

Utilities Market *'Renewables'* Research

Research among utilities professionals & consumers to gain insight into opinions of renewable energy

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Background

- Joint research between Accenture and Utility Week was completed by Reed Business Insight to demonstrate Accenture's thought leadership in the Renewables Utilities market.

Research Objectives

- To understand by talking to both utilities professionals within energy generation and the general public.
 - How much electricity prices will rise to meet the EU 20/20 target
 - How resistant the public are to paying more for their energy

Methodology

2 stages of research were undertaken:

Stage 1 - Utility Professionals

- Quantitative telephone interviews amongst energy generators.
- Interviews of 10 mins duration
- 32 interviews completed.
- Sample sourced from Energy Supply Handbook and Utility Week database.

Stage 2 - Consumers

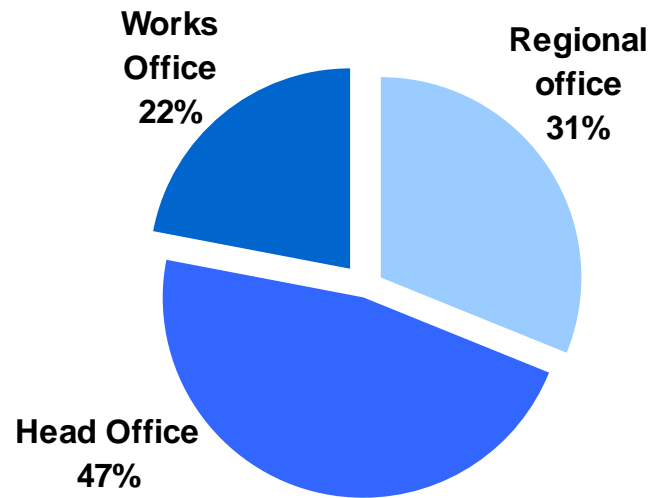
- Omnibus quantitative survey amongst consumers
- 1002 interviews completed
- Representative UK sample

Stage 1 – Utility Professionals

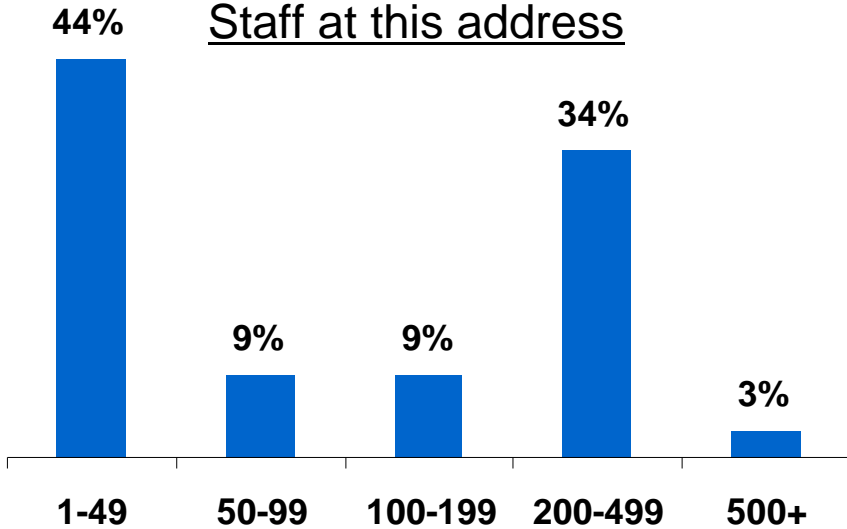
Profile Information

Company Profile

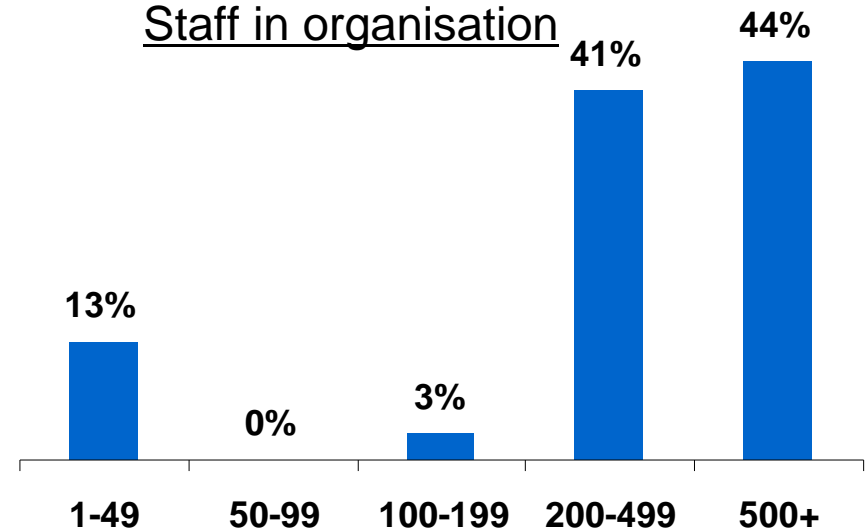
Work at...



