



The Strategic Counsel

21 St. Clair Avenue East
Suite 800
Toronto, Ontario
M4T 1L9
Tel: 416-975-4465
Fax: 416-975-1883

www.thestrategiccounsel.com

Experience. Passion. Creativity.
Custom Solutions for Complex Issues



MINISTRY OF ENERGY

A PRESENTATION TO THE ONTARIO MINISTRY OF ENERGY

Highlights from the 2017 Energy Literacy Survey of Ontario Consumers

January 10, 2018

This is the 4th in a series of surveys conducted by MOE since 2010, tracking consumer views and behaviours related to electricity use and Ontario's electricity system.

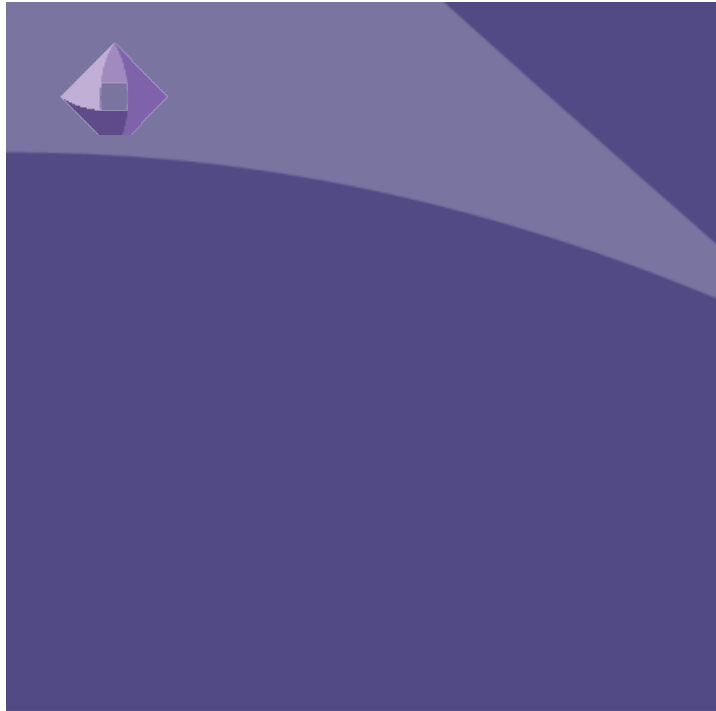
A range of topics were covered:

- Priorities
- Satisfaction
- System management and trust in key players
- Electricity conservation
- Generation and supply
- Pricing, affordability and value
- Education and communications

TELEPHONE SURVEY:



- n=1053 respondents representative of Ontario population by region and age
- 80/20 landline/cell phone split
- Average length = 34 minutes
- Fieldwork conducted between Nov. 23-Dec. 17, 2017

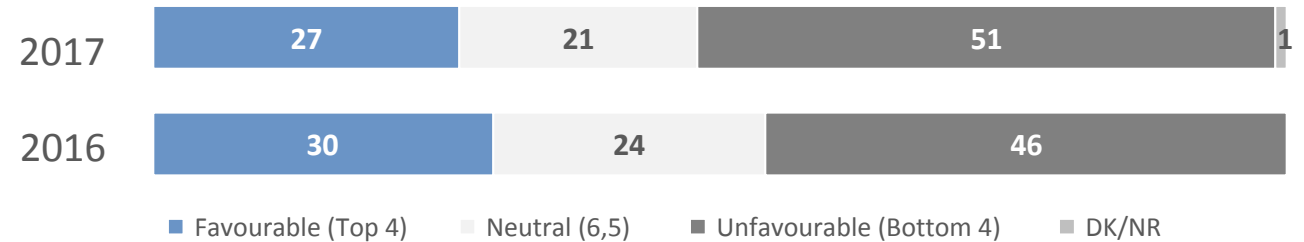


OVERVIEW

The public opinion environment around electricity issues, especially pricing, remains volatile.

