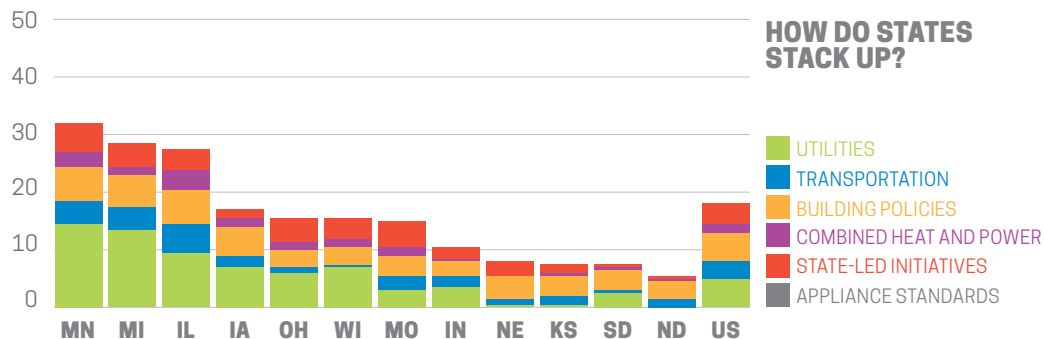


# Midwest

OVERALL MEDIAN SCORE

# 15.25

 POINTS  
OUT OF 50


## HIGHLIGHTS AND OPPORTUNITIES

The Midwest region is home to the eighth-ranked state (Minnesota), but only four states, including Michigan, Illinois, and Iowa appear in the top half of the *2018 State Energy Efficiency Scorecard*. While seven states have established mandatory energy efficiency goals for utilities, there remain opportunities to strengthen design and funding of programs to help increase savings to levels like those seen among top tier states. Iowa in particular, once a standard bearer of Midwest energy efficiency, saw its programs greatly weakened by 2018 legislation imposing an investment cap on efficiency. Several states continue to host grid modernization proceedings that will likely open up new opportunities for energy efficiency, such as Minnesota's e21 initiative, the Illinois NextGrid Utility of the Future Study, and Ohio's PowerForward initiative. However ample opportunity remains for these states to strengthen energy efficiency in the buildings sector, increase investment in public transit and fuel-efficient vehicles, and promote cost-effective CHP as an energy efficiency resource.

## UTILITIES

Michigan, Illinois, Minnesota, and Iowa have historically reported utility electric savings above the national average thanks to strong energy efficiency programs driven by legislative energy reduction targets. Most of these states have approved performance incentives to encourage utility efficiency; however few have implemented revenue decoupling, and most allow large industrial customers to opt out of participating in programs. While states like Illinois and Michigan have passed comprehensive energy legislation targeting long-term energy savings in recent years, the region has also experienced some setbacks, most recently in Iowa, where legislators passed a stifling spending cap on programs.

## TRANSPORTATION

Illinois was the regional leader in this policy area, followed closely by Minnesota and Michigan. Each of these states has passed legislation providing substantial funding in support of transit maintenance and construction and have seen an uptick in electric vehicle (EV) registrations. However few states in the region offer consumer incentives for EVs, and none have adopted California tailpipe emissions standards. Greater support for the adoption of cleaner vehicles and sustainable land use planning would help these states improve.

## BUILDING ENERGY EFFICIENCY POLICIES

States like Michigan, Minnesota, Illinois, and Iowa have all been proactive in approving updates aligning their building energy codes with either the 2012 or 2015 IECC, though often with weakening amendments. Still, many states in the region rely on earlier codes, or in the case of Missouri, Kansas, and the Dakotas, have home rule provisions leaving code adoption decisions to local jurisdictions.

## COMBINED HEAT AND POWER

Illinois achieved the highest score in the region thanks to policies promoting CHP within the state's energy efficiency resource standard, and utility programs targeting CHP. The Illinois Future Energy Jobs Act of 2016 further invigorated efforts to expand CHP, approving per-kWh production incentives. Generally states in the Midwest offer limited policies to encourage the deployment of CHP.

## STATE GOVERNMENT-LED INITIATIVES

Minnesota led the region in this policy area, followed closely by Missouri, Michigan, and Ohio. All of these states offer a diverse array of state-sponsored incentives and financing for efficiency upgrades. Each has also adopted lead by example policies, such as benchmarking requirements for public buildings, support for energy savings performance contracting, or promotion of efficiency in state vehicle fleets. Kentucky, Michigan, Missouri, Minnesota, Wisconsin, Nebraska, and Ohio all have active PACE programs.

## APPLIANCE STANDARDS

Midwestern states have not set appliance standards beyond those required by the federal government.