



2012 Survey Issue Brief

New Englanders Favor Competition in the Electricity Industry and Government Guidance over Mandates in Solving Energy Challenges

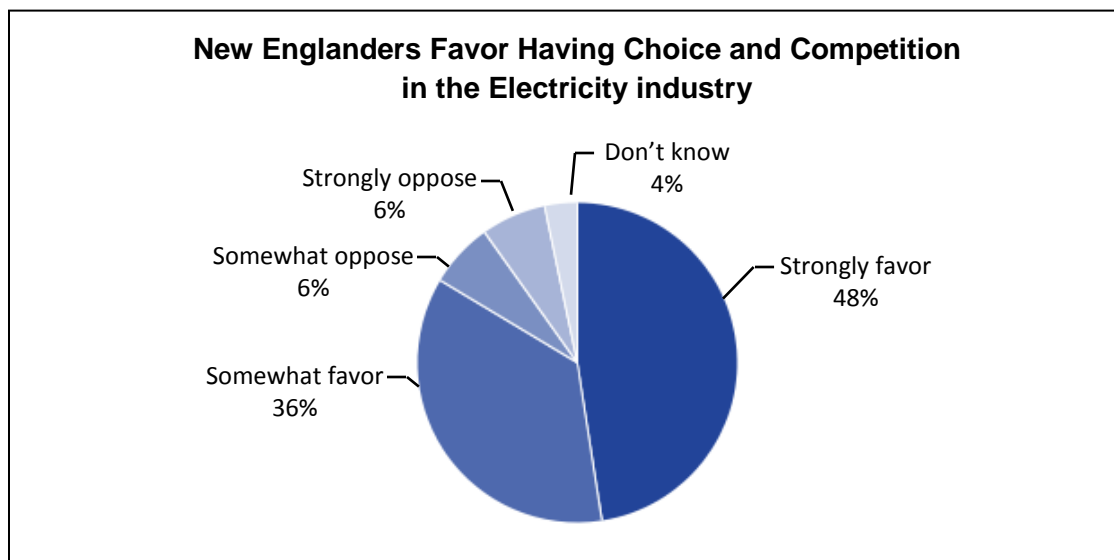
An annual survey conducted by Opinion Dynamics for the New England Energy Alliance found an overwhelmingly majority of New Englanders continue to support the competitive electricity market system put into place over a decade ago in the region. New Englanders also seem to favor government guidance over mandated government programs for solving energy challenges.

84% favor competition in the electricity industry

The New England states were among the first in the nation to restructure electricity markets beginning in the late 1990s. In short, most electric utilities were required to sell their generating plants and allow unregulated, privately-owned generation companies to compete in a deregulated wholesale marketplace. The utilities, now known as “local distribution companies” deliver electricity and remain state-regulated.

A key goal of restructuring was to provide consumers with “choice” – the option to purchase electricity from competitive suppliers. All the New England states, with the exception of Vermont, introduced competition into retail markets.