Questions about government performance

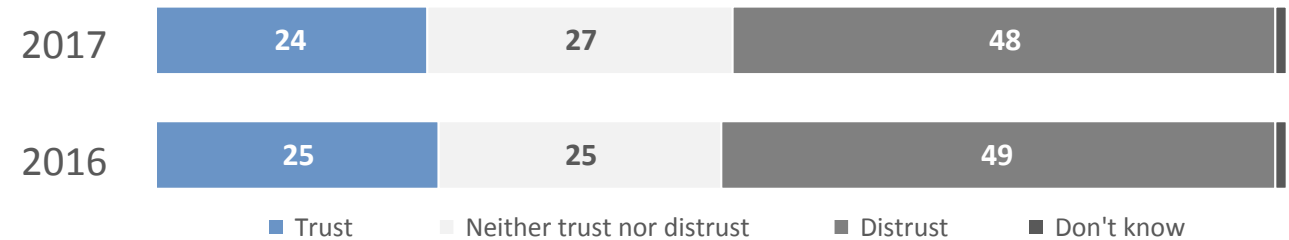
27% have a **favourable** impression of the Ontario Government's ability to manage the electricity system



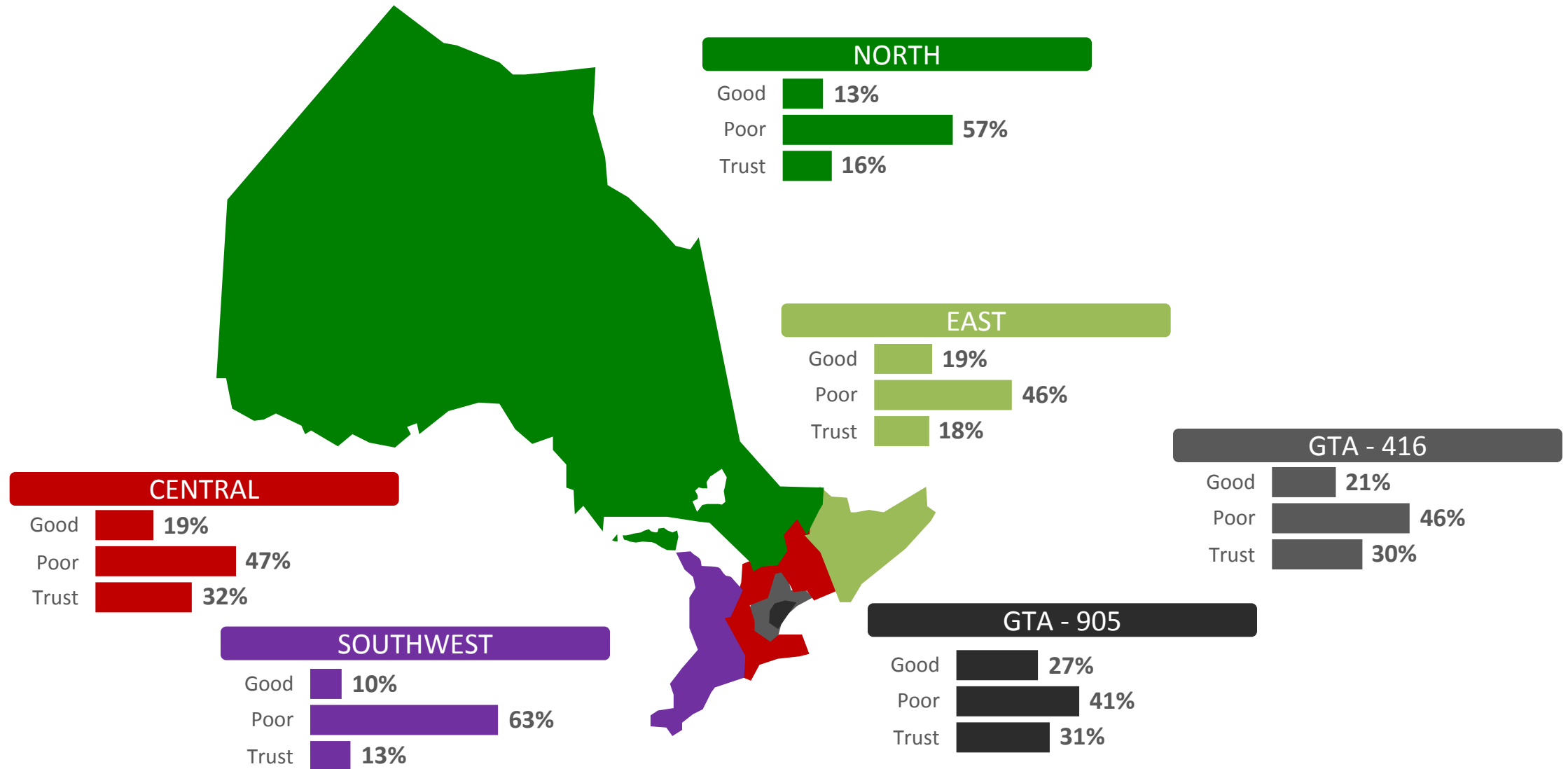
20% say the Ontario Government is doing a **good job** managing the province's energy system



