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Opportunity to Find Facts on Climate Policy IUB Proceedings Should Scrutinize Utility Claims

IOWA CITY, Iowa (July 16, 2009) — Iowa energy policy analysts today said a thorough review by the Iowa Utilities Board (IUB) is needed in its upcoming inquiry to determine impacts of the climate change legislation moving through Congress.

IUB's inquiry, announced in a "Notice of Inquiry" filing today by the board, comes as Iowa's investor-owned utilities have joined a publicity and lobbying offensive against portions of the American Clean Energy Security (ACES) legislation passed recently in the House and awaiting action in the Senate.

Utility industry claims in paid advertising and newspaper columns about cap-and-trade costs to consumers have exceeded estimates from the Congressional Budget Office (CBO) and Environmental Protection Agency.

"We hope the Iowa Utilities Board will take this opportunity to discern the full truth about the costs and benefits of the first legislation to begin to comprehensively address climate change," said Teresa Galluzzo, research associate for the nonpartisan Iowa Policy Project (IPP).

"Even under the short timeline before a vote this summer — or especially because of that short window — it is important that members of Congress and their constituents have reliable information. Without a thorough review by IUB and others, a flurry of numbers and advertising dollars could cloud the picture."

IPP analysts said the review must not only include information about the cost increases that consumers would face because of climate change policy, but also savings provided by the consumer relief included in ACES.

According to the CBO, the cap and trade system combined with the consumer relief provided in the ACES legislation that passed the U.S. House on June 26 would actually provide a net annual income benefit to 20 percent of Americans with the lowest incomes. According to the CBO, the average household would pay \$175 annually in 2020 — but that did not include the benefits from other portions of the ACES legislation that require boosting renewable energy and energy efficiency.

"To be comprehensive and accurate the IUB would need to consider the positive benefits of expanded renewable energy and energy efficiency that will come about because of putting a price on greenhouse gas pollution," Galluzzo said.

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Osterberg added that a full analysis by IUB should also consider the substantial and unprecedented costs to Iowans of doing nothing to reduce climate change.

“If Iowans consider this, they will likely find that paying some cost increases now could lead to a cleaner and more prosperous Iowa,” he said. “But if we choose not to take action, we will be pushing the higher costs and devastating impacts of climate change into future years.”

IPP reports on energy and environmental issues, including climate-policy questions, are available on the web at <http://www.iowapolicyproject.org>.

The Iowa Policy Project is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon, with its principal office in Iowa City. IPP reports focus on job and income trends, budget and tax issues, and energy and environmental policy.

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