

Impacts of MidAmerican Energy's Proposed Energy Efficiency Plan

Background

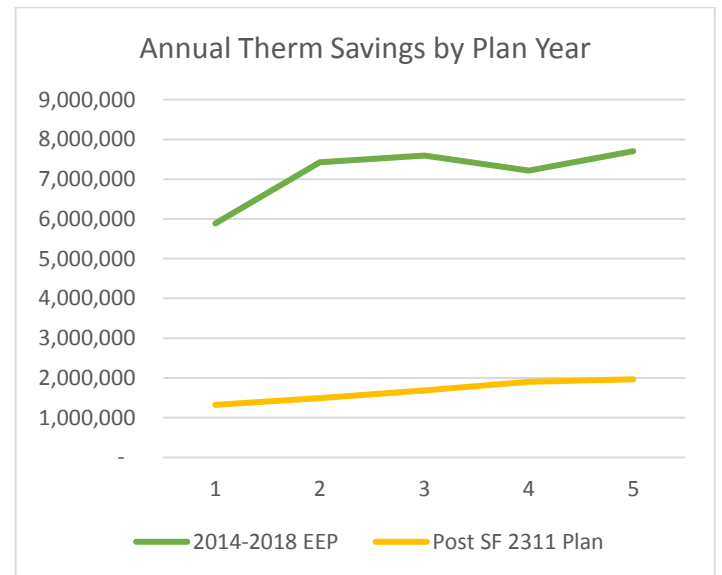
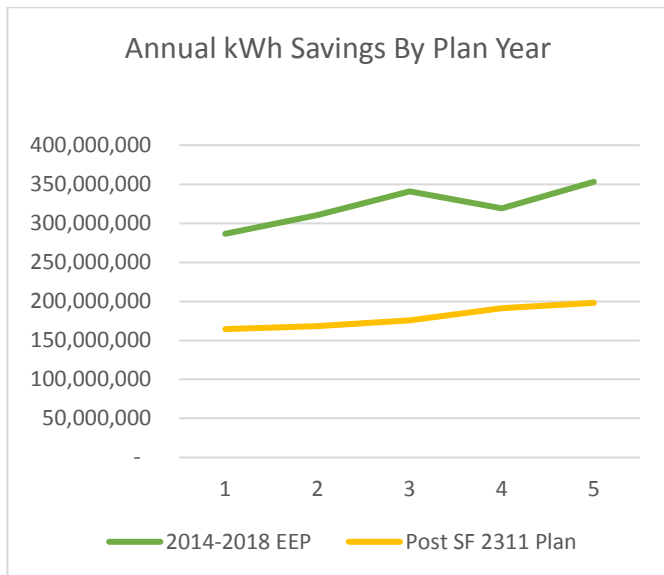
MidAmerican filed a revised 2019-2023 energy efficiency plan in July 2018. The revised plan follows passage of Senate File 2311, which guts Iowa's energy efficiency policies. MidAmerican had already filed a proposed 2019-2023 efficiency plan in November 2017 that was a step backwards on efficiency savings levels, budgets, and program design. However, it is clear that SF 2311 had a major impact, forcing MidAmerican to make even deeper cuts, especially in their gas program.

Every therm and kWh that is wasted must be generated or purchased by the utility at a cost that is higher than what it would have been to save that energy in the first place. With these types of drastic cuts to efficiency, we can expect sales of natural gas and electricity go up, energy bills to rise, and utilities to invest in more generation and infrastructure, passing the costs along to ratepayers.

The following graphs compare savings and budgets for the efficiency plan MidAmerican is currently implementing (for 2014-2018) against the 5-year plan filed in July that reflects the requirements of SF 2311.

