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Consumers continue to care about the Earth

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PORTLAND, Ore. – Good news for Earth Day. Rumors of the demise of conservation and renewable energy are greatly exaggerated. In fact, consumers' appetite for clean, efficient energy may be keener than ever. Consumers say they would be willing to pay more to ensure that their utilities invest in "green" resources.

Those are conclusions drawn from 18 surveys and focus groups conducted here in the region and elsewhere between 1990 and 1998. They are contained in a report entitled, "Renewable Resources and Conservation: What Consumers Want," by Gene Ferguson, a BPA conservation specialist with the Bonneville Power Administration who did the research. Find the report at BPA's website www.bpa.gov/Energy/N/.

"We did a general review of work done on the national level to determine if the Northwest findings are consistent with national trends," Ferguson said. "We were curious about factors affecting consumer choice of energy suppliers and their willingness to pay for certain resources."

BPA is interested because it is in the process of designing with its customers a new wholesale rate discount program for investments in conservation and renewable resources. Also, state legislatures are considering whether and how to support continued investment in these resources. What are the implications for these issues, assuming customer choice and the fact that new energy resources must compete for market share? Ferguson aimed to find out. In the attached story are some of his conclusions.

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Article:
Consumers want clean energy
650 words

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Utility executives won't be surprised that consumers profess a willingness to pay more for environmentally friendly energy. But how much more? Orcas Power and Light reports that a majority of its customers a willingness to pay 50 percent more for such power. That high degree of enthusiasm may not be matched elsewhere, but it reflects an attitude prevails in smaller communities.

The Conservation and Renewable Energy Systems (CARES) group surveyed customers served by its members in Benton, Clallum, Franklin, Grays Harbor, Klickitat, Pacific and Skamania counties. In these rural areas, 88 percent of customers said they supported renewables. Asked how much they would be willing to pay, 24 percent said they would pay \$5 more every two months; 23 percent said \$7; and 2 percent said \$10.

When asked what kinds of resources they're suppliers should acquire, consumers were clearly in favor of those that added no insult to the environment. Sixty-one percent of customers of Western Montana G&T agreed that new resources to serve them should have a positive or neutral effect on the environment and 78 percent expressed similar sentiments in Salem Electric's territory.

But how should the higher costs of environmentally friendly resources be borne? Ferguson said when consumers have been asked this question directly they have a strong inclination to have the costs spread throughout the rate base, rather than having a charge tagged onto their individual utility bill.

"It may be that people intuitively understand that everyone benefits from cleaner resources, and to the extent this costs more, everyone should pay," he said. "They also seem to be thinking that they can't do enough by themselves to make a difference -- that it has to involve many people."

When promoting conservation and renewables, it's important to define audiences and tailor messages to them, studies indicate. A study conducted for Montana's Center for Energy Efficiency and Renewable Technologies found that 70 percent of women were willing to pay 10 percent for efficient alternatives, while 62 percent of males were so inclined. Age made an even greater difference: 80 percent of the 20 somethings but only 55 percent of those over 65.

Combine that intelligence with the fact that women are increasingly the ones making basic purchasing decisions for the family, and you begin to formulate a more effective marketing strategy, Ferguson said.

He said the studies signal evolving consumer attitudes toward energy and the need for methodical, ongoing research.

"Clearly it would be a mistake to ignore what seems to be a significant preference that we give clean, efficient energy an environmental premium when we add new resources to the region's inventory," Ferguson said.

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