



For Immediate Release
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Contact: Ann Black/515.697.1003

AARP Urges Legislature to Get the Facts on Iowa's Energy Costs Before Raising Rates and Shifting Investment Risk to Consumers

DES MOINES –AARP sent a letter to Iowa House and Senate leadership today requesting the Utilities Board analyze different energy solutions and create a profile of Iowa's current fleet of power plants to understand how to meet Iowa's base load energy needs for the long-term. Thousands of Iowans have called their Iowa lawmakers in opposition to House File 561 and Senate File 390, bills that would allow utilities to raise customers' rates up front for a possible nuclear power plant before it is built.

The recommendation to develop an Iowa base load expansion plan by analyzing different Iowa energy solutions and profiling Iowa's current fleet of power plants was part of a discussion between Iowa Utility Board Chairman Rob Berntsen and Senate Commerce Committee leaders on March 31.

“With all the unknowns, especially regarding the billion plus costs of these bills, coupled with the way these bills significantly shift risks to customers, the only thing the legislature should do now is to get the Iowa facts about energy cost production, and then make an informed decision about moving forward to meet our state's energy needs,” said AARP Iowa State Director Bruce Koeppel.

Excerpts from the letter follow:

“AARP urges you to oppose HF 561 and SF 390, which will unfairly raise utility bills for our members and other consumers across Iowa. AARP is not opposing nuclear power or any other type of electricity generation. Our opposition is to the language of the proposals, which significantly shifts risks from utility companies and their shareholders to ratepayers. Iowa residential consumers are already struggling to afford their utility bills and this bill would raise rates to pay for a power plant that is not yet built.

Furthermore, Iowans don't know the actual cost to build the plant and whether or not it will be built in Iowa. If the plant is cancelled at any point, ratepayers would be forced to pick up the tab for accrued costs, plus profit for the utility. In other words,

consumers take on the financing risk rather than the financial markets and the utility company shareholders.

AARP has raised concerns about the unknown, uncapped rate increases that would be permitted under these bills, however, we support Iowa's need to develop a long-term plan for base load energy. During the March 31st Senate Commerce Committee, Iowa Utility Board Chairman Rob Berntsen discussed the idea of the Board conducting a cost comparison of different energy solutions for Iowa's future and doing a profile of Iowa's current fleet of power plants. AARP agrees that such analysis would be the prudent alternative and lead to better informed policymaking. This is the alternative that AARP has advocated for since the beginning of this debate.

Ratepayers are taxpayers who cannot vote on this decision which impacts their pocketbooks. We urge you to think of them before casting your vote for HF 561 or SF 390. AARP believes ratepayers should not be saddled with the higher costs and greater risk burden allowed by HF 561 and SF 390.”

Since notifying AARP members and the public about the legislation in late March, several thousand Iowans have connected with their legislators through phone calls voicing their concerns about the bills. Iowans interested in contacting their legislators to express their opinions can call the AARP toll-free consumer hotline at 1-800-480-4075 to be connected to the Iowa Legislature between 8:00 to 4:30 Monday through Thursday.

A full copy of the letter is posted at www.aarp.org/ia or is available by contacting the AARP Iowa State Office at 515.697.1003 or ia@aarp.org

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