

Iowa: How Federal Clean Energy Policy Rollbacks Can Hurt the Economy and Health

Over the next decade, U.S. federal clean energy policies, including the Inflation Reduction Act (IRA), Bipartisan Infrastructure Law (BIL), and EPA regulations on power plants, were expected to deliver major economic, health, and climate benefits. However, since January 2025, the U.S. federal government has taken a wide range of steps to roll back these policies. In support of these actions, Congress is in the midst of developing and passing a budget reconciliation bill that includes a near-total repeal of the Inflation Reduction Act. Concurrently, on Wednesday, June 11, 2025, the EPA announced plans to weaken a Biden-era regulation that required power plants to slash pollutants, including toxic substances.

The Center for Global Sustainability (CGS) at the University of Maryland released a new analysis demonstrating how repealing key federal environmental and clean energy policies would negatively impact the economy and public health.

States such as Iowa are particularly vulnerable to rollbacks.

Utility-scale renewable energy projects in the state are largely located in rural areas. In these communities, clean energy helps to provide energy independence, job creation, stronger tax revenue streams, and more. Further development of energy in rural communities is threatened by the rollback of U.S. federal clean energy policies that would help to incentivize economic growth in these areas.

The Cost of Rollbacks in Iowa

Federal clean energy policy rollbacks **cost Iowa \$2.8 billion in GDP and \$298 million in household income in 2035** compared to under current policies. Cumulatively over the next decade, this adds up to **\$18.8 billion in GDP losses and \$2.73 billion in income losses.**¹

Iowa sees a **7% increase in premature deaths** attributed to PM2.5 under federal rollbacks in 2035, compared to under current policies.

Clean Energy Projects Deliver Key Benefits in Iowa

The North Fayette Valley Community School District in Iowa replaced a failing 1957 steam heating system at West Union Elementary with a modern ground-source heat pump HVAC system, improving energy efficiency and indoor air quality. The \$4.2 million project was supported in part by the IRA's Elective Pay mechanism. As a result, the district received a direct reimbursement of \$873,483 from the IRS, significantly offsetting project costs and enabling future facility upgrades.² The Inflation Reduction Act enables school districts across the country to create a healthier environment for all while reducing greenhouse gas emissions and harmful air pollutants.

In addition to state impacts, the report found that federal climate policy rollbacks would result in:

- **A cumulative \$1.1 trillion loss in U.S. GDP by 2035**
- **A cumulative \$160 billion drop in disposable income by 2035**
- **An additional cumulative 22,800 deaths of Americans by 2035**
- **A nearly 10% higher annual PM2.5 concentration in 2035**
- **A \$206 average annual increase in household energy costs in 2035**

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Download the report to learn more at go.umd.edu/ImpactsofFedClimateRollbacks