

Sonoma County Water Agency

Community Choice Aggregation

Market Survey

Gauging Public Interest in a Sonoma Clean Power Program

*Addendum to Residential Telephone Survey Analysis of 2-28-12
Residential Users Focus Group of March 16, 2012*

Summary Addendum 3-21-12

Prepared for

The Sonoma County Board of Supervisors

by



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Purpose

This focus group session was commissioned as a direct follow-up to the automated telephonic survey regarding the Sonoma Clean Power program, conducted on Tuesday, February 7, 2012. The objective of the initial telephone survey was to better understand the level of public support among residents of Sonoma County for the formation of a Community Choice Aggregation (CCA) program, which would create a locally controlled electricity portfolio in Sonoma County. The specific area of interest for the focus group was to better understand residential ratepayers' cost sensitivity and willingness to participate in the Sonoma Clean Power program based on potential monthly cost increases as a result of program implementation. In particular, **"How much more would you be willing to pay?"**

Methodology

All of the individuals selected for the focus group had participated in the February 7, 2012 telephone survey mentioned above. During the survey, when they were asked the question, **"How much more are you willing to pay for clean power?"** each of these participants had responded: **"Not willing to pay much more."** (See below)

Question Eight: How much more are you willing to pay for clean power?						
	<u>Dist. 1</u>	<u>Dist. 2</u>	<u>Dist. 3</u>	<u>Dist. 4</u>	<u>Dist. 5</u>	<u>County wide</u>
Willing to pay a lot more	4%	5%	5%	4%	5%	5%
Willing to pay a little more	31%	32%	30%	31%	36%	32%
Not willing to pay much more	41%	42%	44%	41%	39%	41%
Not willing to pay anymore at all	20%	18%	18%	20%	16%	18%
No opinion	4%	3%	3%	4%	4%	4%
	100%	100%	100%	100%	100%	100%

(Page 10, Community Choice Aggregation Market Survey – *Gauging Public Interest in a Sonoma Clean Power Program, Summary Analysis 2-28-12*)

Participants were randomly selected from this very specific sub-group of the prior telephone survey representing all 5 supervisorial districts. The random selection of participants did not necessarily represent a range of socio-economic groups as they were only selected by virtue of how they had answered the above question. They were contacted by telephone, invited and assured a stipend for participation in the focus group session.

The focus group was conducted for the sole purpose of ascertaining how much more these participants were willing to pay in the event of potential monthly cost increases and to gain an understanding of their reasons why, which was not functionally possible with the automated phone survey process used prior.

Summary

The focus group was conducted on Friday, March 16, 2012 at the Fountaingrove Inn between the hours of 6 p.m. and 7:00 p.m. Fifteen of 16 who were recruited attended and participated in the focus group session. The participants ranged from 46 to 77 years of age.

Once the focus group attendees were assembled, the participants were told how and why they were selected based on their participation in the prior telephone survey. They were asked about their familiarity with the county's effort to consider a CCA program from what they had read in newspaper reports and other media. Based on the comments made, participants appeared to be familiar with the county's efforts to consider a CCA program and some also expressed familiarity with the one currently under way in Marin County. The facilitator addressed any program-related questions if clarification was needed.

The facilitator had two assistants for logistical support for greeting participants and note taking of the process. The facilitator then proceeded with questions, which were posed to all participants collectively.

Based on the October 10, 2011 Report on the Feasibility of Community Choice Aggregation in Sonoma County (*Page 5, Executive Summary*) the highest potential monthly cost increase as a result of program implementation could be approximately \$15. Therefore that was the starting figure posed to focus group participants. Subsequent figures posed were \$10 more a month and \$5 more a month, respectively.

They were asked, **"Are you willing to pay \$15 more a month"** for electricity service provided by Sonoma Clean Power?

The results were:

Eight of the 15 participants (53%) said, "Yes."

When asked why they would be willing to pay \$15 more a month, a representative sampling of their responses were:

"It is put up or shut up time."

"We (Sonoma County) need to make a statement."

"I am retired, but I am willing to make the sacrifice."

"I am for it so long as no one loses their jobs."

"Prices will go down eventually."

"Creating jobs will boost the economy."

The remaining seven participants (47%) were then asked, **“Are you willing to pay \$10 more a month?”**

The results were:

Three of the remaining 7 participants (20%) said, “Yes.”

When asked why they would be willing to pay \$10 more a month, a representative sampling of their responses were:

“10% of my bill is a good place to be.” (2)

“We need to start clean energy somewhere.”

The remaining four participants (27%) said they were willing to pay \$5 more a month.

Additional Questions Asked

Two additional questions were put forth to gain further understanding of public perceptions regarding a CCA operated by the County.

First, **“Is there anything that could turn you off and reduce your support of Sonoma Clean Power?”**

A representative sampling of their responses were:

“I do not want to see a lot of six-figure salaries when this is up and running.”

“I do not want it to look like the Smart Train Project.”

“I want good ballpark projections when they make their cost estimates.”

“I do not want to see PG&E taking control.”

“I do not want to see prices going up and up.”

“I do not want to see top level, top heavy management.”

Secondly, **“Does it make any difference if long-term new jobs would not exceed 1,000 to 1,500?”**

A representative sampling of their responses were:

“Jobs are not as important as clean air.”

“For me, jobs are a bonus.”

“Any jobs are better than none at all.”

“I only care that the new jobs be local jobs.”

“As long as they are financially sustainable jobs.”

Observations

Of the 15 participants surveyed in this focus group, 53% are willing to pay \$15 more per month, 73% are willing to pay at least \$10 more per month and 100% are willing to pay at least \$5 more on their monthly electric bill to support the Sonoma Clean Power program.

The participants of this focus group expressed that any effort toward developing a Community Choice Aggregation program be done in a prudent and financially responsible manner.

Comments expressed in the focus group session point to a strong inference that when respondents were provided with specific amounts for potential monthly rate increases, they were more willing to pay more for “clean power”. When asked if they were willing to pay \$10 or \$15 more per month, 73% of the focus group respondent said they were willing to pay at least \$10 more. This provides an indication of how much more they in fact, “would be willing to pay”. Given the focus group results, it could be extrapolated that if provided with specific potential monthly rate increase amounts, the 41% who originally “were not willing to pay much more” in the countywide telephone survey could move toward “willing to pay a little more.” This could potentially increase the percentage of those in the “willing to pay a little more” category from 32%, to significantly higher.

The 25-45 year old demographic (12% of the total telephone survey sample) was not reflected in the focus group responses. However, their responses to all of the telephone survey questions are a mirror of the other age groups*, thus an additional study of this group is not necessarily warranted.

(See the full analysis in the Community Choice Aggregation Market Survey – Gauging Public Interest in a Sonoma Clean Power Program, Summary Analysis 2-28-12)*