The Iowa legislature passed laws, SF 2311 (2018) and SF 638 (2019), that capped the amount utilities could spend on energy efficiency (EE) programs. The result was a dramatic decrease in available funding.

MEEA commissioned a study of the impacts of these spending caps on electric and gas utility systems and their customers. This fact sheet outlines key findings and missed opportunities for Iowa from these policy changes.

Net Impact on EE Benefits
With the new statutory spending caps on efficiency programs, Iowa has undermined energy efficiency’s statewide value. **Annually, Iowa will miss $120 million in benefits.** These benefits include bill savings and lower utility costs.

Social Costs of Carbon
SF 2311 and SF 638’s cost caps 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 **$325 million**.

Health Impacts
Iowa faces **$35 million to $90 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
Iowans face a **net job loss of approximately 534 full-time equivalent jobs** and a **net income loss of $28 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 **$33 million in nonparticipant rate relief.**
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.