Missed Opportunities: The Impact of Recent Policies on Energy Efficiency Programs in Midwestern States

INDIANA

2014’s Senate Bill 340 repealed Indiana’s energy efficiency standard and created a low-threshold opt-out from voluntary EE portfolios for C&I customers. While EE has grown in Indiana through a robust voluntary policy landscape, these policy changes nonetheless have impacted the benefits Hoosiers could be seeing from efficiency under more statutory policies.

MEEA commissioned a study to understand the missed opportunities for the utility system and Indiana’s utility customers from the repeal and opt-out. This factsheet outlines the key findings and potential missed opportunities from those policies.

Net Impact in EE Benefits

With the repeal of the state’s energy efficiency resource standard and establishment of a large customer opt-out, Indiana has undermined energy efficiency’s statewide value. **Annually, Indiana will miss $73 million in benefits.** These benefits include bill savings and lower utility costs.

Social Costs of Carbon

SB 340’s repeal of the energy efficiency standard and creation of its large customer opt-out limit the impact of utility EE programs, resulting in increased energy use and associated carbon emissions. The social cost of the additional carbon emissions is approximately **$195 million.**

Health Impacts

Indiana faces **$2 million to $6 million in health care costs** resulting from the policy change. These come from premature mortalities, illnesses and lost workdays from the electric generation air pollution that EE would have avoided.

Macroeconomic Impacts

Hoosiers face a **net job loss of approximately 260 full-time equivalent jobs, a net income loss of $14 million and a net GDP loss of $4 million** from the adopted regressive EE policies.

Non-Participant Benefits

EE programs provide benefits to all customers, even those who have not participated. The regressive policy change eliminates **$21 million in nonparticipant rate relief.**

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Lost net benefits

**$195 MILLION**
Additional costs from carbon emissions

**$2 - 6 MILLION**
Health damage costs

**$14 MILLION**
Net income loss
**260 Jobs lost**

**$21 MILLION**
Lost net benefits for non-participants
MEEA’s policy team released a report with the help of researchers from Synapse Energy Economics. “Missed Opportunities” estimates the impacts of recent energy efficiency policy rollbacks in six Midwestern states: Illinois, Indiana, Iowa, Ohio, Missouri and Wisconsin.

The findings underscore the immense value of utility-run energy efficiency programs by quantifying the benefits they provide to society at large - from economic to environmental and health.

View the full report: https://www.mwalliance.org/sites/default/files/meea-research/missed_opportunities_-_midwest_ee_policy_impacts.pdf?current=/taxonomy/term/11