Staff at this address

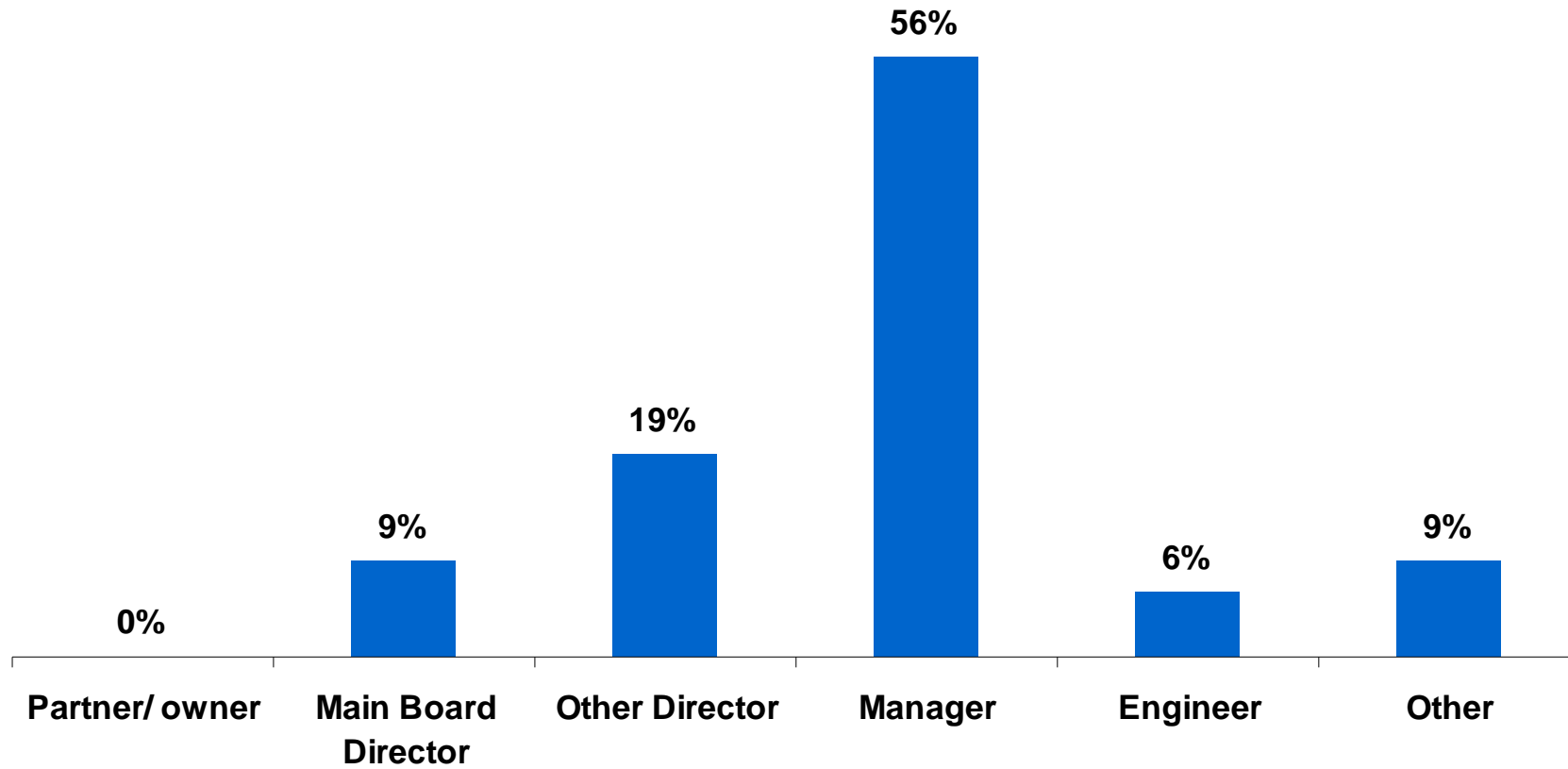


Staff in organisation



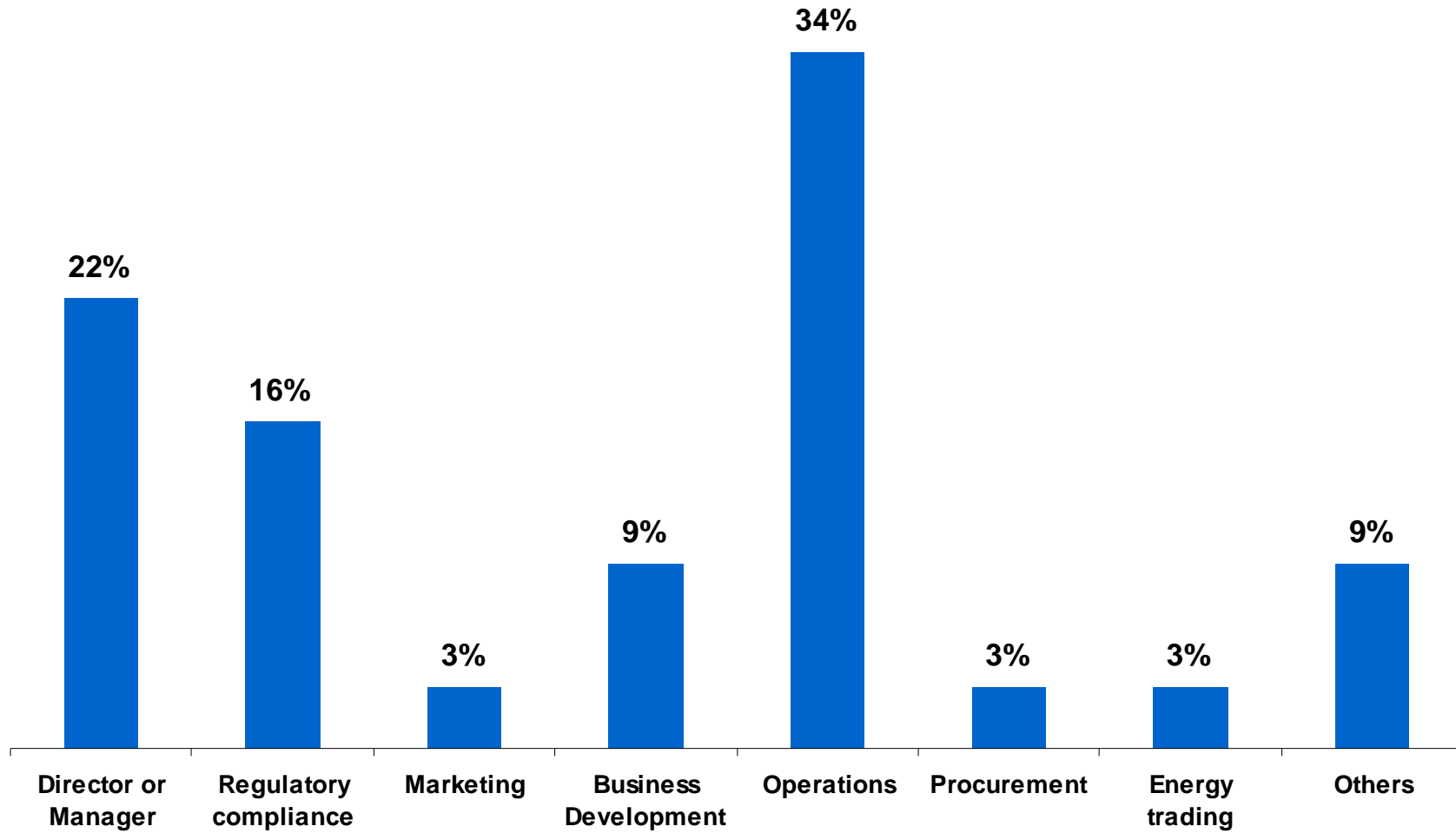
Base: All respondents

Job Status

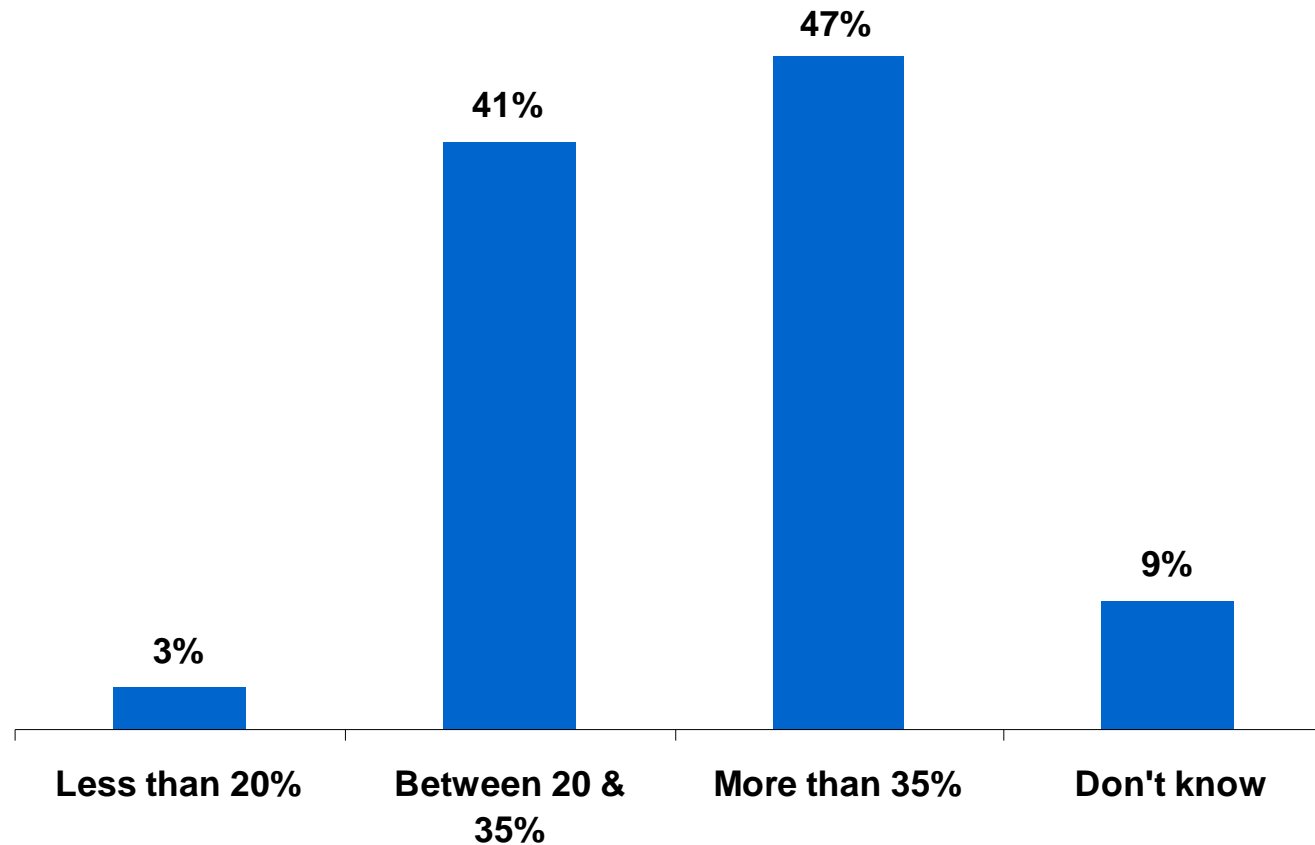


Base: All respondents

Job Function



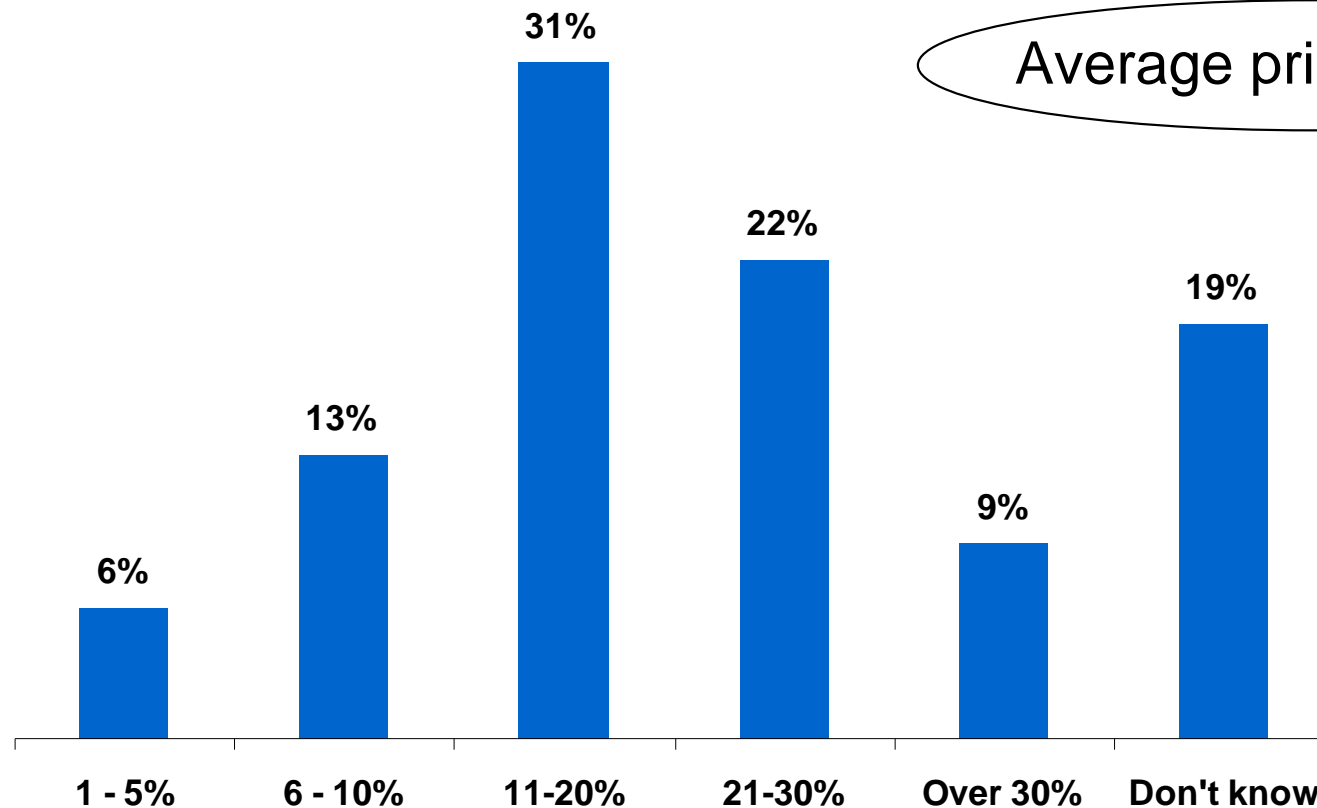
Proportion of UK electricity needed to be generated from renewable sources to achieve 20/20 targets



Base: All respondents

In your opinion, what percentage of UK electricity generation will have to come from renewable sources to achieve this 20 per cent overall target?

