

Results of the 2008 EPRG Survey of UK Households on Electricity and Environment

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Outline of the Presentation

- I. Survey Description
- II. Energy Policy Priorities for Households
- III. Household Satisfaction with Current Service Levels and Energy Conservation Behaviour
- IV. Switching of Electricity Suppliers
- V. Willingness to Pay – Electricity Generated from Renewables



I. SURVEY DESCRIPTION

Survey Summary

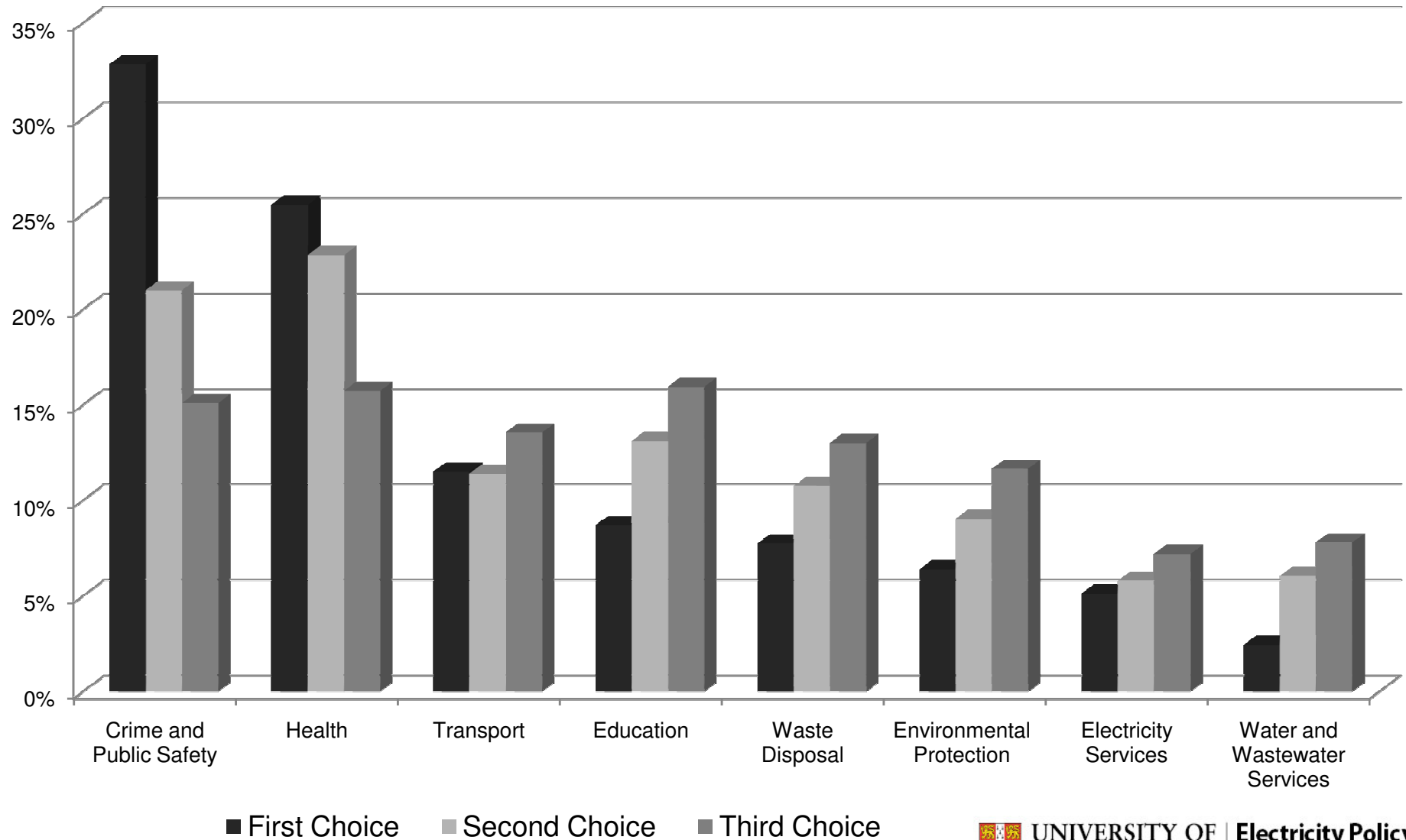
- Online survey of 2000 households in England, Scotland and Wales
- Areas of focus include:
 - Household views on current electricity and water services
 - Types of energy efficiency measures adopted by households
 - Household willingness to pay for
 - Electricity generated from renewable energy sources
 - Avoidance of blackouts
 - Avoidance of water supply disruptions

