



Iowa has a unique approach to energy efficiency (EE) that some consider an equivalent to an Energy Efficiency Resource Standard, which establishes specific, long-term targets for energy savings that utilities must meet. Unlike other Midwest states that mandate savings statewide, Iowa's approach provides more flexibility for utilities and at the same time places limits on the potential for efficiency program portfolios. Iowa was once a Midwest leader in EE; however, this changed when the Iowa legislature passed SF 2311 in 2018 and SF 638 in 2019. These two laws capped the amount utilities could spend on EE programs, greatly restricting EE offerings.

This presents an opportunity for Iowa to develop more comprehensive EE programs that benefit all customers. Considering Iowa's leadership in energy production, it is important for the state to expand its EE initiatives, which would also have a positive impact on both Iowa's economy and its workforce.

## IOWA EE QUICK FACTS

What's in the cards for Iowa regarding energy efficiency:

### Energy Savings Target



Iowa does not have any statewide mandates for energy savings levels.

### EE Spend per Capita



**2023 electric EE \$ per customer:** \$25.09

**2021 gas EE \$ per residential customer:** \$10.30

### Building Energy Codes



**Commercial:** 2012 IECC

**Residential:** 2012 IECC, with amendments

### Stakeholder Collaboration



Iowa does not have a statewide EE collaborative.

Iowa utilities do host meetings to discuss EE filings on a case-by-case basis.

### Energy Efficiency Financing



Iowa has a Revolving Loan Fund through the Iowa Area Development Group Energy Bank to finance EE projects.

However, Iowa does not have Property Assessed Clean Energy financing, nor do any Iowa utilities offer on-bill financing for EE improvements.

### Fuel-Switching



The state's energy efficiency framework does not address fuel-switching.

## JOBS AND ECONOMICS

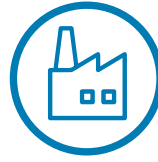
**Strong EE policies lead to utility investment and job growth** across Iowa's economy. The Iowa EE industry employs more state residents than any other energy sector; most employers are small businesses providing local jobs.



**20,153** EE jobs,  
out of **52,772**  
total energy jobs  
or **35,615** clean  
energy jobs



**Veterans**  
comprise **9%** of  
the EE workforce



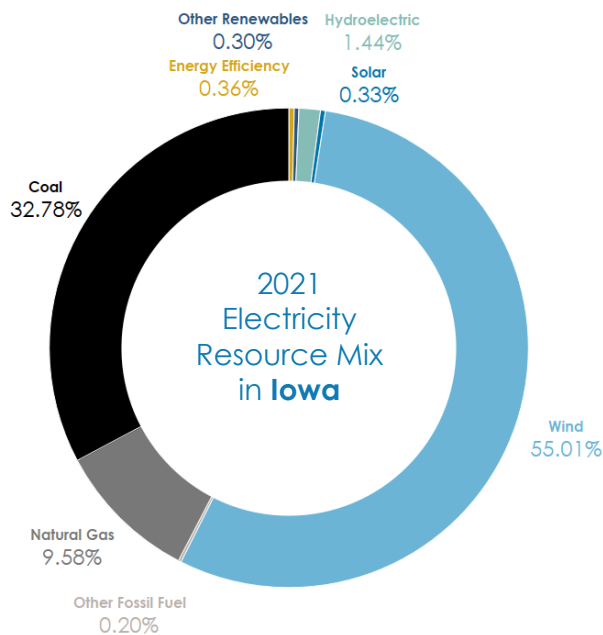
**3,026** EE  
businesses



of those are  
**small** businesses  
(fewer than **100**  
employees)

## STATE ENERGY PLANNING

Unlike many other Midwestern states, Iowa does not follow a traditional integrated resource planning process. By statute, Iowa utilities submit an annual report to the Iowa Utilities Board (IUB), but this is a financial report and does not have any load forecasting component. The IUB rules for EE planning require a 20-year energy needs forecast for electric utilities and a 5-year forecast for natural gas utilities as part of each 5-year EE plan. Additionally, the state's energy goals are outlined in the Iowa Energy Plan which was prepared by Iowa's Economic Development Authority. EE remains the lowest-cost resource available to utilities, increasing their flexibility as they make supply-side resource decisions.



### Utility Cost Range of Electricity Resources

\$ per megawatt-hour, 2023

Energy Efficiency (Midwest Avg)	15 ●
Solar PV - Utility Scale	24 — 96
Wind - Onshore	24 — 75
Gas Combined Cycle	39 — 101
Coal	68 — 166
Gas Peaking	115 — 221
Nuclear	141 — 221

Source: Lazard, 2023; LBHL, 2018

## INCLUSIVITY: INCREASING ACCESS TO EE

Whether in affordable housing or rural communities, under-resourced customers in Iowa need more extensive EE program options to reduce their energy burden. Given that Iowans who are at or below the 200% federal poverty line have an average energy burden of 14%, utilities have significant opportunities for innovations that offer residents more EE options and help alleviate their energy burden.

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