Iowa's efficiency efforts suffered a major setback in early 2018 when state lawmakers passed legislation that severely curtailed energy efficiency programs, leading to a steep decline in electric and gas savings in 2019. The 2019 signing of SF 638 struck another blow to efficiency by placing additional restrictions on program spending. Iowa has room to improve efficiency in other policy categories as well, including transportation, land use planning, and lead by example policies.

UTILITIES
Previously a standard-bearer of Midwestern energy efficiency, Iowa’s utility efficiency programs were dealt a severe blow in 2018 with legislation that imposed a stifling spending cap on demand-side investment. The bill also allows customers to opt out of paying for programs that fail to pass the Ratepayer Impact Measure (RIM) test, a cost-effectiveness test that fails to account for societal savings benefits and is now only rarely used by other states as a basis for approving programs. No performance incentives are in place for utilities. Improving the utility business model to encourage energy efficiency as a strategic energy system resource would improve long-term and comprehensive energy savings opportunities in Iowa.

TRANSPORTATION
The state integrates transportation and land use planning, and 4% of the fees from new vehicle registration are used to support public transportation. Although it released a comprehensive freight plan in 2016, opportunities remain for Iowa to strengthen the plan’s energy efficiency goals through concrete performance targets.

BUILDING ENERGY EFFICIENCY POLICIES
Iowa’s building energy codes for residential and commercial construction are currently based on 2012 International Energy Conservation Code (IECC) standards, although discussions are ongoing to adopt the 2015 IECC. The state hosts trainings for code officials and contractors and the 2016 State Energy Plan included objectives and strategies related to strengthening building efficiency. The state has not completed a baseline compliance study since 2011.

STATE GOVERNMENT-LED INITIATIVES
Iowa offers a revolving loan program for consumer energy efficiency investments, and the state government leads by example by regularly benchmarking energy use. The Iowa Energy Center conducts and sponsors research regarding alternate energy and energy efficiency.

APPLIANCE STANDARDS
Iowa has not set appliance standards beyond those required by the federal government.