

## Oppose Senate File 2311

**This bill undermines Iowa's clean energy leadership by effectively end utility energy efficiency programs, allowing new charges on solar customers, and removing consumer protections and oversight. This bill will increase energy costs, threaten nearly 21,000 solar and energy efficiency 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 many of the policies that have led to Iowa's cost-effective clean energy leadership.

### *Major Issues with SF 2311*

#### **Deregulation Without Competition**

- Iowa electric and gas utilities are monopolies. Consumers have no choice in their provider for electric or gas service. This bill deregulate utilities **without providing for any competition.**
- The bill **decreases consumer choice even further.** 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**

- Solar jobs are a fast-growing sector of the economy and are present all over the state. This bill threatens every solar job in the state, over 700 in 2016.
- There are solar installations in every one of Iowa's 99 counties with rural Iowa leading on solar.
- There were over **20,000 direct jobs in the energy efficiency sector in Iowa** in 2016.<sup>i</sup> These jobs are threatened as the bill threatens to eliminate energy efficiency programs.
- In 2016, Iowa was ranked as the **third least expensive state overall for energy prices.**<sup>ii</sup> 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.
- Eliminates oversight on expensive equipment to control emissions at coal plants and replaces with voluntary, pre-approval for passing costs to customers.

### **Attack on Energy Efficiency**

- Makes programs **entirely optional for all customers**, allowing them to 'opt in' every five years.
- Minimum participation is 10% of customers, meaning that **efficiency programs could see a 90% reduction in budgets and participation** and satisfy the bill's requirements.
- Adds a particular cost-effectiveness test (total resource cost test) that will scale back energy efficiency options and result in less savings.
- Even with the opt in, puts arbitrary limits on how much utilities spend on energy efficiency (either 1.5% for gas or 2% for electric of a customer's billing).
- Reduces or eliminates IUB oversight on rural electric cooperatives energy efficiency.
- Eliminates IUB reporting on efficiency to the General Assembly, reducing accountability.

### **Attack on Renewable Energy**

- The bills allow utilities to discriminate against solar customers and charge them separate and higher rates.
- The bills could lead to massive increases in rates to solar customers effectively shutting down the solar industry in Iowa.
- Exempts rural electric cooperatives from Iowa's policy to encourage renewable energy (476.41).

### **Attack on Consumer Protection and Consumer Choice**

- 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.
- Limits or could even eliminate customer options for adding solar or implementing energy efficiency in a home or business.
- Removes or restricts IUB oversight on a wide range of critical issues, including energy efficiency, coal plant emissions controls, consumer protections, and rural electric coops and municipal utilities.

### ***Bill Process***

SSB 3093 was the original bill number. The bill was amended and passed the Senate Commerce Committee with an 8-7 vote (1 R, 6 Ds voted no, 8 Rs voted yes). After committee passage, the bill number was changed to SF 2311. This bill contains several sections that will roll back energy efficiency programs. Sec. 9 in particular of the bill will decimate the programs and savings.

Sec. 17 allows utilities to **discriminate against solar customers**. (The committee did amend the bill by removing the subsection in Sec. 15 on revenue neutral tariffs.) However, much of the bill was not changed, so concerns discussed above remain.

More amendments are expected during floor debate in the Senate, including an amendment to show efficiency costs on customers' bills.

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

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