



# The Iowa Policy Project

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## **Statement of David Osterberg, Founder of the Iowa Policy Project Iowa Utilities Board NOI-2014-0001 February 25, 2014**

The Iowa Utilities Board must recognize that this docket has implications for confronting climate change. To look narrowly and make a decision based only on what is best for the stockholders of Alliant or MidAmerican Energy would be the wrong choice. Climate change is a reality and the Investor-owned utility companies must adjust their business model to contend with it. The question for the Board should be, “How does the state of Iowa procure more distributed electric generation installed in a way that gives the utilities a way to be part of the solution?” I would like to comment on two issues.

First, there is no scientific debate about whether the climate is changing and whether humans are the main cause. In October 2013, 155 science and research staff at 36 Iowa colleges and universities signed a statement on the reality of climate change. As one of the signers I would like to submit the first paragraph and the last sentence of that statement:

“Our state has long held a proud tradition of helping to ‘feed the world.’ Our ability to do so is now increasingly threatened by rising greenhouse gas emissions and resulting climate change. Our climate has disrupted agricultural production profoundly during the past two years and is projected to become even more harmful in the coming decades as our climate continues to warm and change.”

Rather than being a vague threat lurking somewhere on the horizon, scientists from around the globe confidently stated in the latest Intergovernmental Panel on Climate Change report that temperatures and rainfall patterns are shifting due to additions humans have made to the atmosphere by burning coal and oil. We who work in this area are alarmed at the lack of action to reduce the pollutants that are the root of this problem.

Children born today will spend their lives under climates that are different from those any generation of Americans has experienced. The same will be true for their children, and their grandchildren. Agriculture, the lifeblood of Iowa, is being threatened with more frequent droughts and floods. Switching to modern renewable power sources and becoming more efficient in how we use energy cannot roll back the clock, but it can help make these climate changes less extreme.

In part because of action taken in the Iowa state government, a quarter of all electricity generated in the state is now derived from wind power. There are excellent reasons besides climate change to rapidly and profoundly shift towards distributed energy sources like wind and solar that are infinitely renewable and that produce no harmful emissions. For example, doing so would benefit the state economy in perpetuity; Iowa is home to many wind turbine manufacturers and has tremendous wind energy potential that can be tapped without significantly reducing agricultural productivity. Such a policy shift would also increase national security by reducing our dependence

on foreign oil. As the Iowa Climate Statement 2013 states, action is required — “Doing so will allow us to pass on to future generations our proud tradition of helping to feed the world.”

Second, my organization, the Iowa Policy Project (IPP), has looked carefully at whether actions to combat climate change — for instance allowing subsidies to homeowners who install their own photoelectric system — might affect low-income electricity consumers. While cost increases will always affect low-income people more than middle-income families, this is not a fatal problem. It can be easily solved in any actions to address climate change. In testimony filed in the IUB session investigating the Cap and Trade bill that had passed the United States House of Representatives (NOI-2009-0002), IPP and the Natural Resources Defense Council both demonstrated that as written, the proposed law would not only protect low-income electricity consumers but actually make them better off. Many options such as asking the utilities to increase their low-income weatherization funding can be used. I direct the Board to papers on Climate Change and/or low-income consumers written by IPP in the summer of 2009. All are available on the IPP website, [www.iowapolicyproject.org](http://www.iowapolicyproject.org).

**Climate Policy: Sorting Through Factual Smog  
IUB Inquiry is Opportunity to Find Acts in Cap-and-Trade Debate**

Iowa energy policy analysts say a thorough review by the Iowa Utilities Board is needed in its upcoming inquiry to determine impacts of the climate change legislation in Congress.

[News release](#) — July 16, 2009

<http://www.iowapolicyproject.org/2009docs/090716-IUB-NOI-release.pdf>

[IUB Notice of Inquiry](#) — July 16, 2009

<http://www.iowapolicyproject.org/2009docs/090716-NOI-017311.pdf>

**Proposals in Congress Do Provide Relief to Consumers**

Cap-and-trade policy being crafted in Congress to respond to global climate change does include features to protect household budgets. Good policy will assure direct relief to low-income households and not rely on utilities to deliver the benefits.

[Backgrounder](#) — June 25, 2009

<http://www.iowapolicyproject.org/2009docs/090625-LICC-bgd.pdf>

[News release](#) — June 25, 2009 — Consumers deserve a more accurate and more complete discussion of the elements of the legislation on the table than they're getting from utility executives.

<http://www.iowapolicyproject.org/2009docs/090625-LICC-release.pdf>

**Consumer-Friendly Energy Conservation  
Electric Rate Reform Could Spur Energy Savings, Help Low-Income Iowans**

Electricity rates can be better structured to encourage conservation while at the same time help low-income Iowans more easily afford their home energy bills.

[Full report](#), [Executive summary](#) and [News release](#)

<http://www.iowapolicyproject.org/2009docs/090617-EnergyRates2.pdf>

<http://www.iowapolicyproject.org/2009docs/090617-EnergyRates-xs.pdf>

<http://www.iowapolicyproject.org/LICC-EnergyRates.html>

I applaud the Board for looking deeply into distributed electric generation. It is the solution to the biggest environmental problem in modern times. Getting more wind and solar power is critical.

*David Osterberg is the founding director of the Iowa Policy Project, a nonpartisan public policy research and analysis organization based in Iowa City. Osterberg is a Professor in the Department of Occupational and Environmental Health in the University of Iowa College of Public Health. He holds masters degrees in water resources management and agricultural economics from the University of Wisconsin-Madison.*