



How the "Big, Beautiful Bill" Will Impact Iowa's Energy Future

Data is sourced from the [Clean Economy Tracker](#) unless otherwise noted. Data as of June 2025. Fact sheet updated July 2025.

Questions? Reach out to us at info@cleaneconomytracker.org.

What does the "Big, Beautiful Bill" mean for domestic clean energy manufacturing? What does it mean for Iowa?

In 2022, new federal law introduced domestic energy manufacturing incentives and federal support for clean energy projects.

The "Big, Beautiful Bill" will cut access to key tax credits and federal support, including:

- Adding restrictions to the Advanced Manufacturing Production Tax Credit (45X), which incentivized U.S. clean energy supply chain components.
- Adding restrictions to credits for wind and solar projects (45Y, 48E), which included bonuses for U.S.-sourced materials.
- Eliminating credits to install solar panels and other energy technologies on homes to lower household energy bills (25D).

These tax credits have supported massive uptake in wind generation capacity in Iowa, bringing [\\$22 billion in capital investment and 3,929 jobs to Iowa](#). Annually, wind projects bring [\\$57 million](#) in local and state tax revenue and [\\$68 million](#) goes directly to Iowans as lease payments.

The "Big, Beautiful Bill" Threatens Iowa's Energy Security

Wind energy dominates Iowa's energy portfolio. Since 2019, [wind turbines have generated the largest share of electricity](#) for the state, reaching [59% of the electricity mix](#) in 2023. This is the [largest share of wind energy in the country](#), and Iowa is second only to Texas in [total wind energy generation](#). With all this clean power, Iowa's electricity rates remain some of the lowest nationally ([44th](#)). The clean electricity tax credits have bolstered Iowa's wind power development while keeping costs low for everyday Iowans.

With new wind restrictions on the clean electricity tax credits, Iowa's largest electricity resource is at risk. Iowa has [few](#) economically recoverable fossil fuel reserves, and does not produce its own crude oil, natural gas, or coal. Though coal makes up the next largest share of Iowa's electricity generation, that coal is imported from other states. Coal production has been

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[steadily decreasing nationally](#) and [costs are expected to rise](#). Wind power, which has been a reliable, affordable resource for Iowa, is essential to ensure energy security for the state.

Senator Chuck Grassley values wind power for national energy security. Known as the 'Father' of the Wind Energy Incentives Act, he stated that his law catalyzed Iowa's renewable energy growth, with no wind turbines present prior to his tax credit. Wind power is now crucial for ensuring domestic energy supply. Senator Grassley [argued](#), **"Strengthening U.S. energy security requires an 'all-of-the-above' commitment to renewable, alternative and traditional sources of energy. Affordable, dependable energy is vital to U.S. economic, food and national security."**

What will the "Big, Beautiful Bill" mean for Iowa's economy?

The clean electricity tax credits have been a boon to Iowa's economy. Not only has wind development brought billions of investment and thousands of new jobs to the state, it has brought new economic opportunities.

The high penetration of renewables and low electricity prices have attracted a combined [\\$14.7 billion](#) in data center investments from tech giants such as Microsoft, Meta, and Apple. These huge investments have brought billions in tax revenue and thousands of jobs. And the growth is not slowing down – data center capacity in Des Moines is expected to [nearly double](#) from 2024 to 2028.

Iowa also stands to gain as a clean power exporter. Since 2008, Iowa has produced [more electricity than it consumes](#), exporting the excess power to other states. Iowa ranks in the [top 10 in total electricity sales per capita](#), and with growing demand for clean power, could continue to cement its leadership in the clean power market.

Iowa has also seen **\$36.2 million** in wind turbine manufacturing investment, supported by the advanced manufacturing production tax credit. The projects have created **1,247 high-quality jobs for Iowans**. For example, the Nordex Group invested \$23 million to expand its wind turbine nacelle manufacturing facility, creating over 100 jobs that pay [40% higher](#) than the median Iowan income.

With changes to the advanced manufacturing and clean electricity tax credits, Resources for the Future estimates that the Great Plains states could lose nearly [100 GW of wind](#) by 2035. Additionally, NERA Economic Consulting projected that by 2032, Iowa would have [lost 5,000 jobs, the average household would lose \\$370 in annual income, and the state's GDP would drop by \\$590 million](#).