Expected average power price rise by 2020

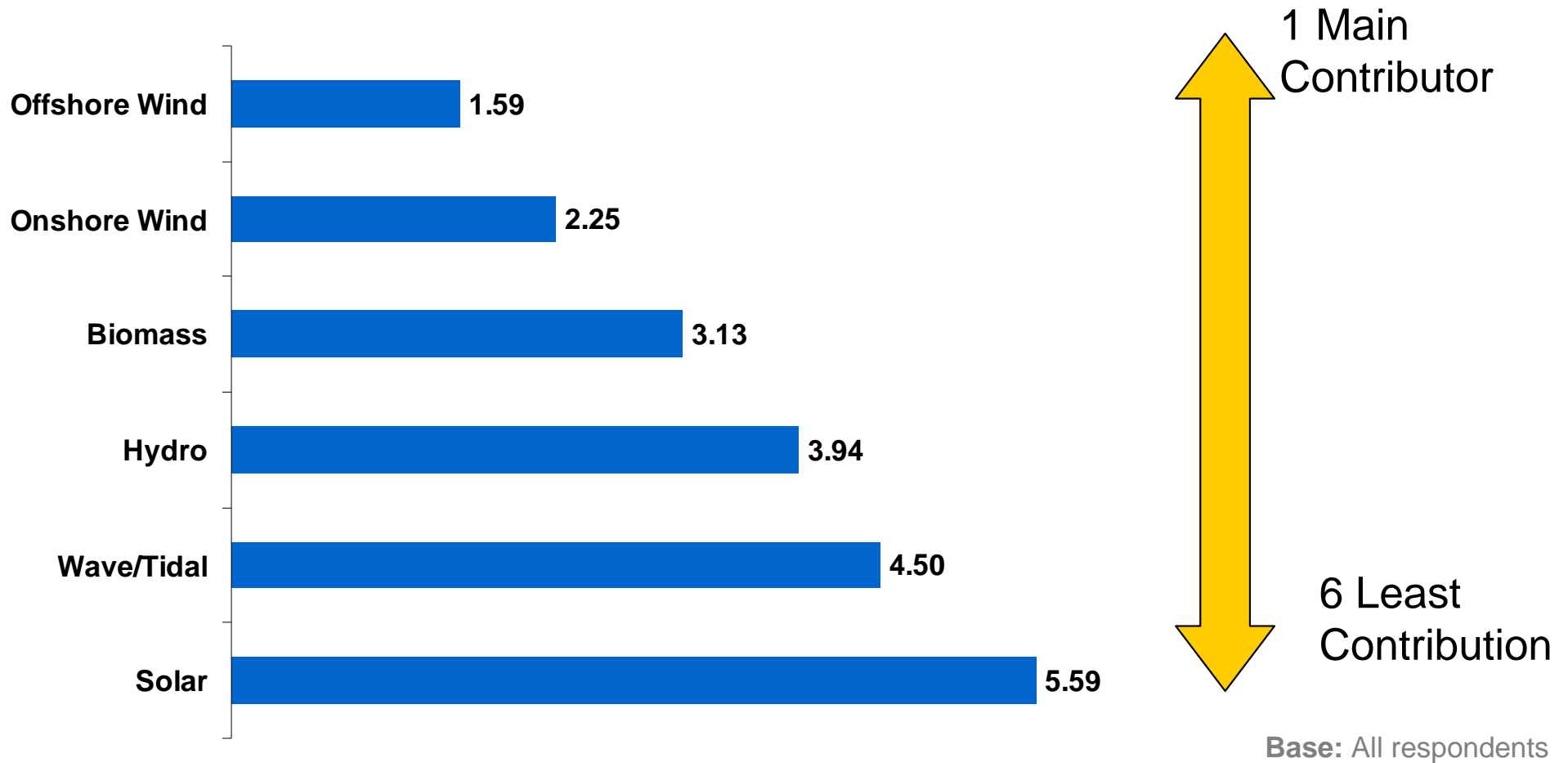


Average price rise 18%

Base: All respondents

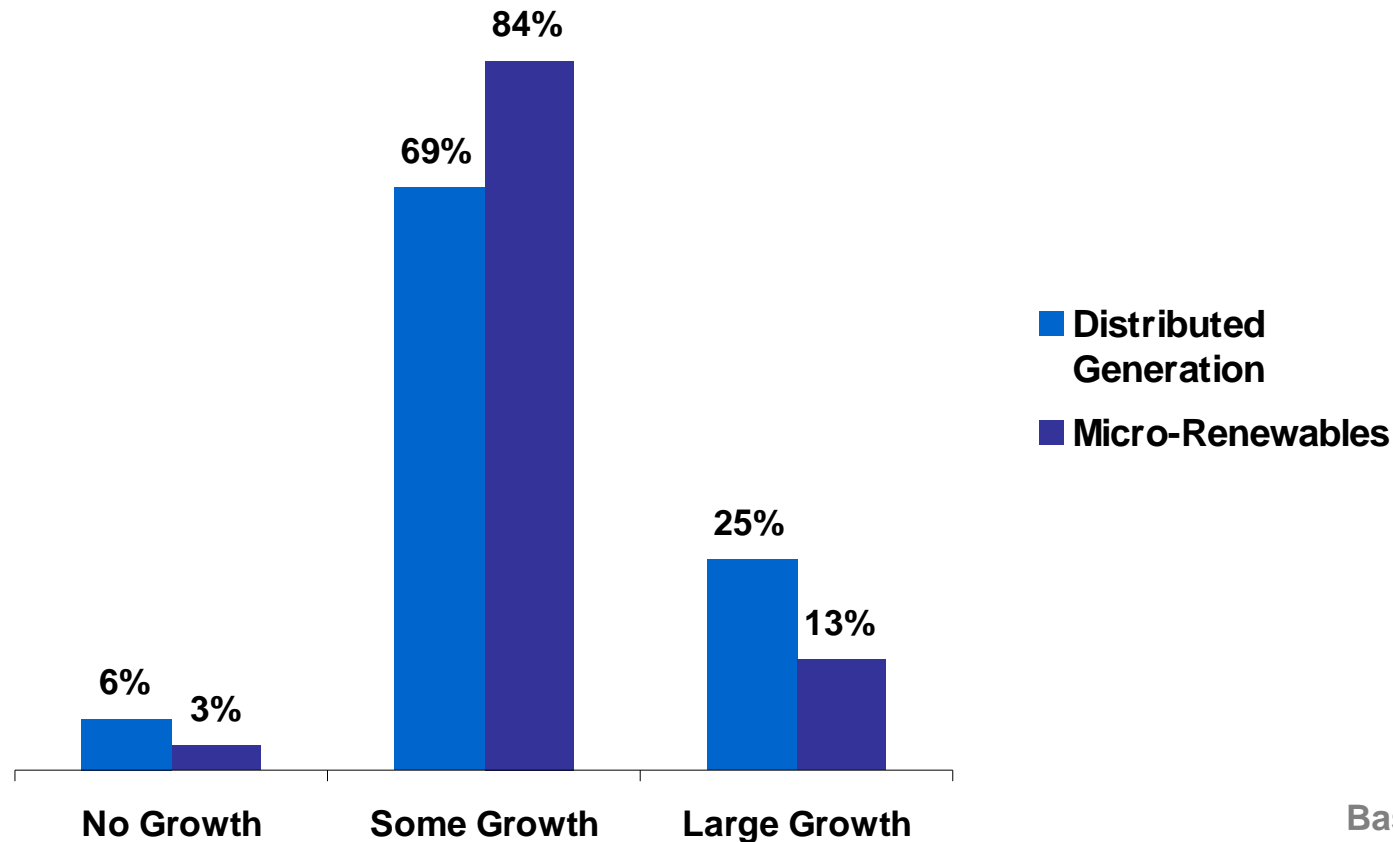
How much do you expect average UK power prices to increase by 2020 as a result of increasing renewable generation to this level?

Main renewable power sources



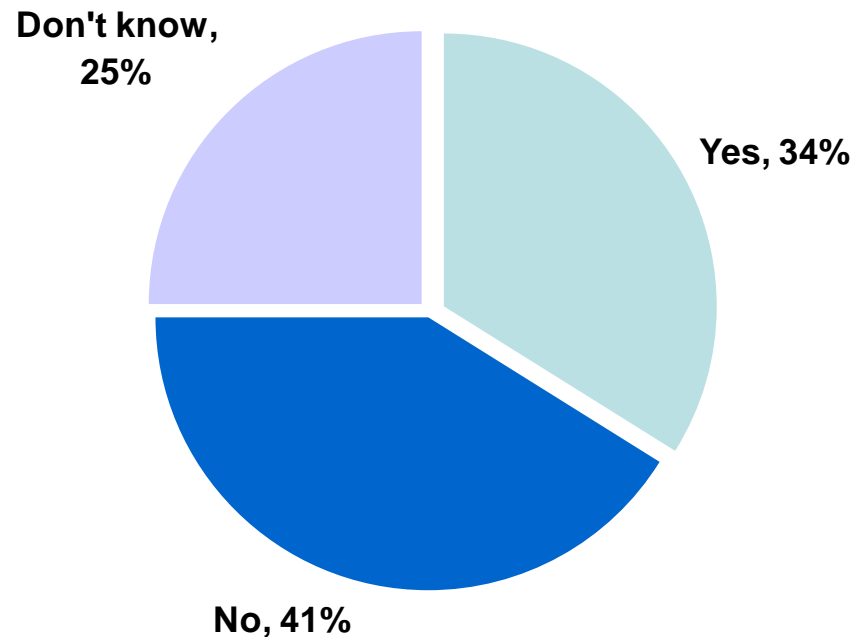
Which of the following renewable power sources will be the main contributors to achieving the 20% target?

Predicted growth of distributed generation and micro renewables



How much do you think the use of distributed generation & micro-renewable will grow over the next 5 years due to the implementation of the government's 20/20 initiative?

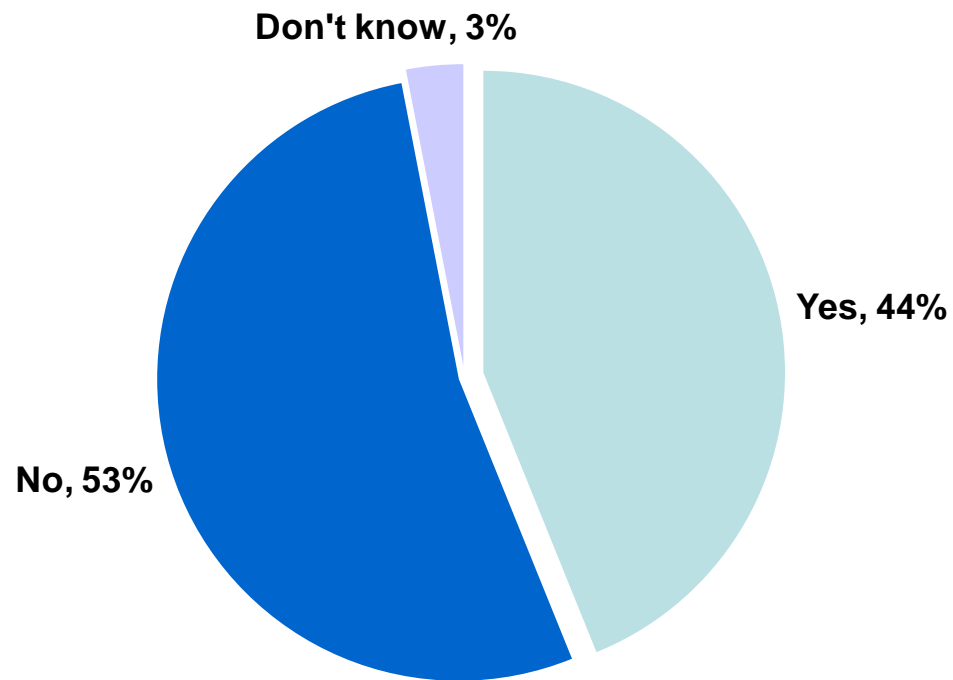
Should demand management programmes be credited against renewable portfolio standards?



Base: All respondents

Do you believe that demand management programs that provide a measurable and sustained reduction in end-user consumption be credited against renewable portfolio standards?

Should nuclear power be counted as “renewable”?

