



Iowa's Energy Future: Energy Efficiency and Conservation of Electricity, Natural Gas and Heating Fuels

The Iowa Chapter recognizes that the most economical and cleanest method of meeting our energy needs is through increased conservation and efficiency - in electricity production, the use of electricity and the use of natural gas and heating fuels.

Energy efficiency involves techniques that reduce the amount of energy used to do a task. An example is using a more efficient washing machine, one that uses less electricity to wash a load of clothes.

Conservation involves eliminating the unnecessary use of energy and also using a set of practices that yield the same result, but with less energy. For example, opening a window might provide as much cool air as an air conditioner. A common means of conservation is turning off the lights when no one is in a room.

The Iowa Chapter supports the following policies.

1. The Chapter supports lifting the cap on the amount of money a utility company can spend on energy efficiency. That cap was established by the Iowa legislature in 2018 and 2019.
2. The Iowa Chapter supports demand response programs that allow power companies to selectively cycle customer equipment off when the peak usage load is being reached. Another component of demand response programs is smart grid technology that enables customers to run smart thermostats and smart appliances in their homes and business that cycle off for periods of time when electricity demand and costs are high.
3. All state buildings should be highly energy efficient. All new construction of publicly-funded buildings should meet sustainable design standards.
4. Any company that receives state government subsidies or benefits for building or remodeling must be required to make the building or remodeled building energy efficient. This includes any building receiving tax increment financing (TIF), since the state government is required to supplant the portion of the property tax money that is diverted from the school districts when local jurisdictions agree to TIF projects.
5. The Iowa Chapter supports building codes that encourage high-efficiency, private-sector buildings.
6. The Iowa Chapter supports transferring the energy efficiency programs to a third-party administrator who will provide uniform and consistent energy efficiency programs for all Iowans, regardless of the utility provider.



Photo by National Renewable Energy Laboratory

Third-party administrator with consistent programs

It is to the advantage of the consumer to have effective, energy efficiency programs.

Third-party administration (also called a state-wide program administration) removes the reluctance of utilities to provide energy efficiency programs. Energy efficiency programs are designed to reduce the consumption of

electricity or heating fuels. That runs counter to the function and economic interests of a utility to provide electricity, natural gas or heating fuels to customers at a reasonable rate of return.

Yet, efficiency can reduce the need for an electric utility to build an additional power plant. Efficiency also reduces the peak load. The utilities have peaker plants that are fired-up at times when the consumers need additional power beyond the power plants that normally operate. Peaker plants generally are more expensive to operate, which increases the costs to the consumers. If an electric power company does not have the capacity to generate needed electricity as peak loads are reached, the utility must go on the open market to purchase electricity, which can be very expensive and more costly to the consumers.

Third-party administration provides uniform and consistent programs for all consumers across the state. Because each utility provides its own energy efficiency programs, there is wide variation in the programs being offered and the amount of money each utility spends on energy efficiency. In general, the municipals spend the least, as a percentage of sales, on energy efficiency programs, followed by the rural electric cooperatives, with the greatest percentage spent by the investor-owned utilities.

Expertise in energy efficiency methods varies greatly among the utilities in the state. By having a third-party administer the energy efficiency programs, expertise can be developed and provided to all customers. Customers would experience overall savings in the energy efficiency programs in the form of promotion and advertising and maintenance of one web site with information rather than one for each utility.

The third-party administrator and programs would be paid for by the consumers, just as they are paying for the programs run by their own utilities. The Iowa Chapter supports having the third-party administrator overseen by the Iowa Utilities Board.

What can I do?

In Iowa, each utility administers its own energy efficiency program and offerings, including rebates. If you are interested in implementing energy efficiency projects in your home or business, contact your utility for further information.

A number of electrical devices still use electricity even though the device has been turned off. In some devices, an on-off button is lit. In other devices, the unit is still working or is still powered. To eliminate this phantom usage, plug the device into a power strip and turn the power strip off.

Benefits from energy efficiency

Individuals and businesses who reduce their energy consumption will find their energy bills will be reduced. “More than half of Iowa’s housing stock was built before 1970. Nearly 150 Iowa towns have had no new housing built since at least 2010, U.S. census figures show.”¹ Forty percent of all housing units in Iowa were built before 1950.² In general, older homes were built with inadequate insulation.

When demand is reduced, less coal, natural gas and heating fuel are burned to generate electricity, heat homes, and operate water heaters, and, thus, greenhouse gases are reduced.

Sources

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¹ Kevin Hardy, “Would-be showcase turns into tower of terror”, *Cedar Rapids Gazette*, February 10, 2019

² Iowa Finance Authority, “Iowa Finance Authority Releases 2020 Iowa Profile on Demographics, Economics and Housing”, www.iowafinance.com/news/iowa-finance-authority-releases-2020-iowa-profile-on-demographics-economics-and-housing/

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