Representativeness of Sample

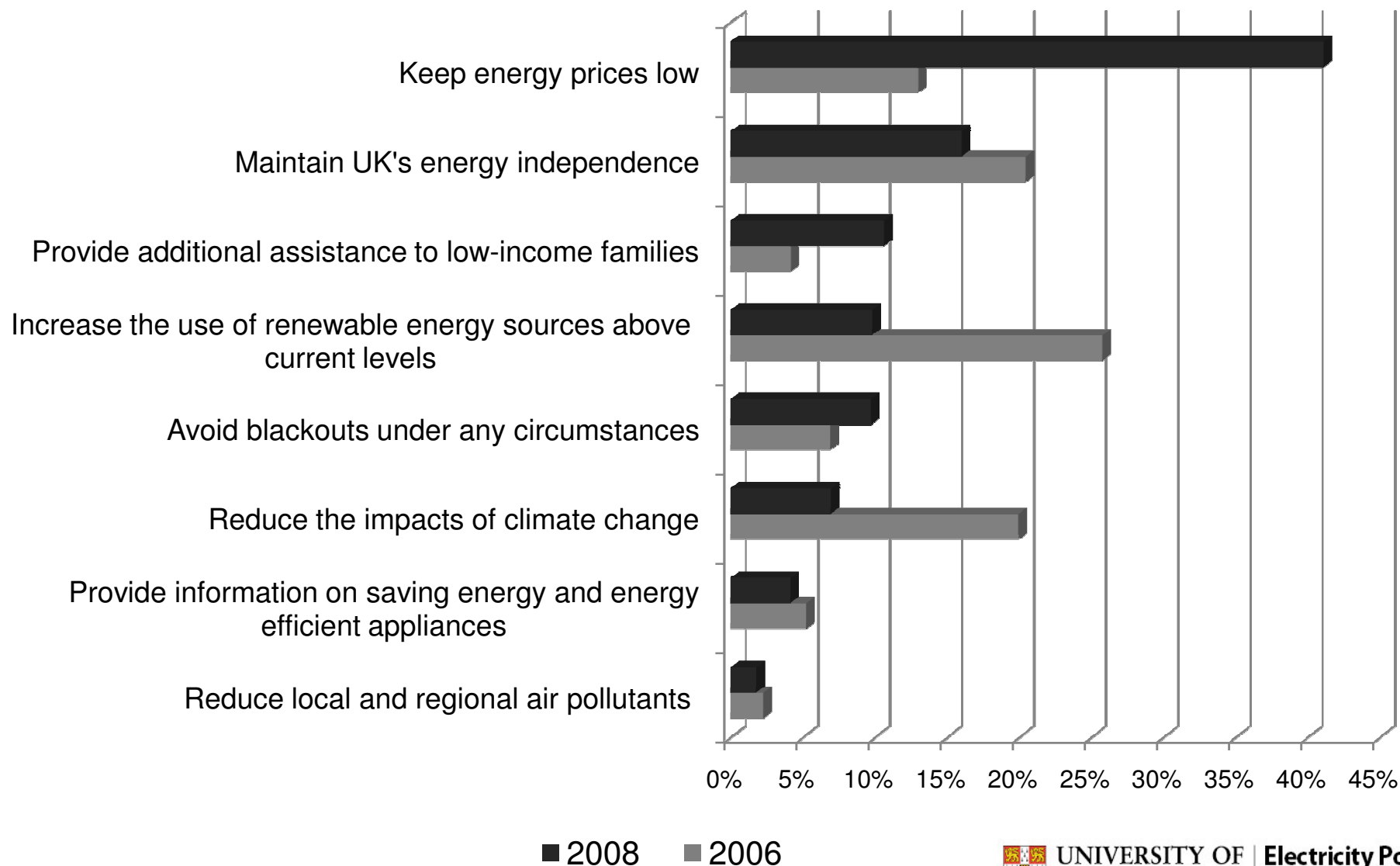
		Survey Sample	UK Statistical Office Projections (2006)
Gender	Male	50%	49%
	Female	50%	51%
Age	15-25	9%	13%
	25-34	16%	13%
	35-44	24%	15%
	45-59	25%	19%
	Over 60	28%	21%
Region	North East England	4%	4%
	North West England	12%	11%
	Yorkshire and Humber	9%	8%
	East Midlands	7%	7%
	West Midlands	9%	9%
	East England	9%	9%
	London	13%	12%
	South East England	14%	14%
	South West England	9%	8%
	Scotland	9%	8%
	Wales	5%	5%

II. ENERGY POLICY PRIORITIES FOR HOUSEHOLDS

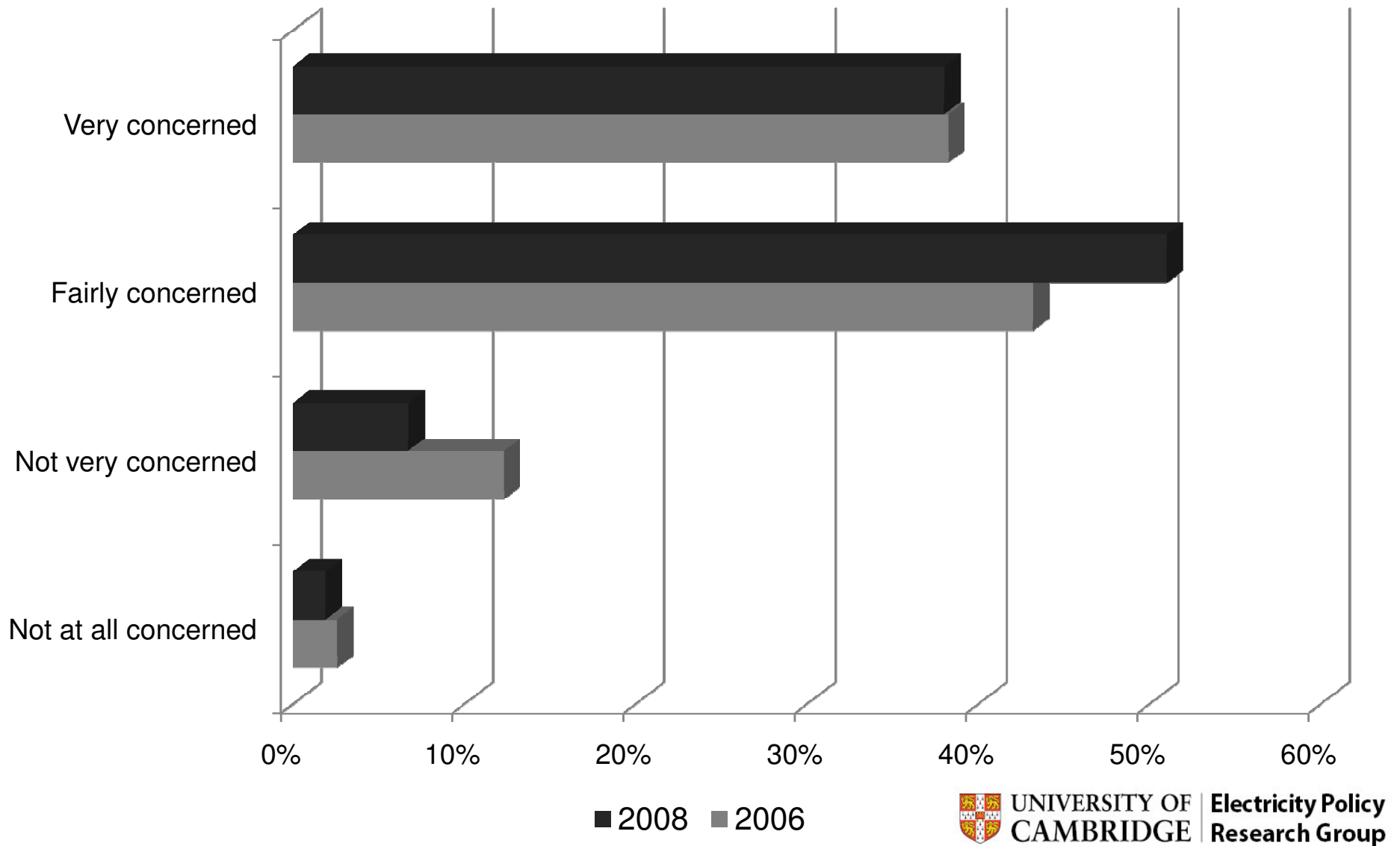
Top 3 Choices of Respondents on areas most in need of urgent attention and improvement in the UK