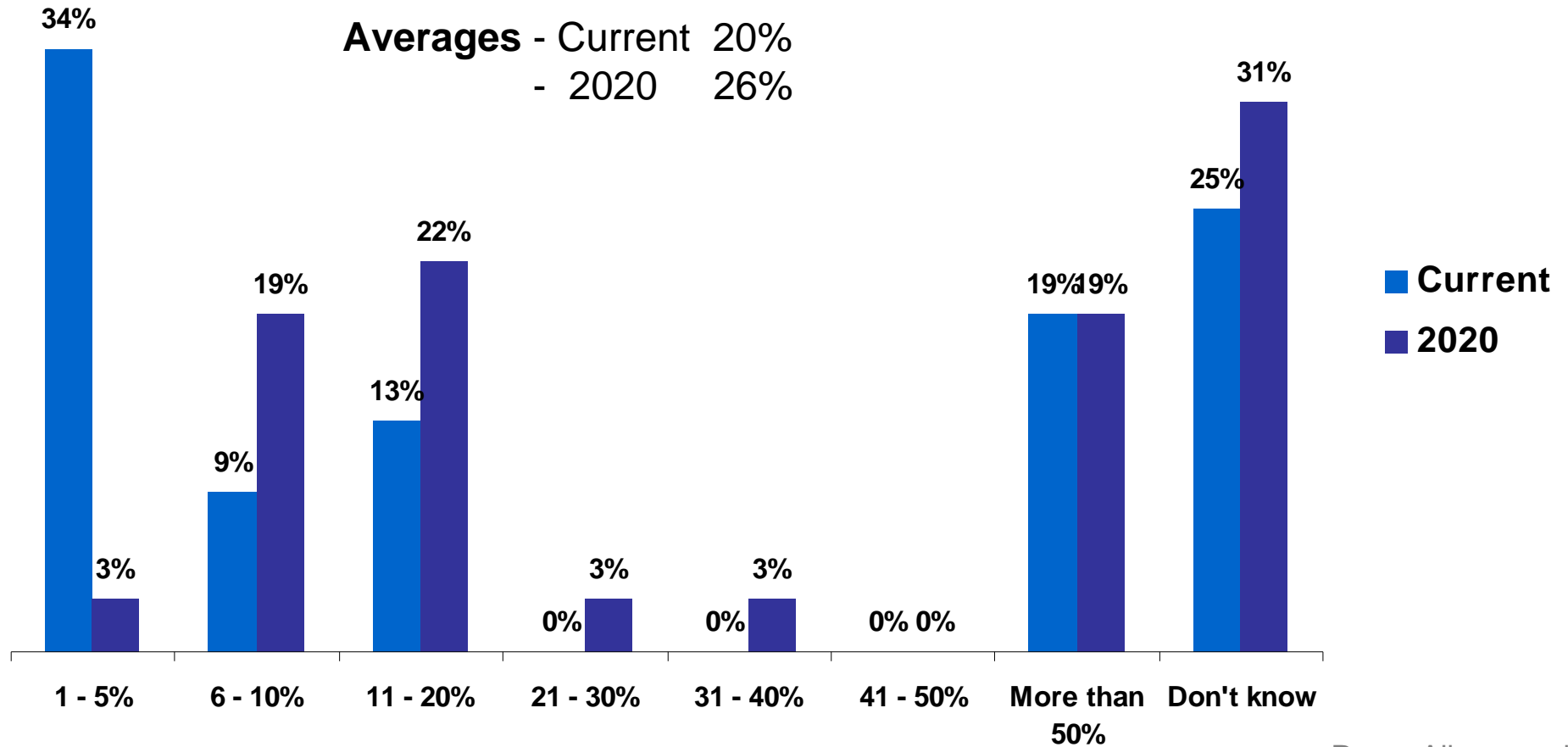


Base: All respondents

Do you feel that nuclear power should be counted as renewable generation?

Company Information

Proportion of power output generated from renewables

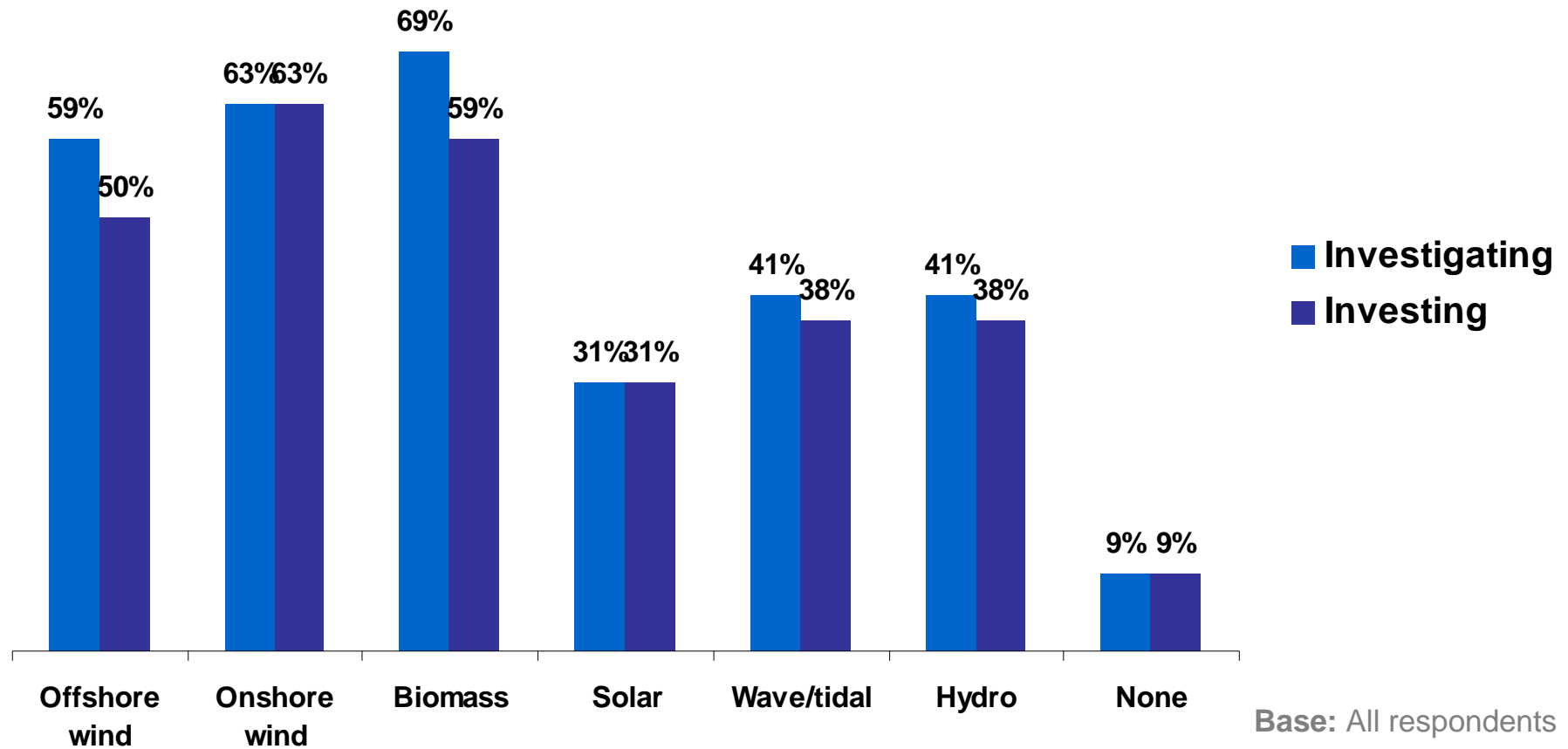


Base: All respondents

What percentage of your company's current average power output is generated from renewables?