24% say they **trust** the Provincial Government (when it comes to learning about electricity)



Assessments performance of and trust in Ontario Government vary across the province



On key aspects of the system, satisfaction is improving but still lags well behind stated importance

AFFORDABILITY

Keeping electricity affordable in Ontario

94% say affordability is **important**
(81% say very important)

40% are **satisfied** with affordability
(a significant improvement from 24% in 2016)

-54
GAP compared to -71 in 2016

SYSTEM TRANSPARENCY

Access to information about how electricity is generated, managed and priced in Ontario

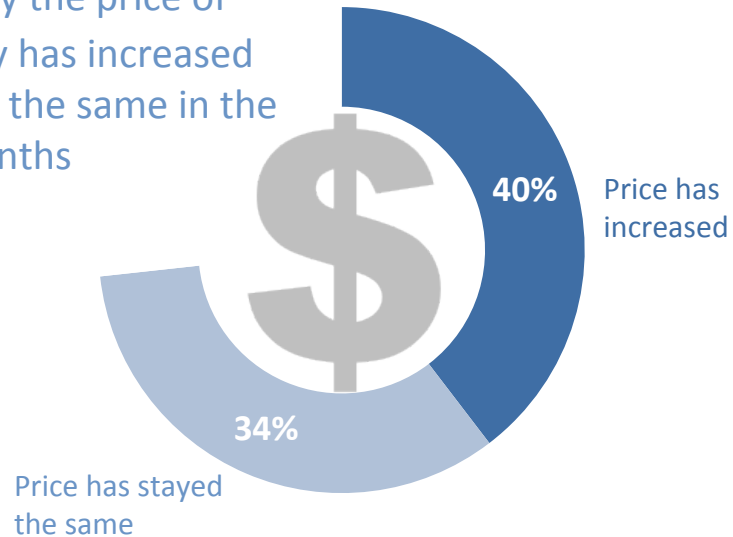
79% say transparency is **important**
(49% say very important)

36% are **satisfied** with transparency
(a significant improvement from 29% in 2016)

-43
GAP compared to -54 in 2016

High concern about cost – many don't know about or not seeing effects of reduction

74% say the price of electricity has increased or stayed the same in the last 6 months



and **93% are concerned** about the cost of electricity

➡ **71% very concerned**

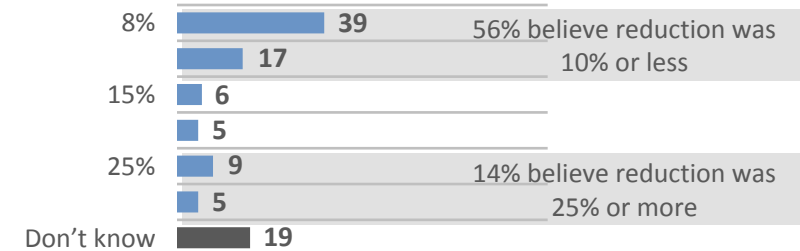
➡ **22% somewhat concerned**

Ontario's Fair Hydro Plan

62% are **not aware** of Ontario's Fair Hydro Plan

44% say they have **not received a reduction** on their electricity bill (another 19% not sure)