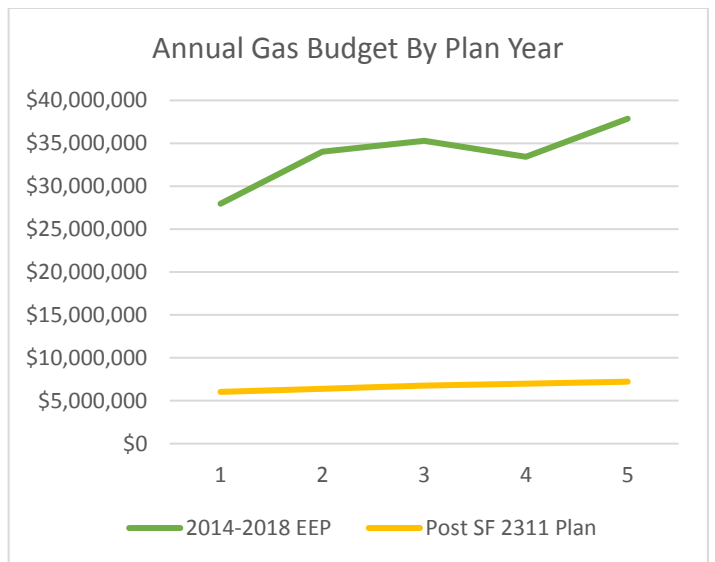
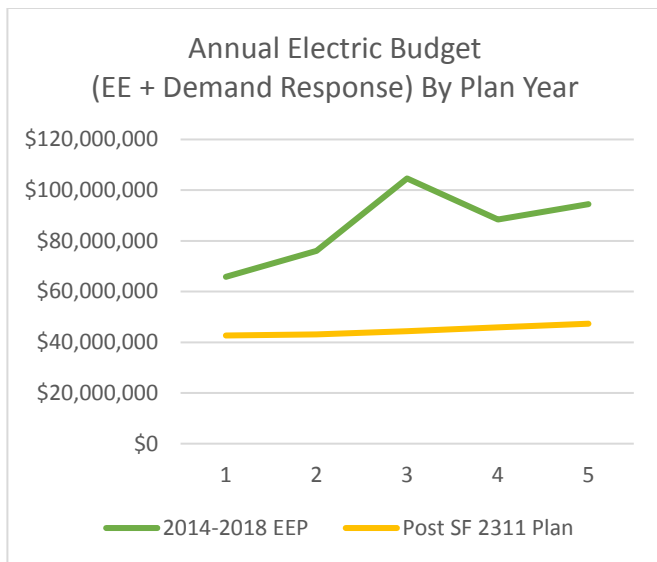
Increasing Energy Waste

Energy Savings Are Dramatically Lower. Savings in MidAmerican's electric efficiency program will be **44% less** than their previous 5-year plan and natural gas savings **cut by 77%**.



Impacts to Customers and Businesses

Budgets Are Also Significantly Lower. MidAmerican is proposing to spend 39% less than their previous 5-year plan on electric programs (including demand response) and 80% less on natural gas efficiency. Many programs have been eliminated and budgets will be greatly reduced for those that remain. That will mean lower incentive levels or even funds running out for programs before the end of the year. Cutting spending on these programs takes funds out of the hands of Iowa's local plumbing and electrical contractors, appliance manufacturers, and retailers and sends it instead to out-of-state fossil fuel companies as we pay to import more natural gas and run existing coal-fired units more often.



Major Changes in 2019-2023 Plan Proposal Compared to Current Plan

MidAmerican has proposed to eliminate many individual measures and entire programs in its proposal, including some of the most fundamental efficiency programs. Their proposed plan:

- **Eliminates in-person residential and business assessments/audits**, which are fundamental to having a solid energy saving plan and identifying savings for residents that lack energy expertise.
- Eliminates the free, direct install measures that are performed during residential assessments/audits (**light bulbs, home sealing, smart power strip**, etc.)
- **Eliminates insulation**, a key money and energy saver with Iowa's extreme seasonal temperature swings. (Some low-income insulation measures may be retained.)
- Eliminates the **upstream lighting program** that makes high-efficiency LED lighting more affordable at big box and hardware stores and other retailers.
- **Eliminates the agriculture program** that helps farmers save significantly on livestock and grain drying expenses.
- Eliminates many measures in the non-residential prescriptive rebate program: **building shell (insulation, infiltration), motors, kitchen/food service equipment**.
- Eliminates **quality installation and HVAC System Adjustment and Verified Efficiency (SAVE) requirements** that ensure new heating and cooling systems are the right size and installed corrected for optimal efficiency.
- **Eliminates "Plant Some Shade" program run through the Iowa DNR for residential tree planting.**
- Eliminates Energy Wise Kits distributed by community action agencies.
- Eliminates gas side of behavior program/Home Energy Reports.
- **Eliminates multi-family housing program** (retains a low-income multifamily program only).
- Eliminates the residential new construction program.
- **Cuts low-income weatherization funding by almost 60% from \$2.65M to \$1.1M beginning in 2019.**