What will the "Big, Beautiful Bill" mean for Iowa's energy?

Iowa has **13.9 GW** of clean electricity deployed, **0.01 GW** under construction, and another **0.27 GW** planned. Iowa ranks 12th in the nation for clean electricity deployment. The table below shows the breakdown of clean electricity generation by technology:

Clean Power in Iowa

Technology	Operating (GW)	Planned (GW)	Construction (GW)	Total (GW)
Onshore Wind	13.01	0.25	0	13.26
Solar Photovoltaic	0.68	0.02	0.01	0.71
Hydroelectric	0.18	0	0	0.18
Batteries	0.01	0	0	0.01

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Other Clean	0.03	0	0	0.03
Total	13.91	0.27	0.01	14.19

Data refers to nameplate capacity for clean energy generation.

These projects could be jeopardized by recent changes to the clean electricity tax credits (48E, 45Y). Restricting these credits for wind and solar will also reduce clean energy on the grid when more is needed – Iowa's electricity demand is expected to [increase 50% by 2030](#).

Which planned Iowa energy projects are at risk?

- The [Silver Queen Wind](#) farm in Carroll and Crawford Counties will bring 252 MW of clean and affordable energy to Iowa. Construction is set to begin in 2025 and create 350 local jobs.
 - Over the project's lifetime it will generate [\\$61 million in local tax revenue](#) and developers will pay [\\$900,000 annually in rent to landowners](#).
- [Muscatine Power and Water](#) has committed to building a 24 MW solar farm, with the potential to expand to 88 MW. Construction is anticipated to start in 2025.

These projects would create hundreds of construction jobs and give local business a boost. But changes to clean electricity tax credits puts these projects, investments, and jobs at risk.

Will my energy bills go up?

The law eliminates programs and cuts access to key credits that lower the cost of energy. [Energy Innovation estimates](#) that the average Iowa household will spend nearly **\$210 more per year on energy by 2030**, and **\$550 more by 2035**.

What does this mean for residential energy projects in Iowa?

The Energy Information Administration estimates that Iowa has [installed](#) 173 MW of rooftop solar. With current incentives, the average Iowan household would **save \$31,612 over 25 years** if they installed solar panels. However, the "Big, Beautiful Bill" will eliminate the Residential Clean Energy Property Credit (25D) that helps people make these cost-saving upgrades. The credit also covers other household energy technologies like battery storage, geothermal heat pumps, and solar water heaters.

How is climate change impacting the cost of homeownership in Iowa?

Climate change is making homeownership even more difficult as disasters become more severe, insurance premiums skyrocket, and homeowners get kicked off of their insurance plans. Nationwide, the average cost of home insurance has [gone up nearly \\$700](#) since 2021. In Iowa, the annual cost of home insurance [averaged \\$3,201](#) in 2024, and is projected to go up another 19%, to **\$3,825 in 2025**. From 2018-2023, non-renewal of insurance policies [grew by 10%](#) in Iowa. Clean energy and manufacturing projects help cut pollution that makes disasters more frequent and severe.

Is Iowa alone?

No. We are experiencing a nationwide boom in the U.S. clean economy. In the last three years, companies have announced at least \$169 billion in investments and 172,900 jobs across over 600 clean manufacturing projects in 47 states, with 77% of the investment in Republican districts. Clean energy projects totaling 325 GW, enough to [power](#) 105 million homes or 209 million EVs, have been built or planned, 80% in Republican districts. This equals the energy output of [156 Hoover Dams](#).

With this new law, [Energy Innovation projects](#) a \$1.1 trillion GDP drop from 2025-2034. Electricity costs would rise 50%, adding \$170 billion annually for consumers by 2035. By 2030, 830,000 jobs would be lost, and an additional 790,000 jobs will be lost by 2035.

Top Five Employers in Iowa

[\(source\)](#)

1. Collins Aerospace
2. Principal Financial Group Inc
3. JBS USA
4. University of Iowa Health Care
5. Blank Children's Hospital