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## Report Shows Energy Options for Iowa Researchers Find Ideas in State Policies Around U.S.

AMES, Iowa (April 25, 2003) – Iowa has several options for new initiatives to encourage greater use of renewable power and energy efficiency, according to a new study that examined state policies across the nation.

Three Iowa State University researchers – Professors Mark Edelman and Daniel Otto and graduate research assistant Matthew Ritsema, all in ISU’s Department of Economics – authored the report for the Iowa Policy Project. They looked at what states do to encourage renewable energy, programs for energy efficiency, policies for customers who generate their own power, and wages for jobs in the renewable energy industry.

“Iowa already is doing some good things, but we can do so much more, and we should,” said David Osterberg, executive director of the Iowa Policy Project, a Mount Vernon-based think tank. “We should look at some of these programs and policies of other states and see how they fit for Iowa. It’s good for the environment, and it’s good for Iowa’s economy.”

Osterberg said that even though the Iowa Legislature is winding down its work for the 2003 session, it is important to continue to look at new ideas.

“As the researchers pointed out, establishing a requirement for utilities to buy renewable energy has worked in Iowa – but it’s a small amount,” Osterberg said. “Their report is correct: Iowa has an opportunity now to require more use of renewables.”

The report makes the following observations about policy options for Iowa:

- Goals for higher renewable energy purchases in Iowa have been proposed but carry less weight than establishing minimum requirements through law. While utilities have made new investments or pledged to do so, that may be due partly to federal incentives set to expire this year.

- Some states require all utilities to buy “green” power through a certificate system, which could offer a “market-oriented approach” to encourage renewable power development. Utilities in a good position to generate or use green power could sell certificates to those less able to use it.

- Special charges to consumers – so-called “system-benefits charges” – could be used to provide funds for rebates to help people buy energy-efficient appliances.

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■ Renewable-energy facilities return a greater share of their profits to the areas where they are located if they are owned by local or area entities or individuals, in contrast to nationally traded public companies. Policies that encourage locally oriented or Iowa-based ownership will bring greater returns in Iowa localities.

■ Iowa utilities and their customers do not necessarily possess equal access to renewable energy development opportunities or energy efficiency measures.

■ Incentives can be balanced – whatever the renewable energy technology – to encourage efficiency. “If the incentive structure favors one technology over the others, then the potential for achieving maximum benefits for society from renewable energy become arbitrarily limited,” the authors stated in their report summary.

■ Although some utility and wind-generation interests want price information to be confidential, the lack of public pricing information for renewable energy projects may impede the ability of others to investigate the feasibility of a project.

The Iowa Policy Project is a non-profit, non-partisan research organization headquartered in Mount Vernon, Iowa. The IPP engages scholars at Iowa’s public and private colleges and universities to perform research on issues of importance to the citizens of Iowa. IPP reports are available to the public, free of charge, on the web at [www.iowapolicyproject.org](http://www.iowapolicyproject.org).

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