

## State Cost Savings Methodology

### Health Care Savings

**Medicare Part D coverage & savings** – We pull average annual cost savings from the Inflation Reduction changes to Medicare Part D per Medicare Part D enrollee and total enrollment for 2024 and 2025 from [this](#) annual research report from ASPE Office of Health Policy at HHS. Total enrollment numbers were rounded to the nearest thousand and average savings estimates were rounded to the nearest \$10.

**Medicare drug price negotiation & savings** – We pull the number of Medicare enrollees who are taking the 10 drugs that will first be subject to IRA price negotiations and their current out-of-pocket spending for each of those drugs from [this](#) table. The list of conditions that one or more of these drugs might treat is taken from [this](#) ASPE fact sheet. Annual savings estimates were rounded to the nearest \$10, \$100, or \$1000 for savings in the hundreds, thousands, and tens of thousands, respectively.

**ACA marketplace coverage & savings** – We pull from Tab 5 in the 2023 OEP State-Level Public Use File [here](#) to get the number of consumers who have selected a plan on the ACA marketplace.

### Energy Savings

**Annual energy savings** – We pull average monthly energy costs in 2022 by state from EIA ([https://www.eia.gov/electricity/sales\\_revenue\\_price/pdf/table\\_5A.pdf](https://www.eia.gov/electricity/sales_revenue_price/pdf/table_5A.pdf)) and multiply this by 12 to annualize the number. Depending on the retrofit, we know from this [source](#) and this [one](#) that retrofits can save 30-70% of energy costs, so we use those for our upper and lower energy saving bounds. Values were rounded to the nearest \$10. These two studies used retrofitting technologies that are covered under the Inflation Reduction Act's home energy efficient programs (e.g., high efficiency air source heat pumps, select weatherization measures (e.g., windows, insulation), and ENERGY STAR® appliances).

**Home value increase** – From a study from the *Appraisal Journal*, which is described [here](#), one can make an assumption that every dollar saved on energy increases a home's value by \$20. For example: a solar energy system that saves \$200 per year would also add \$4,000 to the value of a home. We use the low and high energy savings above to approximate low and high possible home value increases by multiplying those utility savings amounts by 20. Values were then rounded to the nearest \$100.

**EV total cost of ownership savings** – Atlas Public Policy published a [report](#) with national level numbers for total cost of ownership (TCO) savings with switching to different types of EVs (compact sedan, compact SUV, pickup truck). We then divide each state's generic TCO (using separate [data](#) at the state-level provided by insurance.com) by the national average TCO to create a scale factor that addresses the fact that the cost of ownership varies from state-to-state given differences in insurance markets, weather, fuel costs, repairs costs, etc. We then multiply this scale factor by the TCO savings for each type of EV described above to get state-specific estimates for the TCO savings from switching to an EV. Values were rounded to the nearest \$100.

## **Transportation and Utility Savings**

**Vehicle wear and tear savings** – These data come directly from U.S. Department of Transportation [fact sheets](#) highlighting the benefits of the Bipartisan Infrastructure Law. Values were rounded to the nearest \$10.

**ACP enrollment** – These data come directly from White House [fact sheets](#) on ACP enrollment.