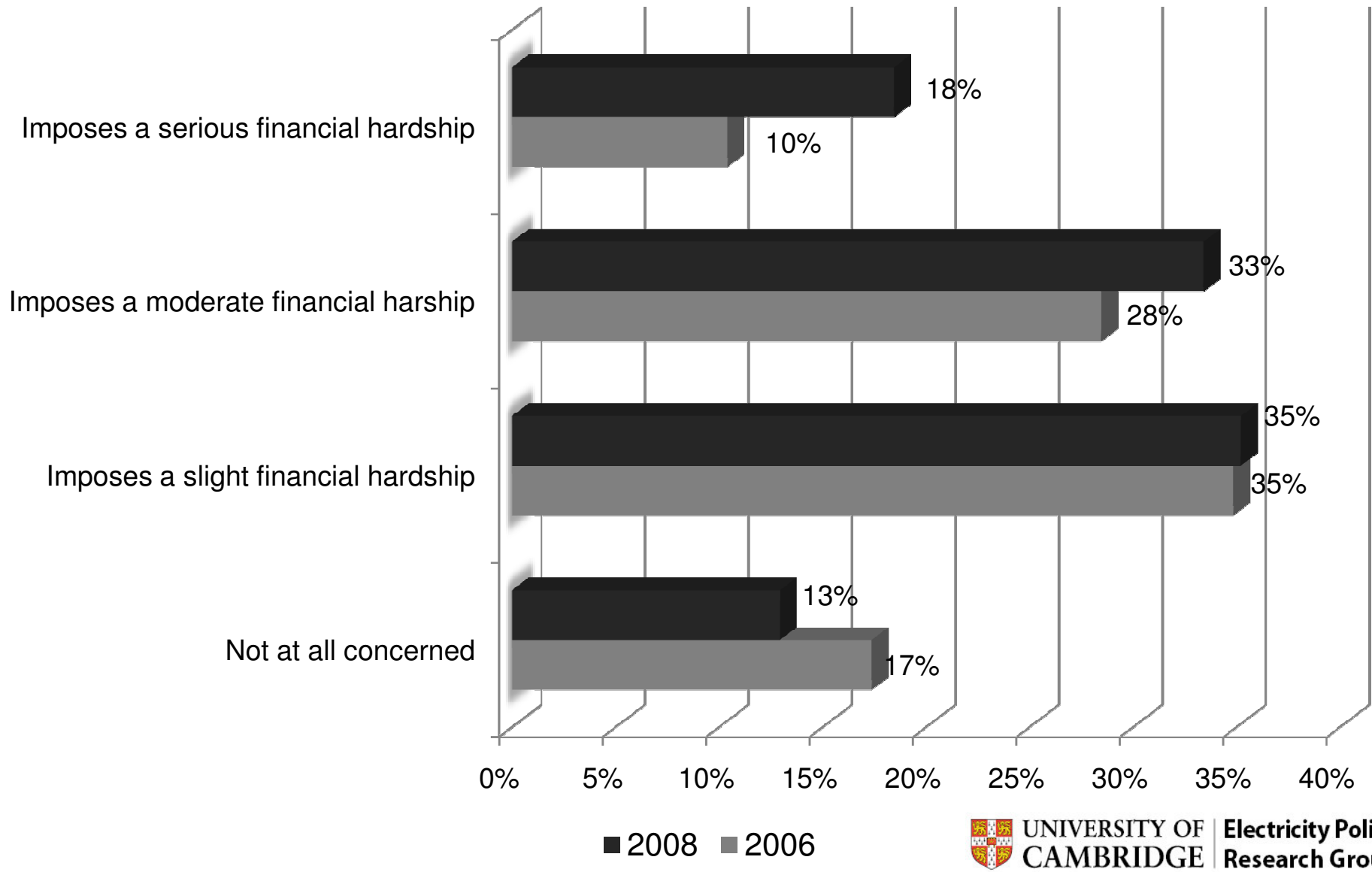
National Energy Policy Priorities



How concerned are you that UK is becoming increasingly dependent on foreign sources of energy?