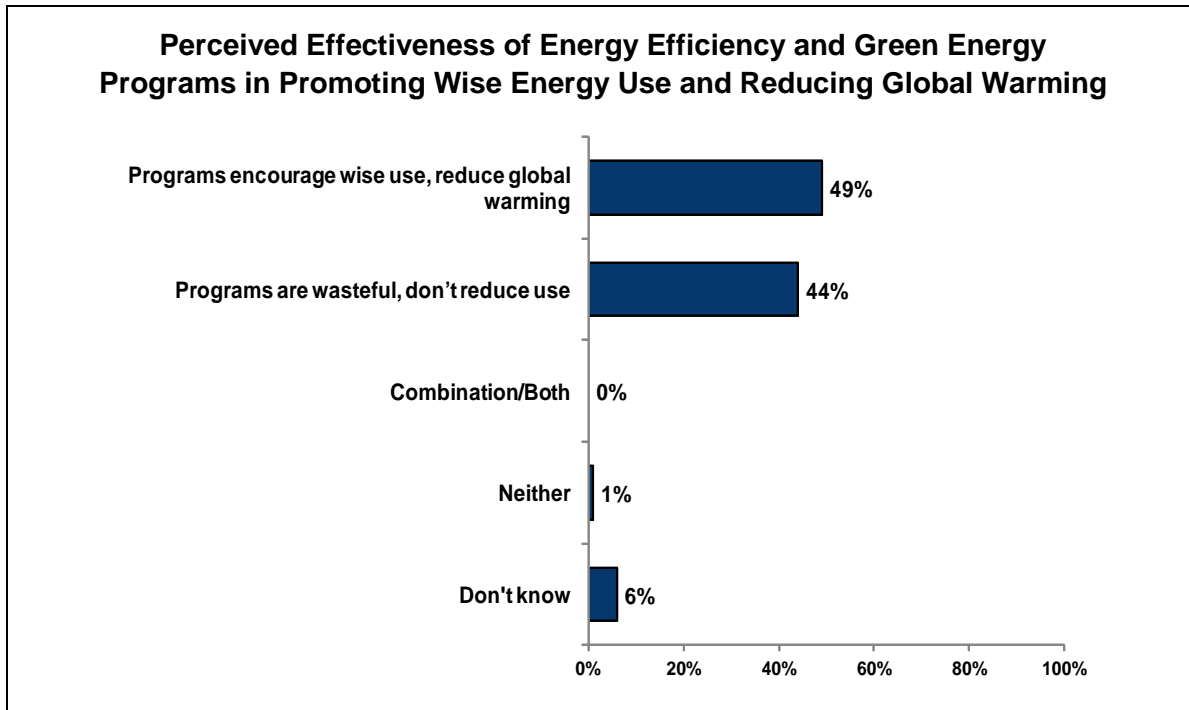
Since industry restructuring, 84% of New Englanders are at least somewhat in favor of having competition in the electricity industry, up seven percentage point since 2008. Almost half -- forty-eight percent (48%) -- *strongly favor* competition.



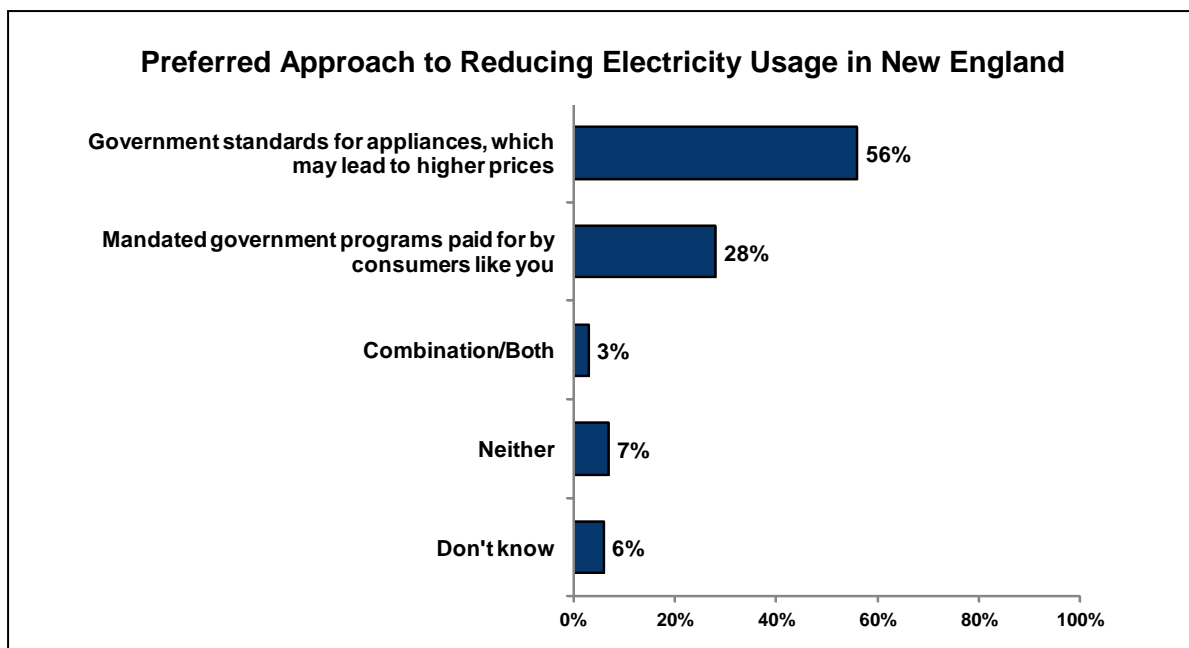


Perceived effectiveness of mandated energy efficiency and green energy programs is split

In New England, a surcharge is paid by all electricity customers to subsidize energy efficiency and green energy programs. As shown below, some people say these programs help encourage the wise use of electricity and reduce global warming, while others say these programs are wasteful and do not really reduce electricity usage or help global warming.



