Survey Issue Brief: **7/08**

Global Warming Concerns and Ways to Limit Impacts

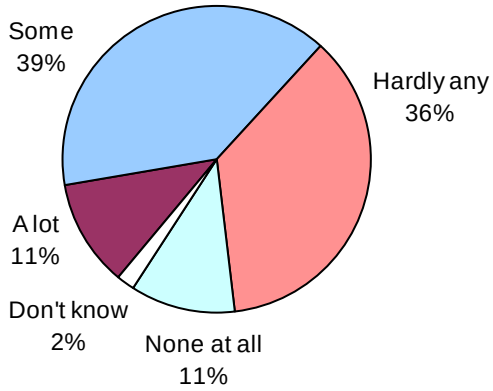
A recent survey on energy issues sponsored by the New England Energy Alliance found a compelling majority of New Englanders are concerned about global warming and have strong convictions about actions to limit its impacts. Global warming refers to atmospheric warming that can occur as a result of increased emissions of greenhouse gases that prevent heat from escaping.

New Englanders expressing high concern

Carbon dioxide (CO_2), a leading greenhouse gas emission, is generated when fossil fuels (coal, oil and natural gas) are burned for electricity generation, transportation, and manufacturing as well as to heat homes and businesses. According to the U.S. Department of Energy, the electric utility industry is the largest generator of CO_2 – about 35% of U.S. total (compared to 32% from transportation, 20% from industry and 12% from homes and businesses).

Seventy-seven percent of New Englanders surveyed (an increase of 5 percent points from a year ago) are concerned about the effects of global warming – compared to 68% nationally. Most in the region believe more can be done in the region to help limit emissions of CO_2 from electricity generating plants.

Perceived actions by energy companies, utilities and state governments to limit CO_2 emissions from electricity generating plants in New England



Despite concerns about the economy, consumers are willing to match their wallet with their convictions. Sixty-eight percent (compared to 60% nationally) stated a willingness to pay extra on their electric bills to support utility and government efforts to limit CO_2 emissions from electricity generating plants: 19% are willing to pay up to $1.00 extra per month; 29% between $1 and $10; and 13% between $10 and $20. In an era of increasingly high electricity costs (because of escalating fossil fuel prices), it is

unusual for consumers to be willing to pay more for such a commodity – a clear sign of their conviction regarding the seriousness of global warming.

Willingness to adopt lifestyle changes to limit impacts

The majority of those surveyed said they would be willing to adopt lifestyle changes to help limit the impact of global warming. A very substantial 77% expressed support for relatively easy actions such as using efficient light bulbs, adjusting thermostats to use less energy and installing smart meters to monitor electricity consumption in homes. Importantly, however, consumers appear much more reluctant to support tougher measures that limit their ability to choose and control their actions. For example, only about 1 out of 4 would be willing to pay an extra 10% on electricity-consuming appliances and only a little over a third would carpool every day or use public transportation to get to work.

Wind facilities are perceived best option to meet RGGI goals

Due to New England's increasing reliance on natural gas (lowest CO_2 emitting fossil fuel) and nuclear energy (emissions free) for electricity generation, the region has some of the lowest CO_2 emission rates in the country (according to the U.S. DOE, New England states rank from 36th to 50th). Over the last decade, CO_2 emission rates from electricity generation declined by 22% -- driven in part by the introduction of competitive markets that has improved the operating performance of generating plants.

The New England states signed a memorandum of understanding with three others in the Mid-Atlantic region to reduce greenhouse gas emissions from electricity generation called the Regional Greenhouse Gas Initiative (or RGGI). Beginning in 2009, emissions of CO_2 from electricity generating plants will be capped at current levels until 2015. The states will then begin reducing emissions incrementally over a 4-year period to achieve a 10% reduction by 2019.

To achieve this aggressive goal, one recent study sponsored by the Nuclear Energy Institute concluded that the region would either need to build a dozen large wind farms – each the size of the Cape Wind Project – or one large nuclear generating plant. Interestingly, more than 60% of New Englanders surveyed would prefer the construction of a dozen large wind farms.

Clearly, important decisions and compelling actions lie ahead if the RGGI goals are to be met. A facility the size of Cape Wind has yet to be built in the region and no new nuclear plant has come on-line since Seabrook in 1989. Moreover, compliance with the RGGI goals might increase the cost of electricity beyond the levels that consumers are willing to pay to reduce greenhouse gas emissions.

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New England Energy Alliance

The annual telephone survey was performed by Opinion Dynamics for the New England Energy Alliance in April 2008 and included 600 registered voters proportionately distributed throughout New England. The margin of error is +/-4%. The complete results are available at www.newenglandenergyalliance.org. For more information contact:

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The New England Energy Alliance is a coalition of energy providers and business and trade organizations concerned about future energy supplies.