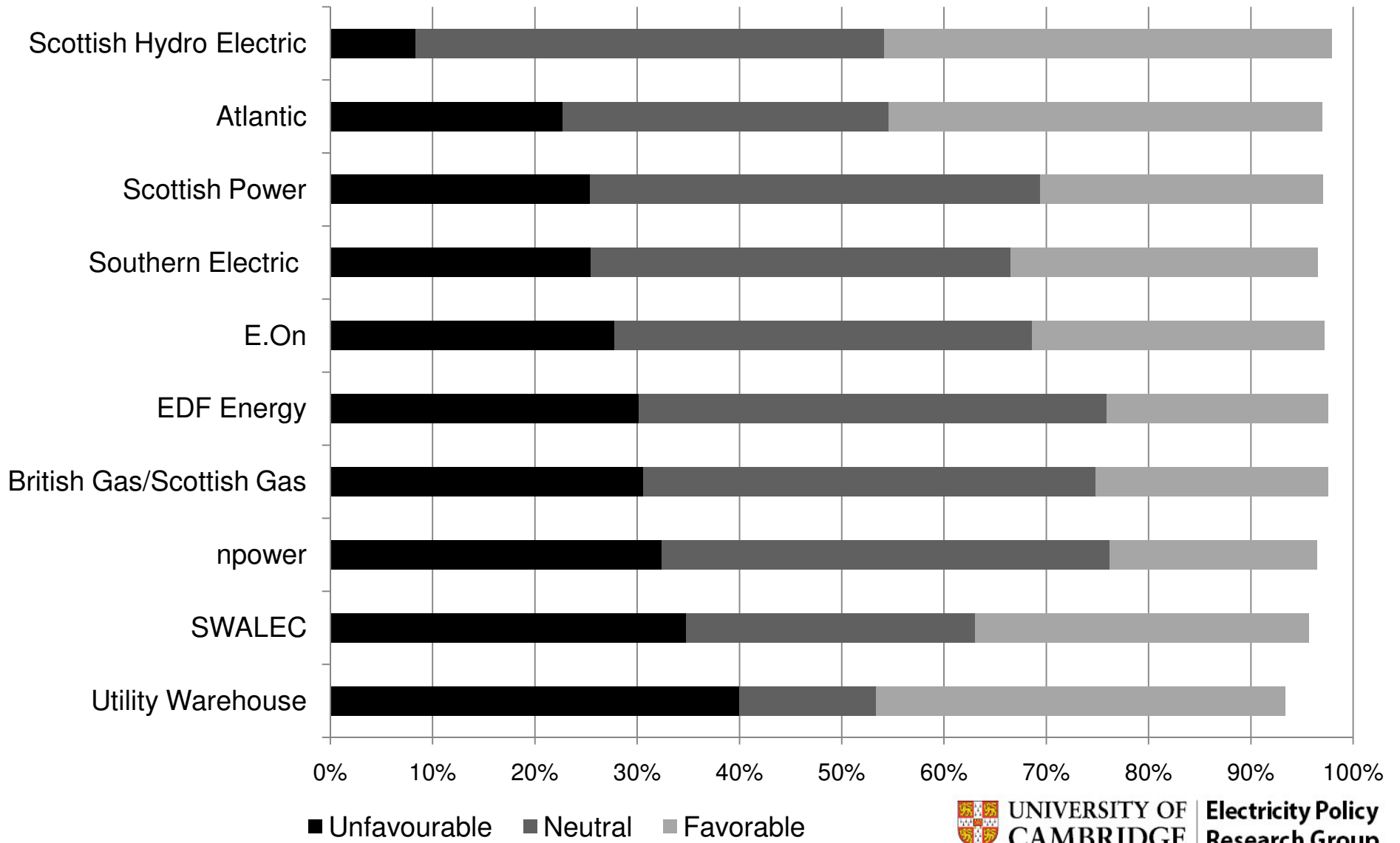


To what extent are energy prices affecting your overall financial situation?