... and among those who have received a reduction, most **underestimate** the amount



Sense of resignation, if not despair, among a large swath of consumers that conservation activities on their part do not have much impact

Electricity bills will rise no matter what I do to conserve or reduce my energy use



Electricity bills will rise no matter what



■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know

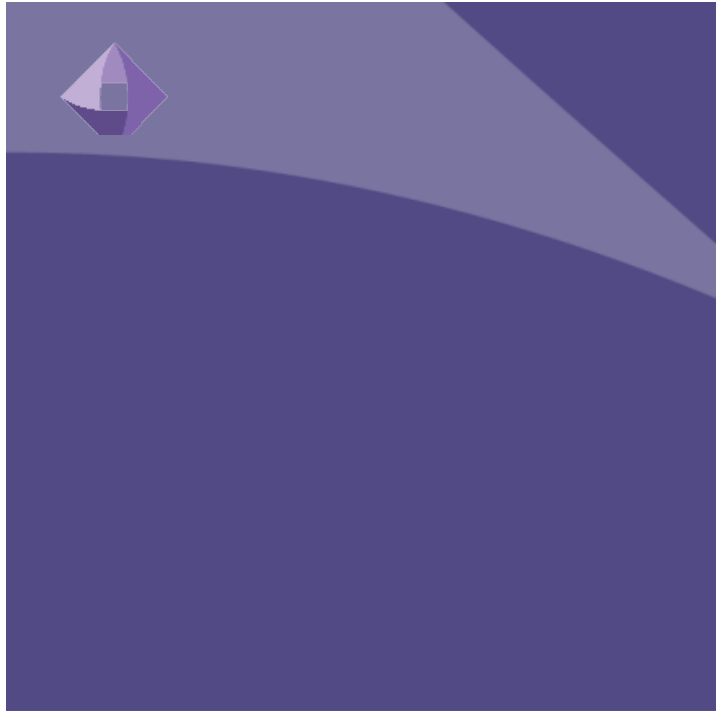
Some, though not extensive, credit given to the government for \$70 billion investment to improve reliability

How does knowing that Ontario has invested nearly \$70 billion dollars in improving the reliability of the electricity system over the past decade make you feel about the electricity system in Ontario?



Green energy activities have a greater impact on public perceptions of the electricity system. Consumers respond more positively knowing about ...

- **Closure of coal plants** and increased generation from renewable sources (46% feel *much better*/79% better overall)
- Increased amount of electricity generated from **clean sources** (37% feel *much better*/ 80% better overall)

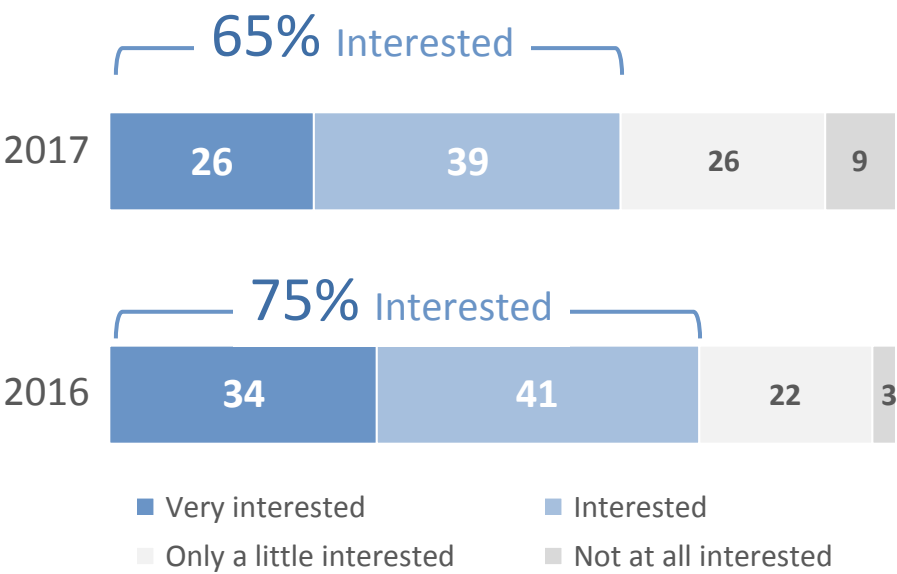


ENERGY LITERACY INDEX (ELI)

Interest in electricity issue is fairly high, although knowledge levels are more modest.

