

**Comments of the Iowa Office of Consumer Advocate  
In response to the Proposed Changes to Energy Star Home Requirements**

General Comments

The Iowa Office of Consumer Advocate (Iowa OCA) is a division of the Iowa Department of Justice charged with representing the interests of consumers and the public generally in matters coming before the Iowa Utilities Board. Iowa's investor-owned utilities operate under cost-of-service based regulation and are required by statute to offer energy efficiency programs that meet the needs of various customer groups. These energy efficiency programs are administered by the utilities and funded by utility rate payers through an energy efficiency cost recovery mechanism. Iowa's investor-owned utilities have annual budgeted expenditures of approximately \$60,000,000, exclusive of spending on load management. The energy efficiency plans of Iowa's investor-owned gas and electric utilities were most recently subject to review in 2002 and 2003. This process included an assessment of potential energy and capacity savings that could be achieved through cost-effective energy efficiency measures and the establishment of energy and capacity savings goals for each utility through their respective energy efficiency programs.

Iowa invests in energy efficiency because it is cost-effective to do so and because energy efficiency is a true supply alternative that is becoming more important with the ever increasing cost (market and environmental) of traditional fossil fuels. While Iowa has not adopted the 2004 IECC, one of the factors motivating EPA's review of current Energy Star new home qualification requirements, the Iowa OCA supports a periodic review of the Energy Star new home qualification standards with the goal of establishing requirements that properly recognize: (1) advancements in energy efficiency products, technology and standards (e.g., the new minimum 13 SEER standard for air conditioners); (2) prevailing building energy code requirements; (3) the impact of increasing energy production costs for traditional fossil-fuel based supply resources (due to fuel costs and emissions compliance requirements) on the cost-effectiveness of various energy efficiency measures; and (4) generally, the need for increasing energy efficiency standards and objectives over time with the goal of market transformation.

The Iowa OCA participated in the development and review of individual energy efficiency plans of Iowa's rate-regulated investor-owned gas and electric utilities. Through this process the Iowa OCA generally endorsed utility initiatives to leverage energy and capacity savings achieved in program offerings through targeted partnerships with organizations with proven records in advancing energy efficiency. One means by which Iowa's utilities have accomplished this is through their affiliation and partnership with the EPA's Energy Star program and products. Consumers are aware of the Energy Star brand, and with today's energy challenges they are increasingly likely to choose a product, whether it be an appliance or an entire home, bearing the Energy Star endorsement over a comparable model without this label.

Iowa has made significant progress in recent years in terms of the number of builders constructing homes that meet Energy Star requirements. It is expected that this trend will continue as long as these products are in demand and it is cost-effective and not overly burdensome for builders to meet this demand. In considering changes to Energy Star qualification requirements, it is important to ensure that the changes implemented and the manner in which they are implemented will produce a final product that continues to be attractive to consumers and builders. This does not mean that appropriate changes should not be made. Rather, the changes that are made should be (1) well-defined and streamlined; (2) supported by appropriate education, information, and marketing strategies and materials targeted to consumers, utilities, manufacturers, retailers, and the building trade; (3) carefully designed to achieve the intended energy savings; (4) implemented in a time frame that allows stakeholders adequate time to incorporate applicable changes; and (5) flexible where appropriate to accommodate situational differences, without sacrificing the targeted energy savings.

The Iowa OCA's comments are of a more general nature. The residential new construction programs offered by Iowa's rate-regulated gas and electric utilities use different requirements, and the proposed changes will have varying impacts on their programs. The Iowa OCA is very interested in the proposed changes for Energy Star qualified homes and the comments offered by other interested entities in response to the proposed changes. We appreciate having an opportunity to provide comments in this matter.

Any communications regarding the foregoing comments should be directed to:

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