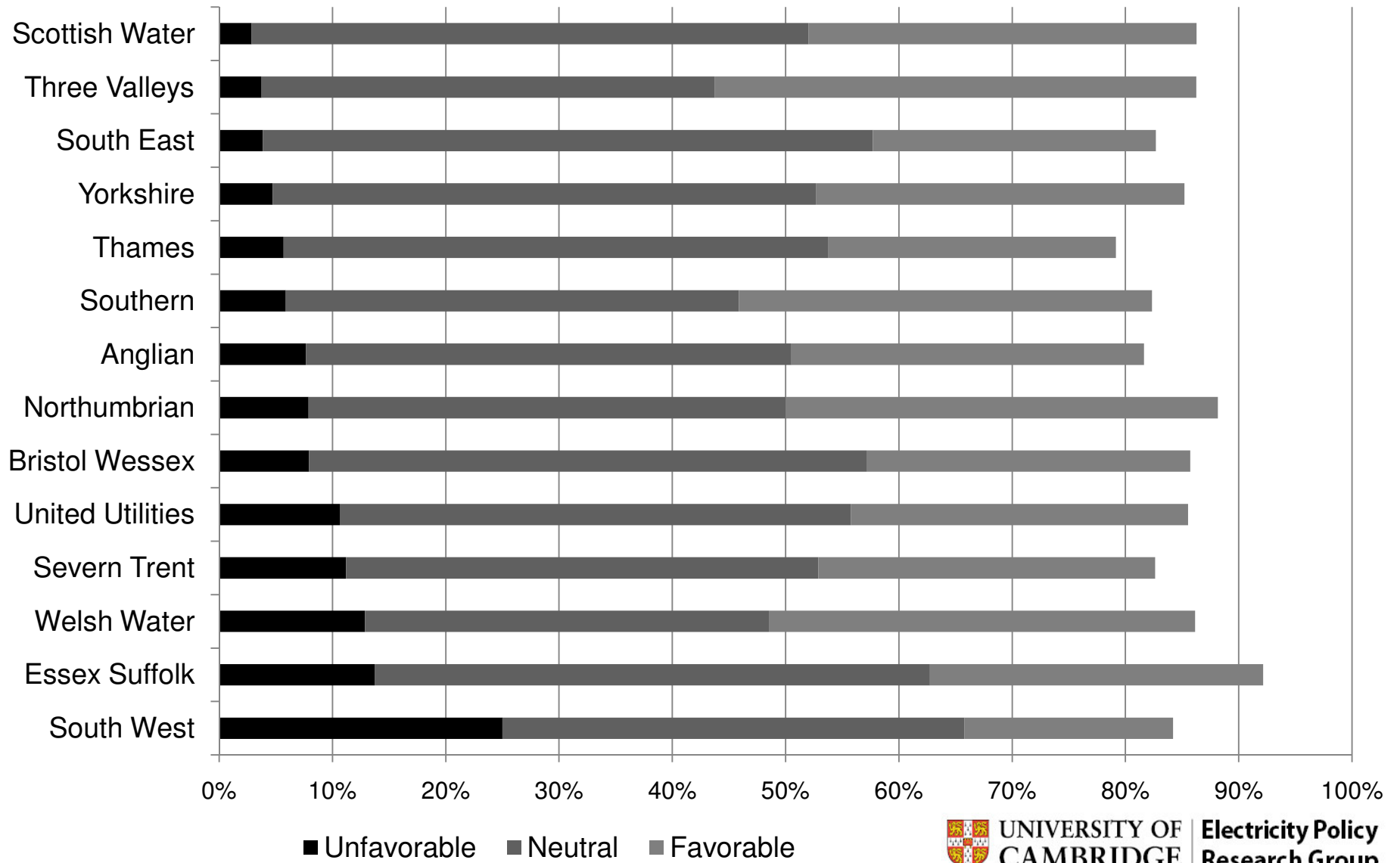


III. Household Satisfaction with Current Service Levels and Energy Conservation Behaviour

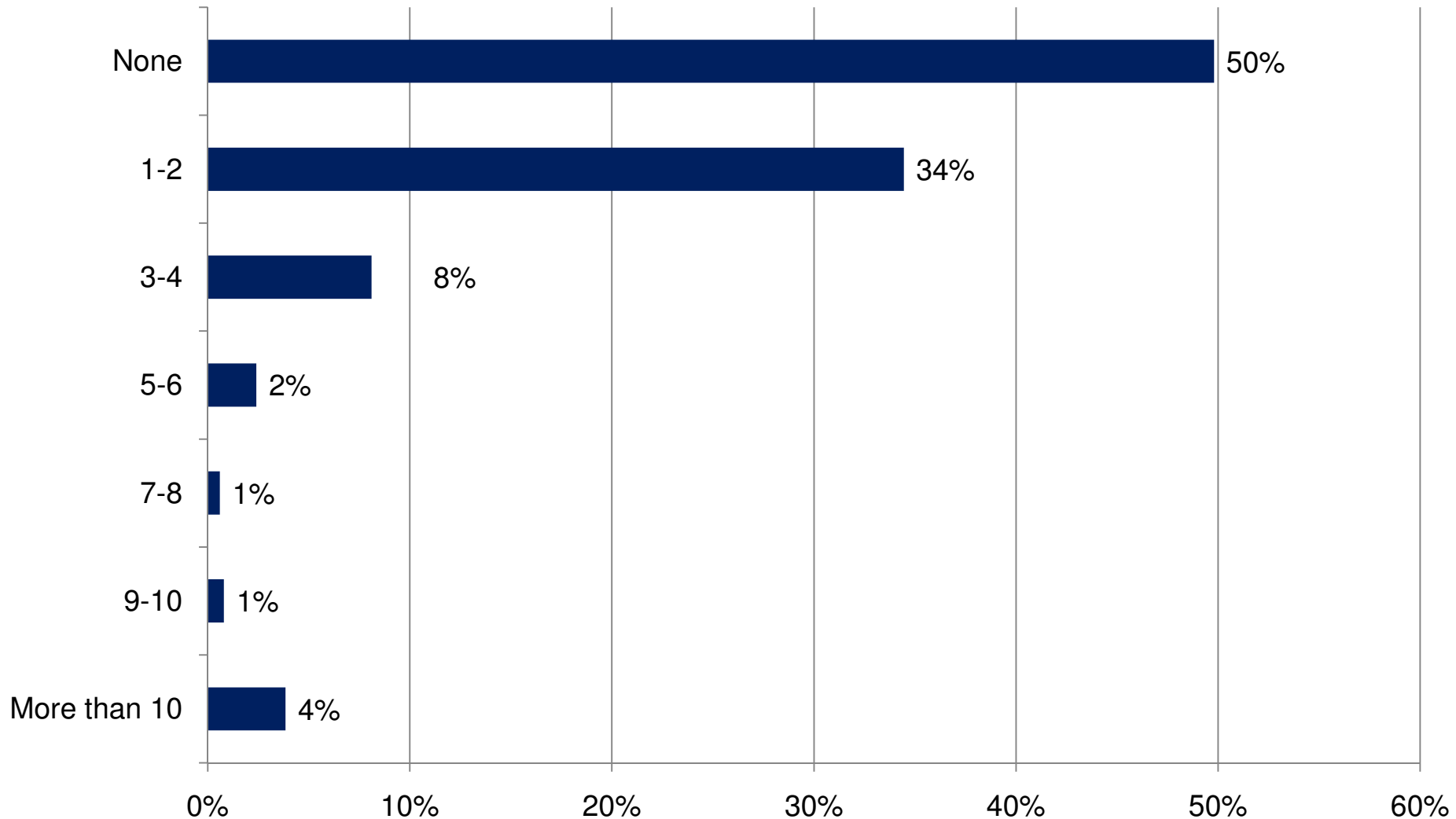
Household Rating of Electricity Suppliers on Maintaining Reasonable Prices



Household Rating of Water Suppliers on Maintaining Reasonable Prices



Number of Blackouts experienced in the past year



Household Adoption of Energy Efficiency Measures

- 91% of sample said that they were deliberately taking action to reduce their use of energy
- Most popular measures were
 - Turn off lights when leaving the room/house (92%)
 - Fit energy-efficient light bulbs (85%)
 - Turned down the thermostat (70%)
 - Drive less than usual (50%)
 - Insulated home (46%)
 - Purchase energy efficient appliances (41%)
- Nearly the same list of popular measures as in 2006 but more respondents reported to be driving less than usual (50% now compared to 39% in 2006)