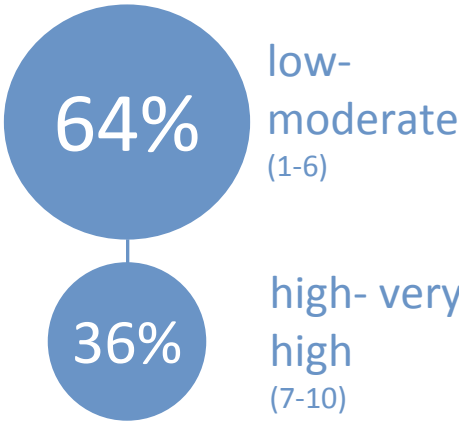
As a category, electricity continues to generate high interest, modest knowledge, low engagement.

There is interest in learning about the electricity system



Interest centers on \$ and 

It's complicated – knowledge levels are modest, but improving



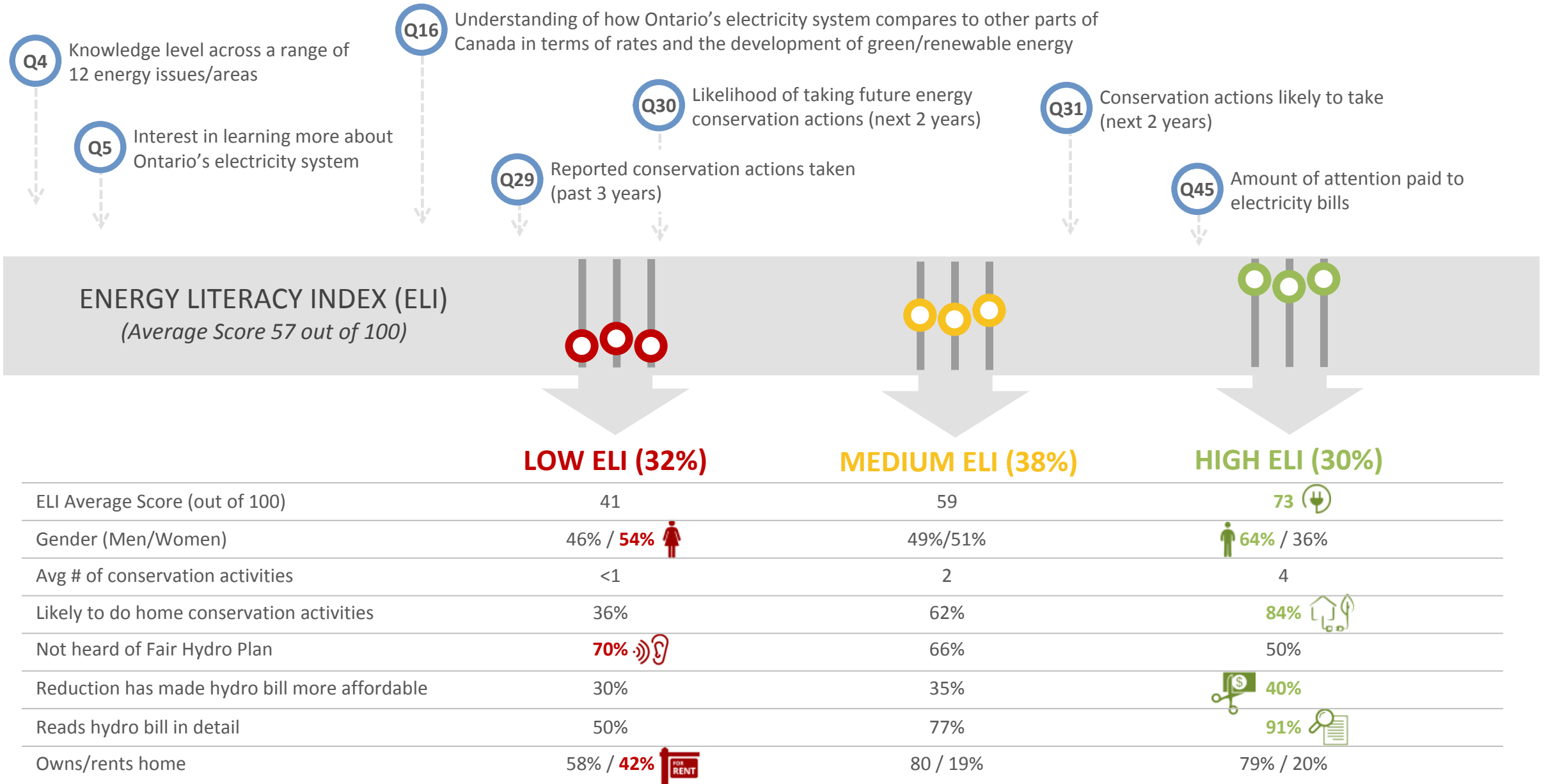
Knowledge of Electricity System in Ontario (self-assessed)

