficiency programs to their customers.
- Caps and cuts electric efficiency programs for **business, industrial, and residential customers by up to 2/3 and gas efficiency programs by 80% or more.**
- Adds a particular cost-effectiveness test (total resource cost test) that will scale back energy efficiency options and result in less savings.

Attack on Consumer Protection and Consumer Choice

- **NEW:** Allows municipal utilities to discriminate against customers with renewable generation, including solar.
- Requires utilities to put a flat fee for energy efficiency on solar customers that installed after January 1, 2019, that is “reasonably comparable” to what others pay into these programs. “Reasonably comparable” is not defined and solar customers could end up paying as much as the largest users.
- Exempts electric coops from rules on customer deposits, meaning there would be no limits on the charges for new customers to get connected or re-connected.
- Removes or restricts IUB oversight on a wide range of critical issues, including energy efficiency, consumer protections, and rural electric coops and municipal utilities.

Bill Process

SF 2311 was passed by the Senate on March 6th on a 27-23 vote with Sens. Schneider, Bertrand, and D. Johnson joining all of the Democrats to oppose the bill. The bill was amended and passed the House Commerce Committee on March 15th. The bill is currently on the debate calendar in the House with a number of amendments filed. H-8340 is a “strike and replace” amendment that is being sponsored by the bill manager and H-8359 is his amendment to that amendment. In combination, these two amendments should be considered the current bill on the table.

ⁱ Clean Energy Trust, *Clean Jobs Midwest: Iowa* (2017) at <https://www.cleanjobsmidwest.com/state/iowa>.

ⁱⁱ *Iowa Energy Plan* (2016) at 4. Available at <http://iowaenergyplan.org/>.