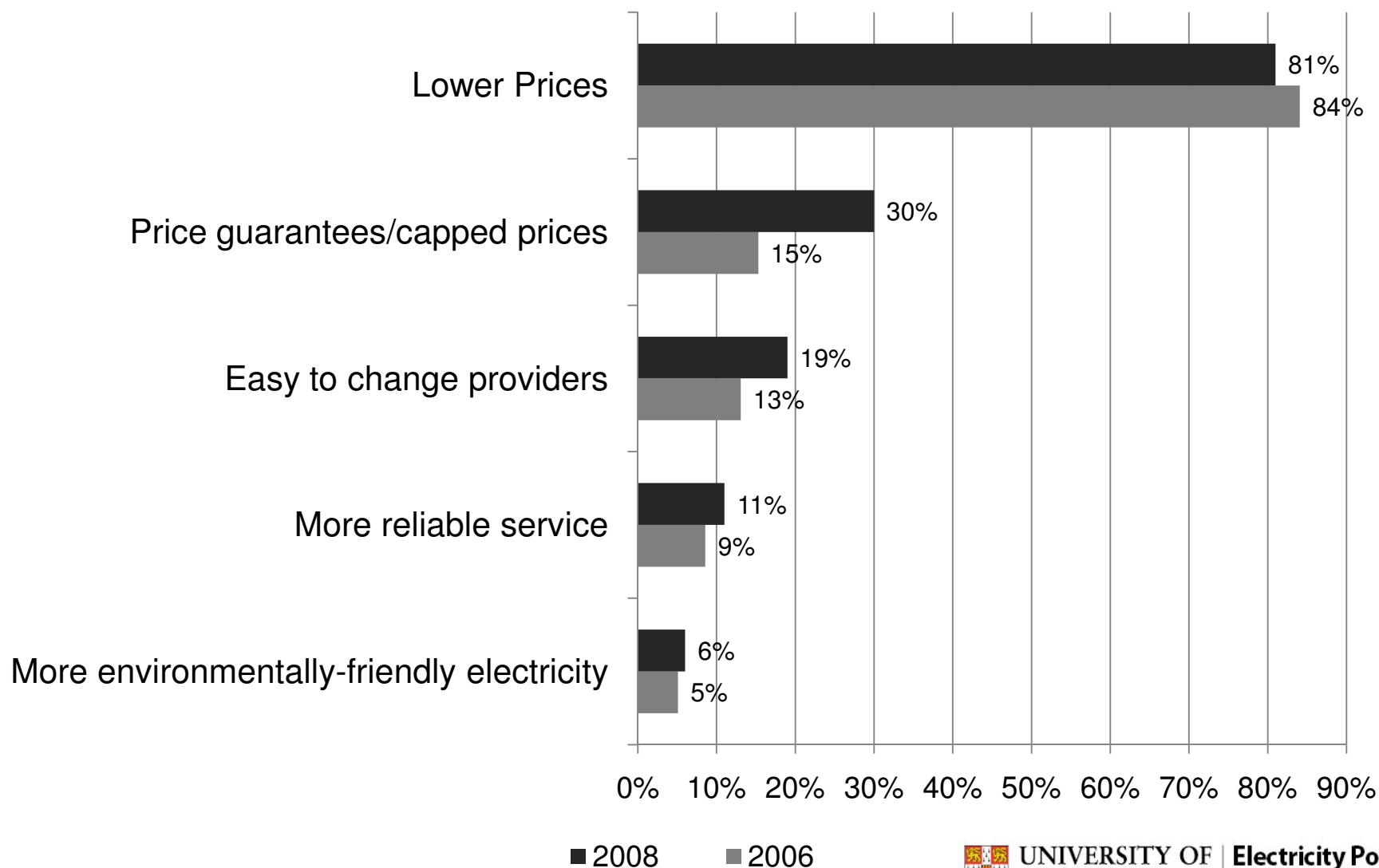


IV. SWITCHING OF ELECTRICITY SUPPLIERS

Switching Suppliers

- 52% of respondents have changed their gas or electricity provider in the past 5 years without moving home
- Main reasons for switching included
 - Lower prices
 - Price guarantees/caps
 - Easy to change gas/electricity providers
 - More reliable service

