

APRIL 2015

# PUBLIC POLICY REPORT

## FEDERAL UPDATE

### **Obama Administration Releases Quadrennial Energy Review**

The Obama Administration released the first-ever Quadrennial Energy Review (QER) earlier this month billed as a multiyear roadmap for U.S. energy policy. The QER focuses on energy transmission, storage, and distribution (TS&D) infrastructure, including the country's networks of pipelines, wires, storage, waterways, railroads, and other energy system facilities. The report presents a set of findings and recommendations focused on the Federal role and organized around the high-level goals of energy security, economic competitiveness, and environmental responsibility. Highlights from this year's QER recommendations include:

- Ensuring the Resilience, Reliability, Safety, and Security of TS&D Infrastructure
- Modernizing the Electric Grid
- Modernizing U.S. Energy Security Infrastructures in a Changing Global Marketplace
- Improving Shared Transport Infrastructures
- Integrating North American Energy Markets
- Addressing Environmental Aspects of TS&D Infrastructure
- Enhancing Employment and Workforce Training
- Siting and Permitting of TS&D Infrastructure

The last comprehensive national energy policy report was published nearly 14 years ago, and much has changed since then in the nation's energy sector. A full copy of the QER is available at <http://energy.gov/QER>.

### **March Unemployment Rate Down in 23 States**

In March, the unemployment rates in 23 states and the District of Columbia dropped from the previous month while 12 states saw an increase and 15 states had no change, according to the U.S. Bureau of Labor Statistics. Compared to one year ago, 46 states experienced a lower unemployment rate in March and three were higher. The national jobless rate remained unchanged from February at 5.5 percent and was just over one percent lower than in March 2014. Iowa's March unemployment rate reached its lowest level since 2008 at 4.0 percent.

### **Congress Approves Energy Efficiency Legislation**

The Energy Efficiency Improvement Act of 2015 won bipartisan approval by both the House and Senate and is expected to be signed into law by President Obama. The legislation includes a specific exemption for large capacity grid-enabled water heaters from a recently enacted Department of Energy (DOE) regulation. The DOE rule banning the manufacture of water heaters of more than 55 gallons went into effect April 16 but will be overturned once the bill is enacted. The legislation also includes some additional new standards for electric resistance water heaters with a rated storage tank of more than 75 gallons. Other efficiency measures contained in the bill include a voluntary program to encourage commercial building owners and tenants to reduce energy consumption and requirements for certain federal buildings to disclose their energy usage data.

### **Energy Star Awards Recognize Iowa Entities**

Iowa-based Pella Corp. and the Des Moines Public Schools were both recognized with Energy Star Partner of the Year awards last week. Pella was commended for introducing new Energy Star certified products and Des Moines Schools for demonstrating environmental and financial stewardship through comprehensive energy management.

## EIA Releases Annual Energy Outlook 2015

The U.S. Energy Information Administration (EIA) released the Annual Energy Outlook 2015 report ([www.eia.gov](http://www.eia.gov)) with energy sector projections through 2040. Annual U.S. energy consumption is projected to grow by 0.3 percent from 2013 through 2040, while expected electricity consumption growth is slightly higher at 0.8 percent per year. The report cites rising costs for electric power generation, transmission, and distribution, coupled with relatively slow growth of electricity demand, as drivers for an 18 percent increase in the average retail price of electricity.

## STATE UPDATE

### Governor Declares Disaster Emergency in Clinton County

Governor Terry Branstad issued a proclamation of disaster emergency for Clinton County in response to severe weather on April 9, 2015. The Governor's proclamation allows state resources to be utilized to respond to and recover from the effects of the severe storm system and activates the Iowa Individual Assistance Program for Clinton County. Grants of up to \$5,000 for households with incomes up to 200 percent of the federal poverty level are available for home or car repairs, replacement of clothing or food, and for the expense of temporary housing.

### Legislative Action at Standstill over State Budget

The legislative session is likely to extend past the scheduled adjournment date of May 1 due to differences over the state budget. After reaching agreement on an increase in the state fuel tax and a host of other policy issues earlier in the session, the Democratic-controlled Senate and Republican-controlled House remain at odds over state spending. According to the State's Revenue Estimating Conference, state tax revenue is projected to grow by six percent to nearly \$7.176 billion for fiscal year 2016. House Republicans have proposed spending targets totaling \$7.175 billion for next fiscal year while Senate Democrats have released budget targets that match the overall spending level of Governor Branstad's proposed budget of \$7.341 billion. Differences also remain with how each chamber would allocate dollars toward priorities within the budget with state aid for K-12 schools being the largest difference. The Governor and House Republicans have proposed a 1.25 percent increase in education spending while the Senate Democrats dropped their original four percent increase to a 2.625 percent increase in an attempt to reach agreement. The Legislature must approve a budget before the start of the next fiscal year on July 1.

### Workers' Compensation Exclusion Bill Approved

Governor Branstad signed legislation that won unanimous approval by the Iowa Legislature dealing with workers' compensation requirements for limited liability corporations and sole proprietors. The legislation requires the Workers' Compensation Commission to keep a list of all corporations that reject workers' compensation coverage for an officer of the corporation. It also includes provisions for a proprietor, LLC member, or limited liability partner to elect not to be covered by workers' compensation and to terminate a nonelection of coverage.

### Upcoming Activities in 2015

NRECA 2015 Legislative Conference – May 3-6  
CIPCO Board Meeting – May 19  
IADG Team EDGE Meeting – May 27  
ACES 2015 Members Conference – May 28-29

Washington DC  
Altoona  
Des Moines  
Indianapolis, IN

## CONSUMER PRICE INDEX

% Change	Nov	Dec	Jan	Feb	Mar	12-Mo Avg
CPI	-0.3	-0.3	-0.7	0.2	0.2	-0.1

Source: Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov)

## MARKET TRENDS

% Change	Y-T-D	1-Yr Avg	5-Yr Avg	10-Yr Avg
DJIA	+1.44	+9.57	+12.27	+7.65
NASDAQ	+7.52	+22.75	+20.25	+16.10
S&P 500	+2.86	+12.73	+14.79	+8.22

Source: [bigcharts.com](http://bigcharts.com), [treasury.gov](http://treasury.gov), 4/24/15