



Full Site
 Publications

- ENERGY POLICY
- PROGRAMS
- PRESS & MEDIA
- CONSUMER RESOURCES
- PUBLICATIONS & MEETINGS
- SUPPORT ACEEE

Iowa

Utility-Sector Policies

<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input checked="" type="checkbox"/>	

Summary

Iowa's utilities administer energy efficiency programs under the oversight of the Iowa Utilities Board (IUB) and the Iowa Public Utilities Advocate. Iowa Code 476.6.16 requires rate-regulated (investor-owned utility) utilities to submit effective energy efficiency plans. The IUB enforces these plans through tariff riders on customer bills.

Iowa's utilities have long records of energy efficiency programs to all major customer segments, including residential and agricultural. Funding levels have decreased in the late 1990s as the state entered the 2000s, the state has renewed and improved its utility programs. In 2007, Iowa's utilities spent \$36.6 million on electric load management programs. These programs saved 282,000 MWh in 2007.

Senate File 2386, signed in 2008, requires utilities to report the results of IOU energy efficiency programs to the IUB website at <http://www.state.ia.us/utility>. Municipal utilities and electric cooperatives are also required to submit plans and the IUB is required to report on their progress.

SB 2386 also requires utilities to file annual reports with the IUB. In 2008, the IUB issued an order requiring utilities to pay a 1.5% annual electricity and natural gas surcharge.

Customer Energy Efficiency Programs

Iowa's energy utilities administer energy efficiency programs for their customers. State law requires publicly owned utilities in Iowa (municipal utilities and rural cooperatives) also provide energy efficiency programs to their customers.

Iowa utilities reported efficiency program savings of 282,000 MWh in 2007.

[Back to Top](#)

Program Funding

Regulated investor-owned utilities recover costs of programs approved by the IUB via tariffs through, reconciled annually to prevent over-recovery or under-recovery. Utility plans receive a commitment to energy efficiency. The IUB is authorized to conduct prudence reviews of IOU costs. In 2007, Iowa's utilities spent \$36.7 million on electric energy efficiency, \$36.6 million on natural gas efficiency programs.

[Back to Top](#)

Energy Efficiency Resource Standard

In compliance with Senate Bill 2386, which requires utilities to file energy efficiency goals, plans including a scenario to achieve a 1.5% annual electricity and natural gas savings goal. In 2009, the IUB estimated that savings from the three investor-owned utilities in Iowa (including MidAmerican Energy Corporation, formerly Aquila) would reach 1.4% of retail electric sales and 1.0% of natural gas sales. The approved MidAmerican Energy Company's Energy Efficiency Plan, which calls for 1.5% electricity savings by 2013. Once the Board approves the utility plan, the goals are binding.

[Back to Top](#)

Decoupling

On December 18, 2006 the IUB examined the possibility of decoupling natural gas and electric utility rates. The IUB found that utilities to decouple due to the system already in place for energy efficiency. Individual utility energy efficiency programs have caused them lost revenue. If there is enough concern, the IUB may consider rate adjustment mechanisms or other rate design change. Iowa Docket No. NOI-06-1

[Back to Top](#)

Reward Structures for Successful Energy Efficiency Programs

None in place or proposed.

[Back to Top](#)

Energy Efficiency as a Resource

Iowa's investor-owned utilities are required to prepare and implement energy efficiency plans. Key features of all the plans and programs approved for IOUs by the IUB include:

- Plans must be cost-effective; four different cost-effectiveness tests are assessed and the most cost-effective is the primary determinant of cost-effectiveness.
- Plans must include programs for all types of customers.
- Plans must include analysis of the potential for energy efficiency and must include estimates of potential energy savings.

Iowa's municipally owned utilities and rural electric cooperatives must also develop energy reports to the IUB. The IUB does not review or approve these plans, but compiles the results.

[Back to Top](#)

Links:

- [Iowa Utilities Board, Energy Efficiency \(with links to utility programs and related reports\)](#)
- [Iowa State Incentives for Renewables and Efficiency](#)
- Report: [The Status of Energy Efficiency Programs in Iowa](#) (January 2009)
- [Senate Bill 2386](#)

[Back to Top](#)



For more information contact:
[Dan York](#), Utilities Program Senior Research Associate

[Energy Policy](#) | [Programs](#) | [Press & Media](#) | [Consumer
Publications & Meetings](#) | [Support ACEEE](#) | [Site Map](#)

© American Council for an Energy-Efficient Economy.
All Rights Reserved. Read our Copyright and Permission requests [information](#).
Read our [privacy guidelines](#). [Contact us](#).