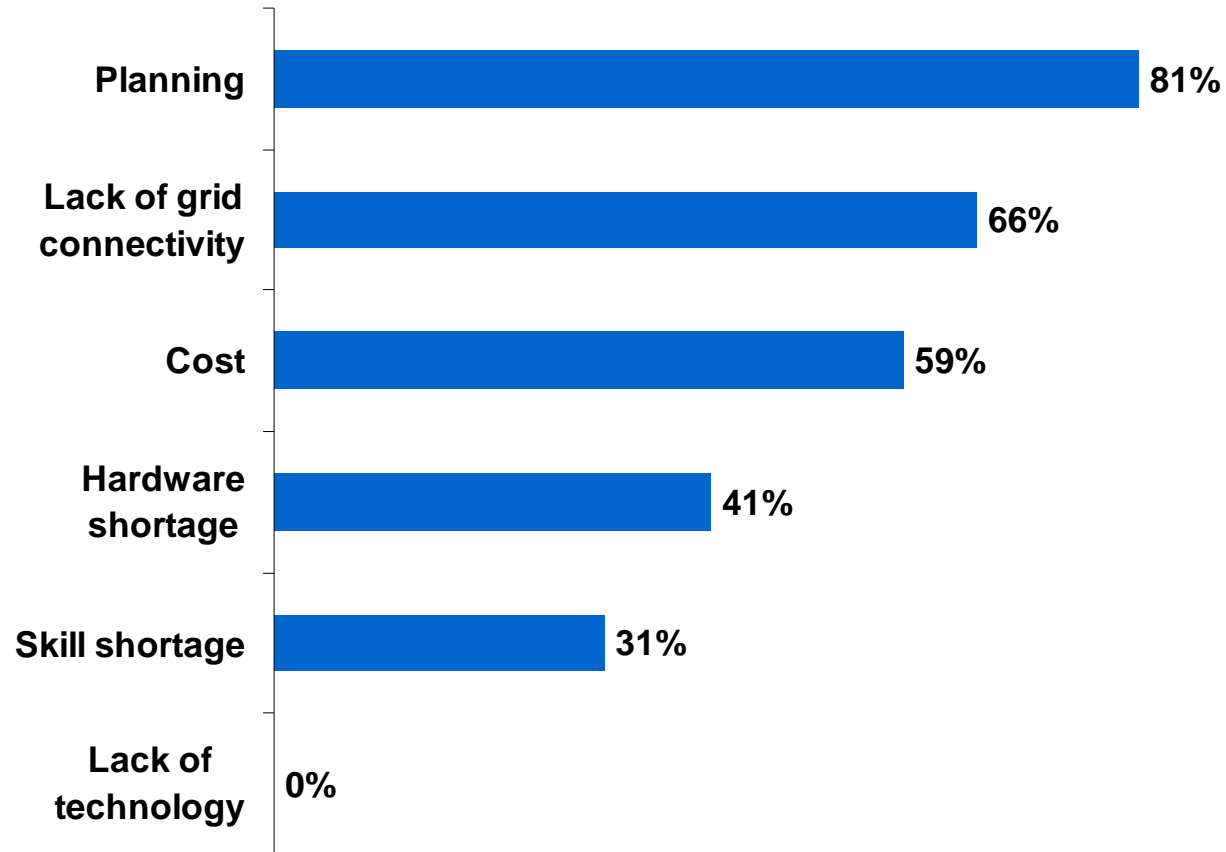
And what percentage of your company's total power output do you expect to be generated from renewable sources by 2020?

Use of renewable energy sources



Which of the following renewable energy sources are you actively investigating at the moment?
And which are you currently investing in?

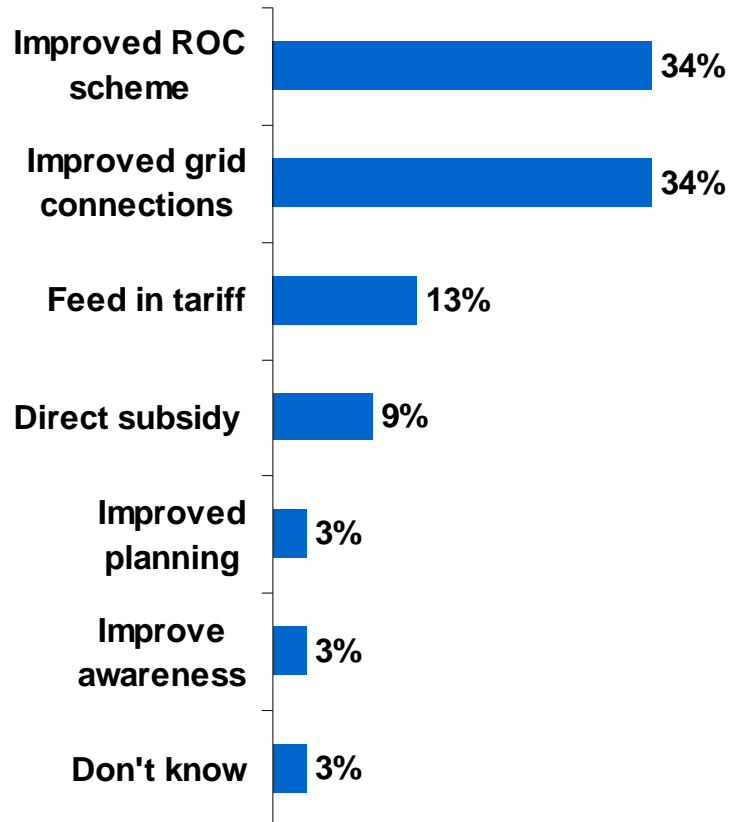
Barriers to increasing renewable output



Base: All respondents

Which of the following would you consider to be barriers to increasing your renewable output?

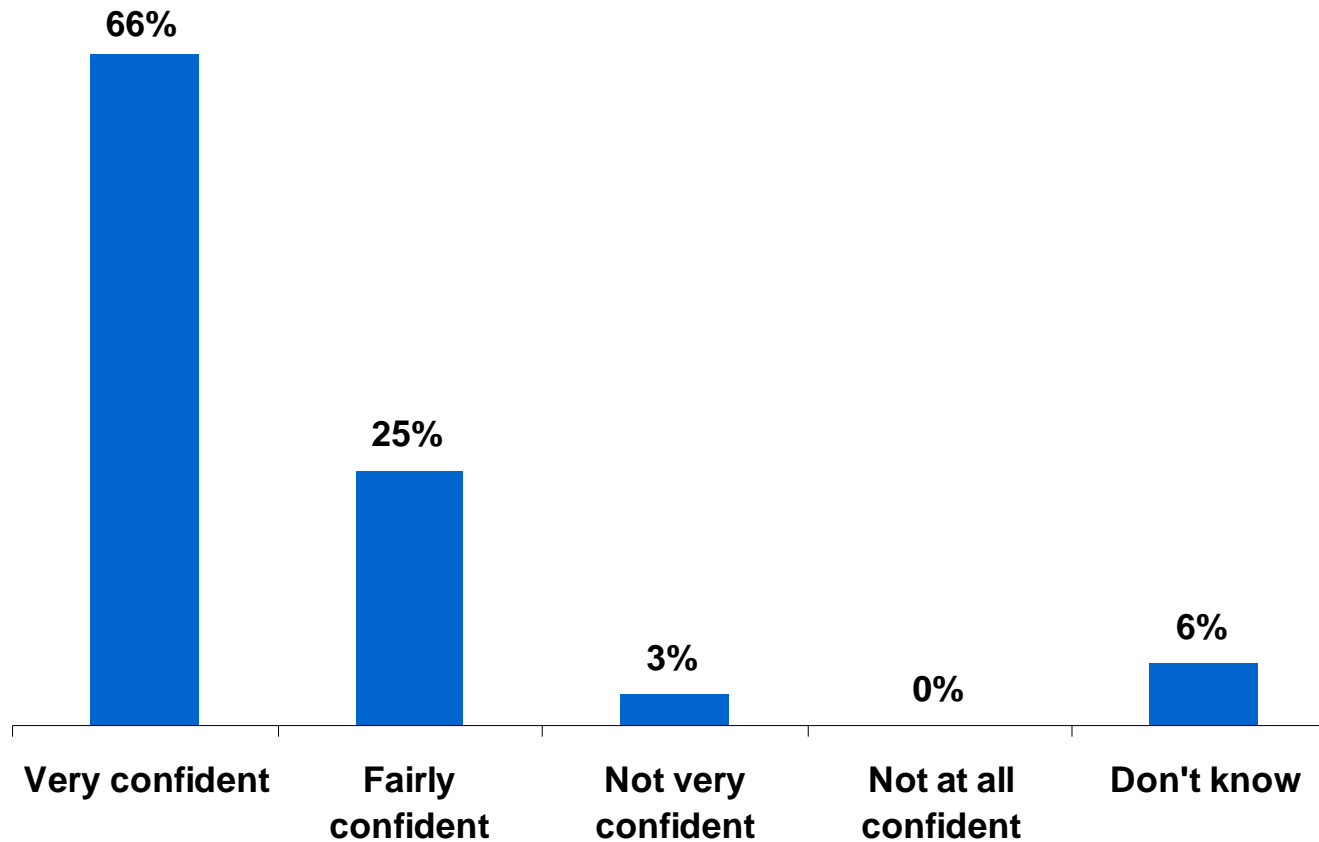
Preferred government measures to boost renewables



Base: All respondents

What single measure would you like to see the government introduce to boost renewable generation?