Reasons for Switching Suppliers



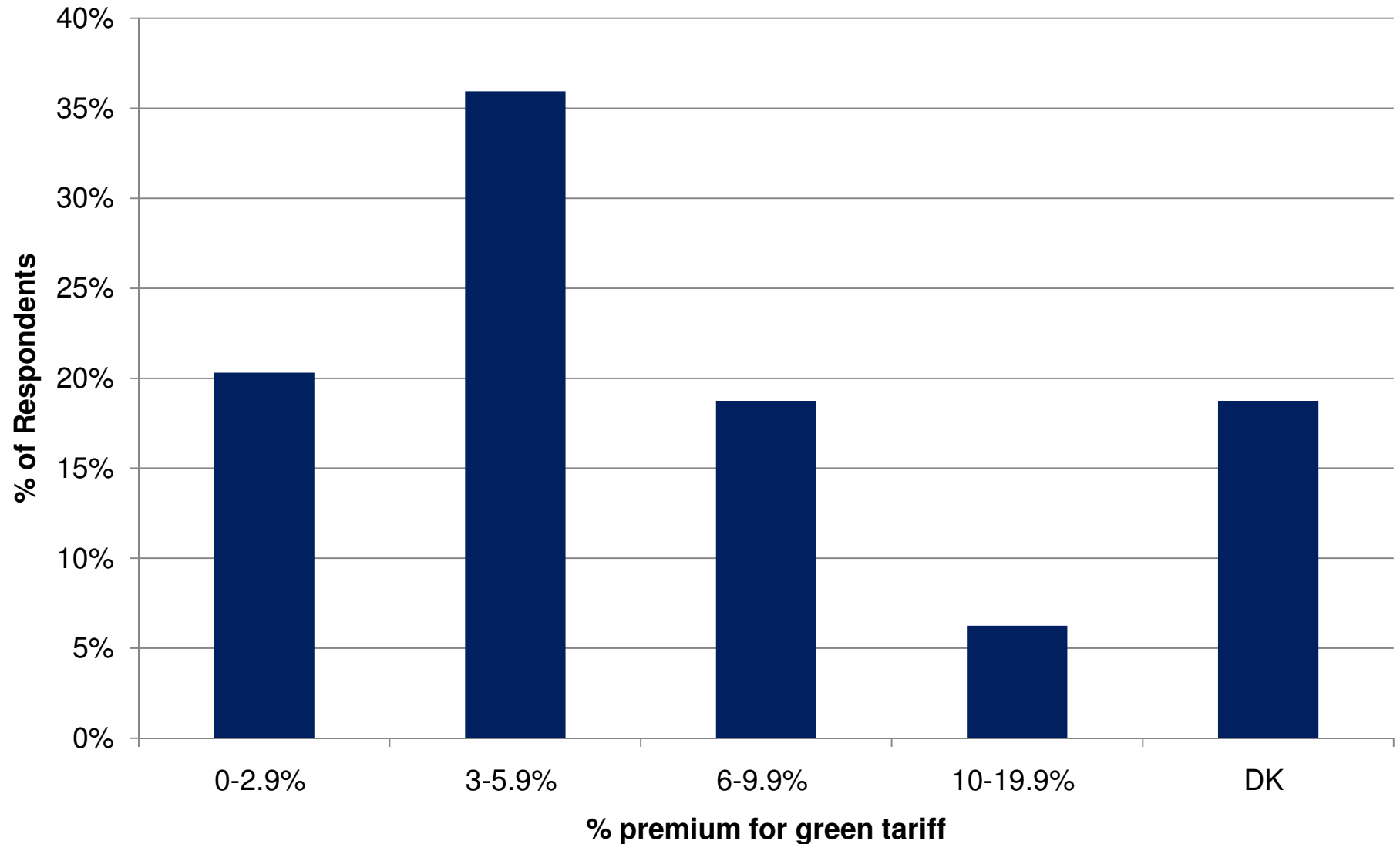
V. WILLINGNESS TO PAY – ELECTRICITY GENERATED FROM RENEWABLES

Mandatory vs. Voluntary Payment

If renewable energy is to be supported, the extra money needed to increase the supply of renewable energy could be collected in a number of ways. Of the two possible approaches listed below, which one would you most prefer?

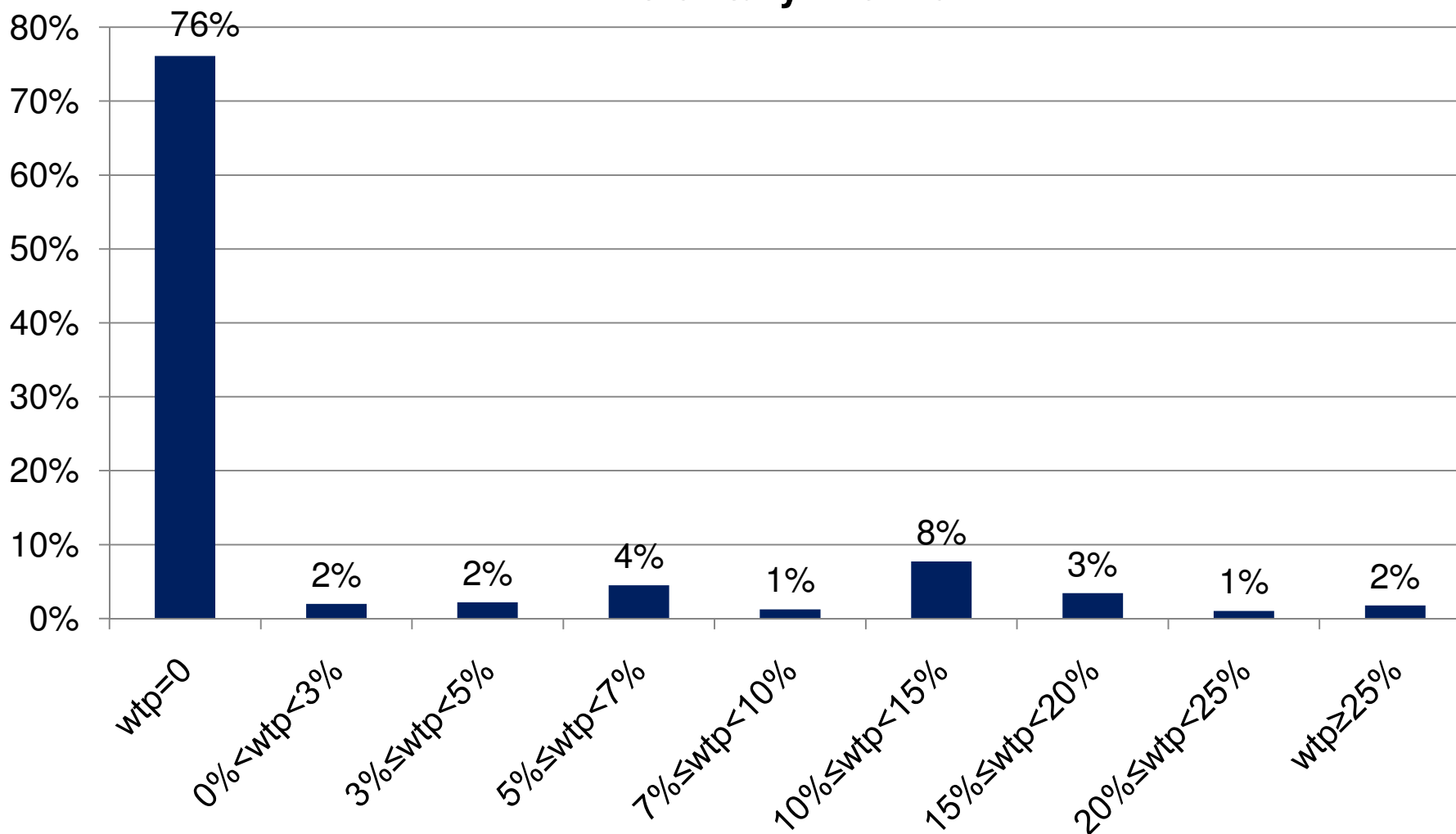
- 1- The extra money should be raised through a mandatory surcharge on the electricity bills of all homes and businesses in the UK (43% of respondents chose this option)
- 2- The extra money should be raised through a voluntary surcharge on the electricity bills of only those homes and businesses in the UK that volunteer to support renewable energy (57% of respondents chose this option)

