

## Oppose Senate Study Bill 3093/House Study Bill 595

**These bills undermine Iowa's clean energy leadership by significantly scaling back energy efficiency, allowing new charges on solar customers, and removing consumer protections and oversight.**

**These bills 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.

### Deregulation Without Competition

- Iowa electric and gas utilities are monopolies. Consumers have no choice in their provider for electric or gas service. There is no competition among providers.
- These bills deregulate utilities **without providing for any competition.**
- In fact, the bills **decrease consumer choice even further.** The bills could scale back or even eliminate the few consumer choices available today, including energy efficiency and solar.

### Undermining Iowa's Leadership 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.
- There are solar installations in every one of Iowa's 99 counties with rural Iowa leading adoption of solar energy.
- 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 bills scale back energy efficiency significantly.
- 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 currently generate between \$2 and \$3 in benefits for every \$1 invested in efficiency.

### 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**, even those that do not choose to participate directly in the programs. 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**

- Allows large/industrial energy users to 'opt out' of efficiency programs, meaning fewer customers participate in efficiency and the programs will save less.
- Adds a particular cost-effectiveness test (total resource cost test) that will scale back energy efficiency options and result in less savings.
- Puts arbitrary limits on how much utilities spend on energy efficiency.
- 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 long-standing policy to encourage renewable energy (476.41).

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

- Utilities would be able to increase rates without any effective oversight from the Iowa Utilities Board.
- Exempts electric coops from rules on customer deposits, meaning there would be no limits on the charges for new customers to get 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, rate increases, coal plant emissions controls, consumer protections, and rural electric coops and municipal utilities.

---

<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/>.