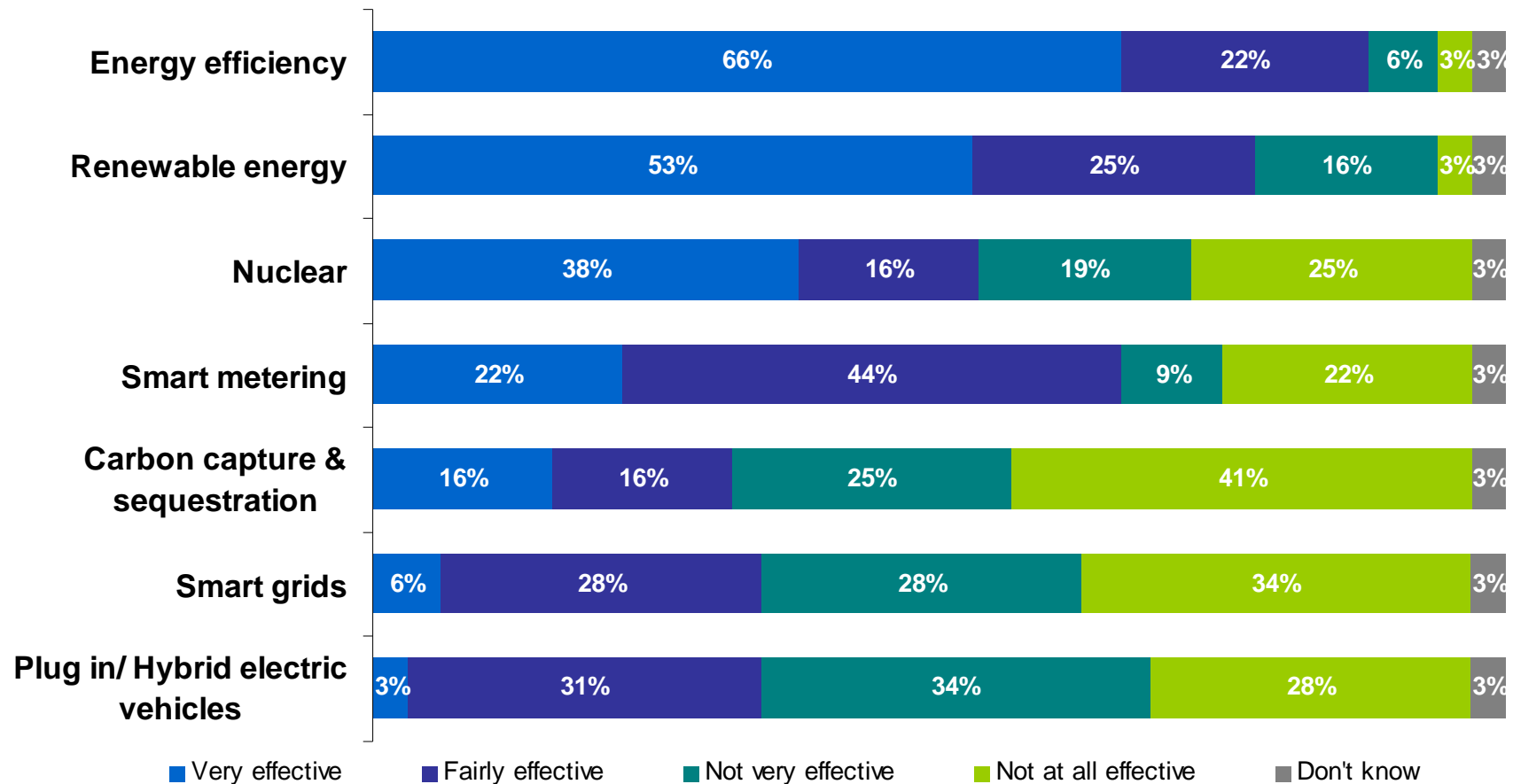
Confidence in company's ability to make decisions



Base: All respondents

How confident are you that your organisation has accurate and up-to-date executive information to make regular decisions to reduce emissions?

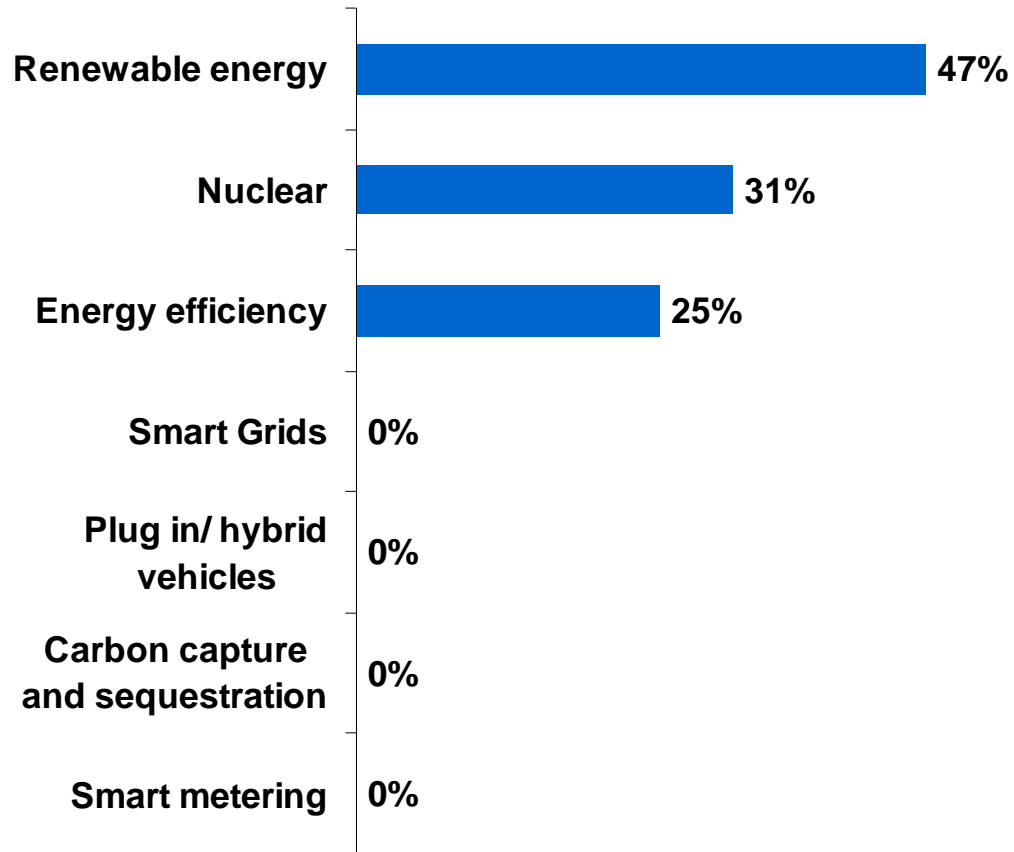
Effectiveness of approaches as part of climate change strategy



Base: All respondents

How effective are each of the following approaches as part of your climate change strategy?

Most effective as part of climate change strategy



Base: All respondents

And which of the following do you think will be the most effective as part of your climate change strategy?

Key Findings

- More than 35% of electricity generation will need to come from renewable sources in order to meet the 2020 target.
- Average price rise is expected to be 18%.
- Offshore and onshore wind are expected to be key contributors to achieving targets.
- Both distributed generation and micro renewables are expected to show growth over the next 5 years, with a quarter expecting a large growth in distributed generation.
- Opinion was split over whether nuclear power should be included as a renewable.
- The three key areas for investment are onshore and offshore wind and biomass sources.
- Barriers to increasing renewable output include planning and lack of grid connectivity.