Distribution of those already paying a Green Tariff



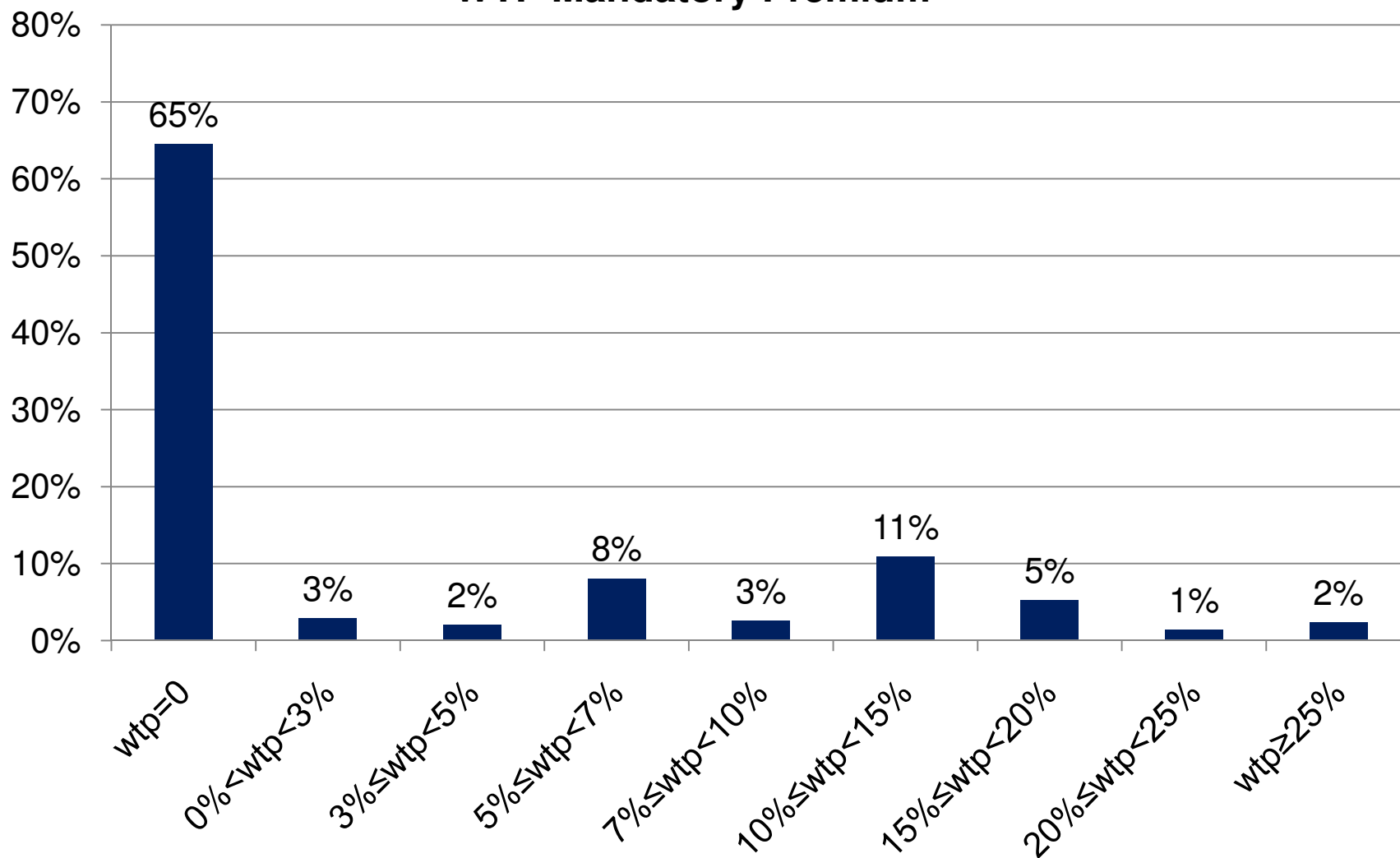
WTP Extra Premium per Month with at Least 50% Certainty

WTP Voluntary Premium



WTP Extra Premium per Month with at Least 50% Certainty

WTP Mandatory Premium



Reasons for Willingness to Pay

- Benefits future generations (55%)
- Helps reduce climate change (52%)
- Increases energy security (45%)
- Will need these alternatives for future energy needs (44%)

Reasons for Unwillingness to Pay

- Household can not afford to pay more than it currently does (73%)
- Fuel prices already increased significantly in the past few years (60%)
- Electricity companies should subsidize renewable energy through their profits (5%)
 - “Big energy companies should fund any r & d themselves from their huge profits”
 - “Energy companies already make a lot of profit and have done for many many years. Surely these companies have a responsibility to invest into their future to provide cleaner greener energy to their customers at an affordable rates.”
- Payment for renewables should be mandatory (1%)
 - “I support renewable energy policies but they should be applied uniformly to all users and the only way to achieve that is through compulsion”

Future Research

- Analyse socio-economic, attitudinal and behavioural characteristics of those willing to pay a premium for electricity and water service attributes
- Analyse Willingness to Pay for avoidance of blackouts and water service disruptions
- Examine information effects