

Survey Finds New Englanders Increasingly Viewing Energy Policies through a Prism of Cost

Survey results released last week by the New England Energy Alliance identify broad trends in public attitudes and underlying convictions that can help shape regional energy policies. The survey revealed four major findings:

Pocketbook concerns heavily influence consumer perception of energy policies

More so than in previous years, New Englanders are weighing the benefits of energy policies against costs on a range of issues:

Climate Change: A majority (52%) now say they would not be willing to pay anything more on their electric bill (beyond the approximately \$5 they already pay to fund efficiency programs and environmental programs such as RGGI, RPS) to help limit the effects of climate change. This is a reaffirmation of a dramatic shift - first witnessed last year in the 2013 survey - away from a willingness to pay extra to mitigate the effects of carbon emissions on the environment, even though 70% of New Englanders are still concerned about climate change.

Renewables: A slim majority (51%) said that they would "strongly" or "somewhat" agree to purchase renewable electricity to protect the environment -even if they had to pay an extra \$30 per month on their electric bill. This may have more to do with the greater acceptance and support of "renewable technologies" rather than a real desire to take on extra cost for the concept of "climate change."

Energy Efficiency: Respondents are almost evenly split as to whether subsidized energy efficiency programs encourage wise energy use and help mitigate climate change (44%) or are not cost-effective and do little to reduce electricity usage or help mitigate climate change (42%). Last year's response to this question was a bit of an anomaly when only 35% were supportive of energy efficiency programs. This year's results are more in line with those from 2012 - the first year this question was asked - when 49% were supportive of energy efficiency programs.

Based on the above results, it is not surprising that a majority (53%) think New England should do more to ensure affordable energy supplies and be less concerned with national environmental leadership. The opposite view-that New

The Alliance's annual survey revealed four major findings:

- Pocketbook concerns heavily influence consumer perception of energy policies
- With limited information, New Englanders are drawing their own conclusions on energy issues
- New Englanders desire more government leadership on energy infrastructure and issues
- National debate is framing some energy issues

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- Climate Change
- Energy Efficiency
- Renewables
- Fracking
- Infrastructure

England should continue to be a national environmental leader (even if it means higher energy prices) is supported by 41% of the sample. Again, these results are another indication of the preoccupation with cost - particularly as it "trades-off" against environmental concerns.

With limited information, New Englanders are drawing their own conclusions

New Englanders have mixed views on energy resources and are uncertain about solutions to increase electric supplies and reduce prices. A contributing factor appears to be limited public information and debate on energy issues leaving New Englanders to formulate their conclusions in a vacuum.

For example, New Englanders are mixed on the best way to deal with the region's over-reliance on limited natural gas supplies - which signifies a level of uncertainty. While a plurality (40%) support the building of a major new natural gas pipeline to help solve the region's over-reliance on limited natural gas supplies, over a quarter (28%) instead prefer reducing the use of natural gas through increased fees on consumer electric bills and expanded conservation measures. Moreover, about one in five (20%) support the idea of greater use of existing LNG import facilities to increase supplies of natural gas to New England.

On the broader policy front, 47% of the sample prefers that more renewable resources be developed in the region over the building of a major transmission line from Canada (33%) to import renewable hydropower - even if it means more expensive electricity and the construction of more transmission lines within New England.

New Englanders also appear to be more apprehensive about all resource options, which was also apparent last year. It's also possible that this apprehension was influenced by the industry's much publicized and (in some quarters) criticized announcement to increase winter electric rates around the time the survey was conducted.

Among a range of energy options facing New England, the survey found decreased favorability for all the options since last year: renewing nuclear plant licenses (-6%); clean coal plants (-10%); wind farms (-8%); and LNG terminals (-2%, although within the margin of error).

However, despite these reductions in favorability, there is still solid support for most of the options: renewed nuclear licenses (51%), LNG terminals (62%), wind farms (65%). Only new technology coal plants fail to garner majority support (34%) - the lowest level of favorability since the survey was initiated in 2007.

In new questioning this year, support for building new natural gas plants stands at 63%-with a total of 32% opposed. This question was asked in 2007 and 2008 with similar results (63% support in 2007 and 55% in 2008).

Also, in new questioning, 50% think nuclear power plants

should not be considered "clean energy" facilities -while 46% do think the term applies to nuclear power plants because they do not release any fossil-fuel emissions into the atmosphere. This difference is within the margin of error.

New Englanders desire more government leadership on energy issues

On the political front, the survey found that a majority of respondents (54%) felt their state's candidates for governor this past November did not discuss energy issues enough during the campaign. Moreover, fully 57% rate their current governors as either "only fair" or "poor" on assuring an adequate supply of electricity for their state.

In contrast, in 2008, a similar question was asked - and 69% of New Englanders said their Governor was not dealing with energy-related issues enough. It's likely that this perception is not driven by a lack of action by Governors within the region, but as previously noted, by a lack of public information and debate on policy.

New Englanders still see a lead role for public regulatory agencies in ensuring an adequate supply of electricity to the region even though the industry was deregulated. For example, a slight majority (51%) think adequate electric supplies should be the responsibility of state regulatory agencies-with financial risk spread across all consumers. The alternative view-that the competitive marketplace should be responsible, with financial risk borne by private investors not consumers even if supplies and costs may fluctuate at times during heat waves or cold spells - was supported by only 41% of the sample.

National debate is framing some energy issues

While there is limited public debate on regional energy issues impacting New England, national debate (through media or political coverage) seems to be framing some energy issues - particularly related to fracking and climate change.

Fracking, the process of injecting water and sand and chemicals under high pressure into deep rock and allowing recovery of natural gas, has produced new affordable supplies. A solid majority of New Englanders, 55%, oppose the use of fracking to produce some or all natural gas supplied to New England, up from 50% in 2013 - even though abundant, low-cost supplies are important to the region's economy. As fracking is not used in New England, this is a clear indication that New Englanders are influenced by media coverage and national public debate about fracking that is oftentimes controversial.

Also, while there is still strong overall concern over climate change here in New England, the intensity of that concern has lessened. Today, seven in ten residents (70%) continue to say they are "very" or "somewhat" concerned with the effects of climate change, which has been fairly consistent since 2007 - but strong concern is down a full seven points over April of

2013 (36% down from 43%) and down 13 points since President Obama took office. This decrease in concern may be due to more recent criticism of climate change science as well as colder weather patterns that may have increased public skepticism. This is leading to a reduced willingness to pay more to mitigate the effects of climate change discussed previously and ties into "pocketbook" concerns that are influencing consumer's perspectives on key public policy energy options.

About the Survey

The telephone survey, conducted annually since 2007, consisted of five-hundred land-line and cellphone interviews conducted by Opinion Dynamics between October 21 and November 2, with consumers arrayed proportionately among the six New England states. The margin of error is $\pm 4.4\%$.

About the New England Energy Alliance, Inc.

The New England Energy Alliance is a coalition of energy companies advocating to ensure the availability, reliability and affordability of future energy supplies which are vital to the region's economic growth and prosperity. Formed in 2005, the Alliance works to balance public debate about solutions to New England's energy infrastructure by providing information on the region's energy needs and the resources, technologies and policies needed to meet those needs.

Please visit www.newenglandenergyalliance.org for more information on the Alliance.