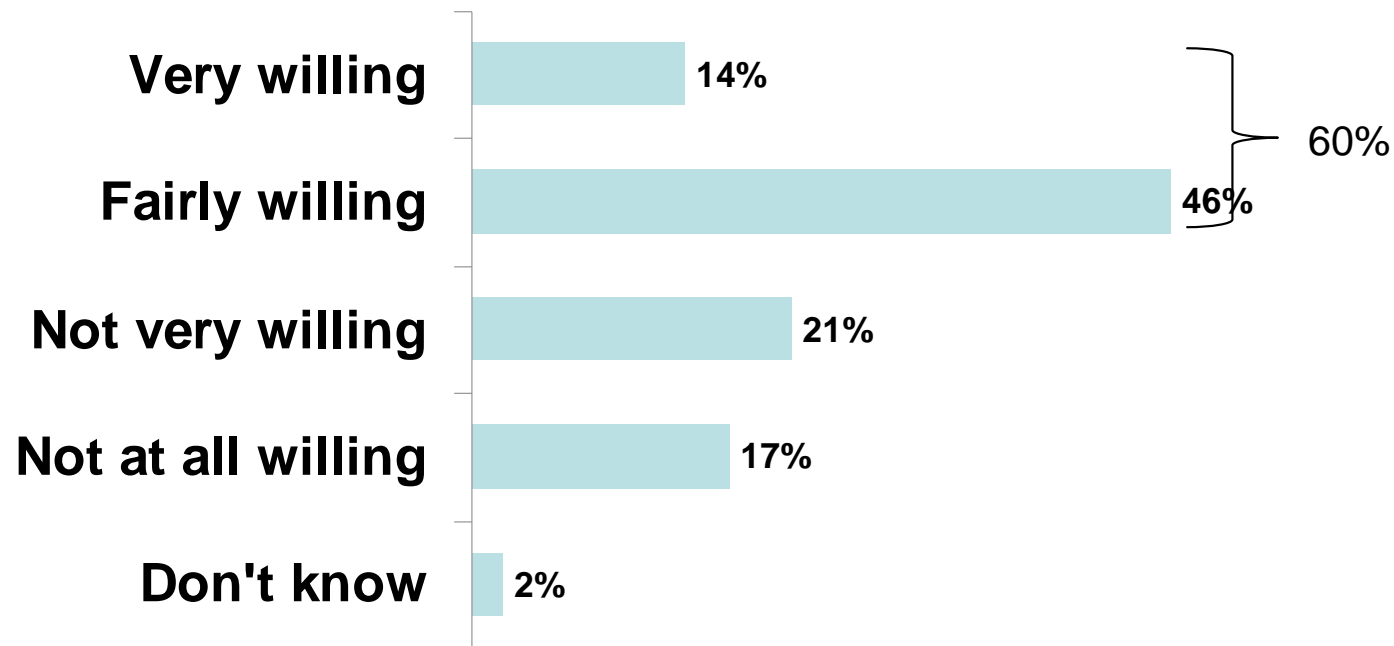
Key Findings

- Improved ROC scheme, and grid connections are the most preferred measures for the government to boost renewables.
- Two thirds are very confident that their company has the information they need to help make decisions related to reducing emissions.
- The most effective part of climate change strategy is considered to be renewable energy, followed by nuclear, and energy efficiency.

Stage 2 – Bill Payers

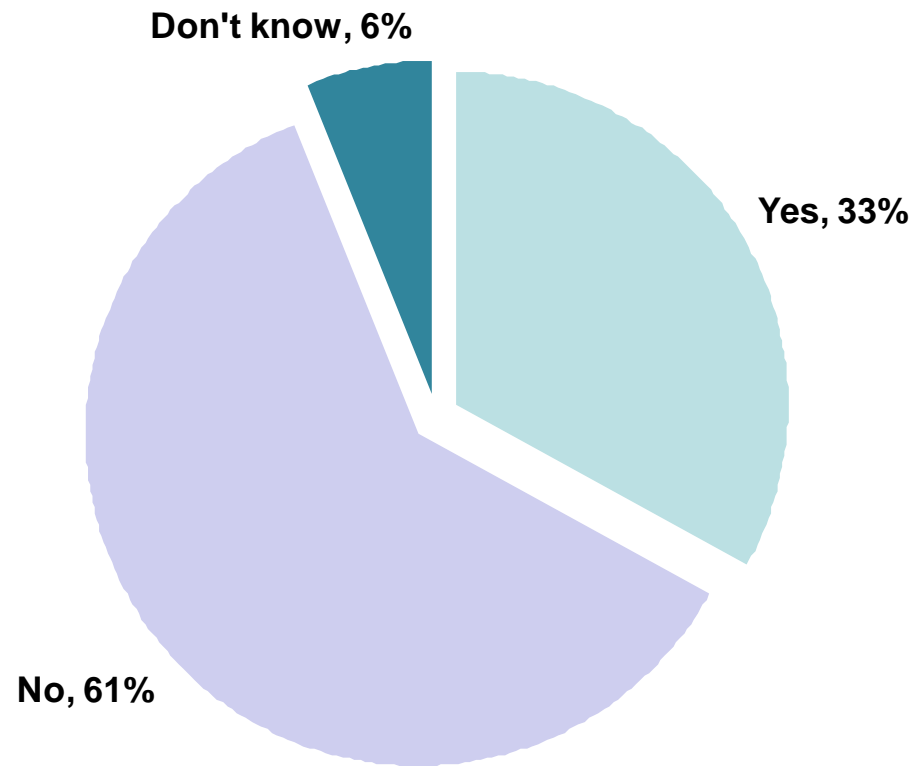
Willingness to pay expected price rise of 18%

The UK government has signed up to the EU goal of producing a fifth (20%) of our total primary energy from renewable sources by 2020. To achieve this goal it is expected that over 35% per cent of the UK electricity will have to be generated from renewable sources such as wind and solar instead of fossil fuels like coal and gas. Renewable energy reduces carbon emissions that cause climate change but is more expensive than using fossil fuels. As a result, the power industry expects the average electricity bill to rise by nearly a fifth by 2020.



How willing are you to pay this level of increase to help reduce climate change?

Should the government abandon or modify targets due to high cost?

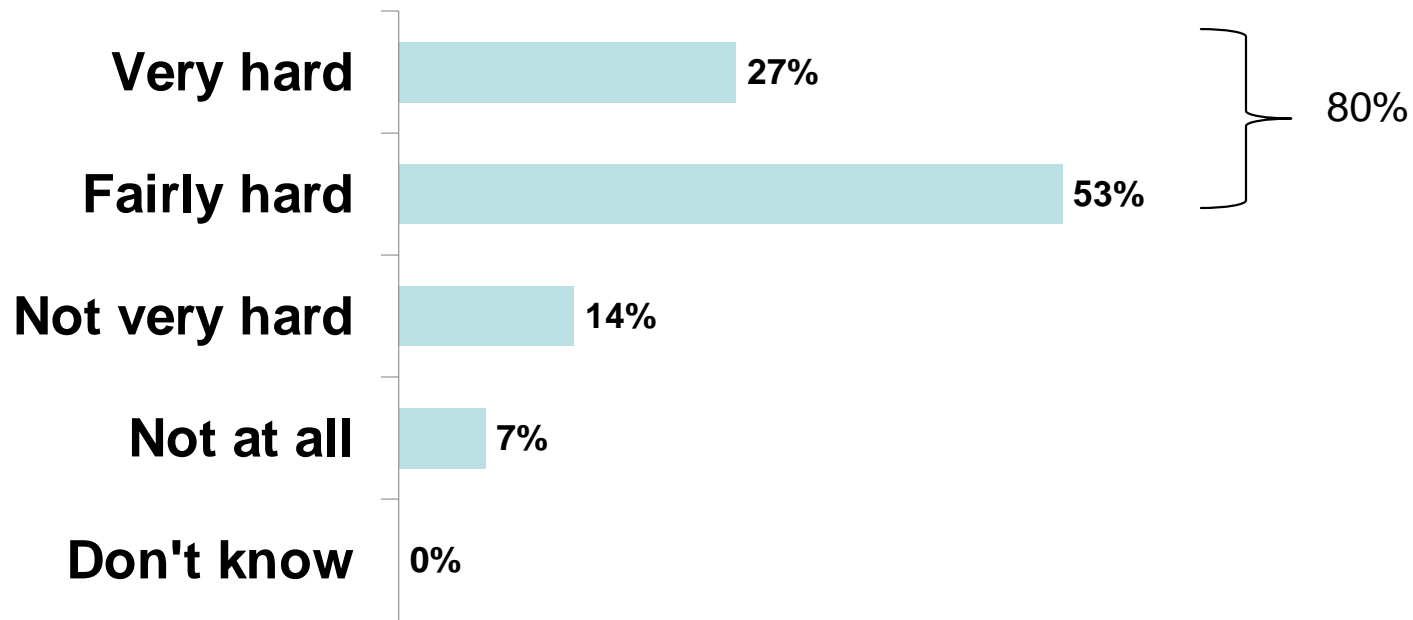


Base: All respondents

Should the government abandon or significantly modify its renewable energy targets because of the high cost to the consumer?

Efforts to reduce power consumption

Trying...



Base: All respondents

How hard are you trying to reduce your household electricity consumption?

Key Findings

- The consumer survey shows a relatively positive response to the government targets, with 60% being willing to pay the increase level of power bills.
- Only a third felt that the government should abandon or modify the targets because of the cost implications.
- Most are trying to reduce their energy consumption within their household, with only 7% claiming not to be trying at all.