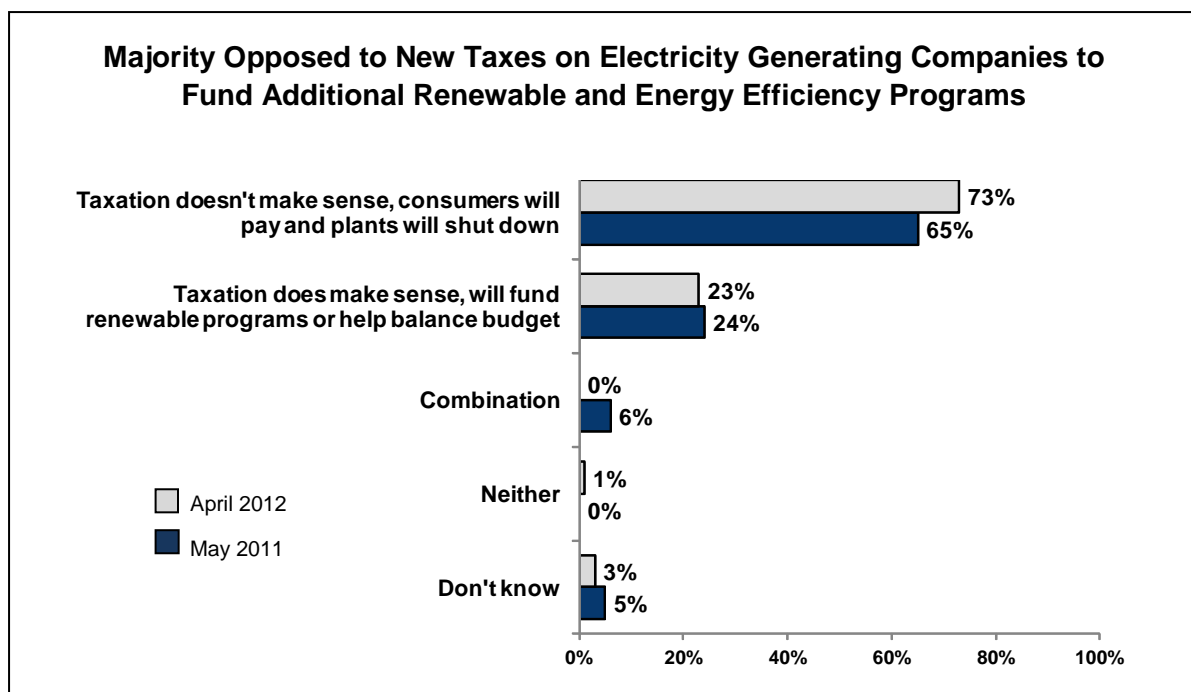
The survey also shows that a clear majority would prefer that the government impose higher energy efficiency standards for appliances (even if increased prices result) rather than mandate consumer-funded energy efficiency programs.





There also have been proposals in some New England states to impose a new tax totaling up to hundreds of millions of dollars each year on electricity generating companies. Some say that this taxation makes sense, since the revenue will be used to fund renewable and energy efficiency programs or help balance state budgets. Others say that this taxation doesn't make any sense because the companies will just find a way to pass the extra costs onto consumers or will shut down needed electricity plants.

Seventy-three percent (73%) are opposed to new taxes (an increase of 8 percentage points over last year), while twenty-three percent (23%) think taxation does make sense.



The annual telephone survey was performed by Opinion Dynamics Corp for the New England Energy Alliance in April 2012 and included 600 registered voters proportionately distributed throughout New England. The margin of error is +/-4%. The complete results on a variety of energy issues are available at www.newenglandenergyalliance.org.

The New England Energy Alliance is a coalition of energy companies and trade organizations that advocates for action to ensure the availability, reliability, and affordability of future energy supplies.