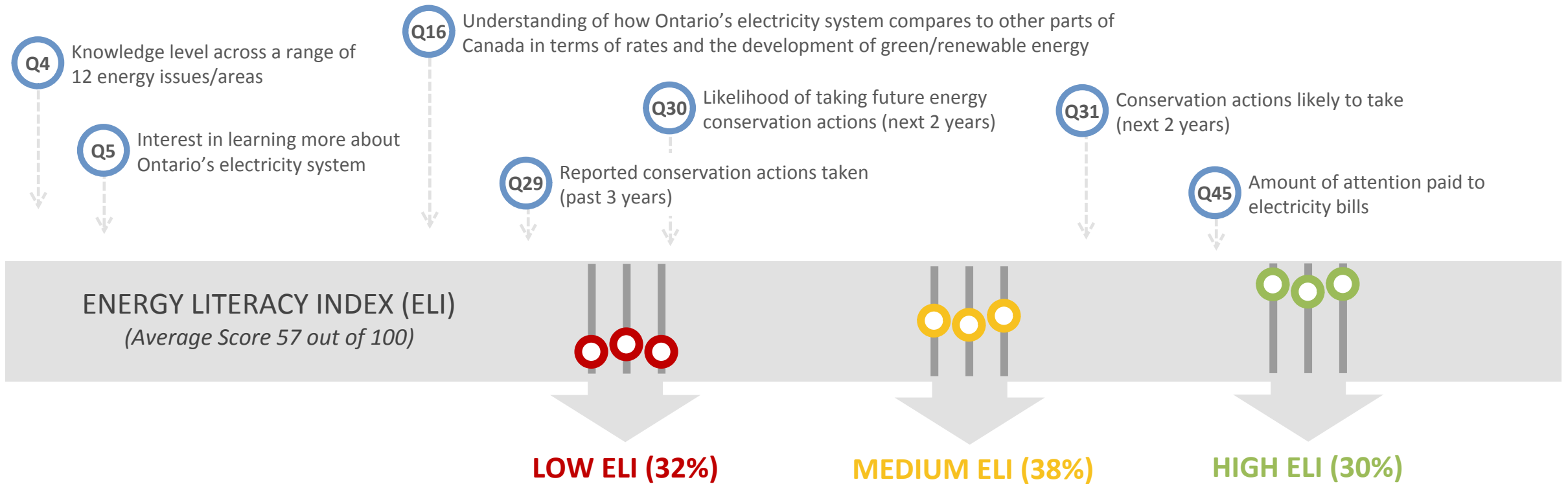
	Mean Score (10-point scale)
2017	5.4
2016	5.2

Conservation activity is occurring, but not extensively

On average, consumers undertake ~2 conservation activities (out of 13 tested)

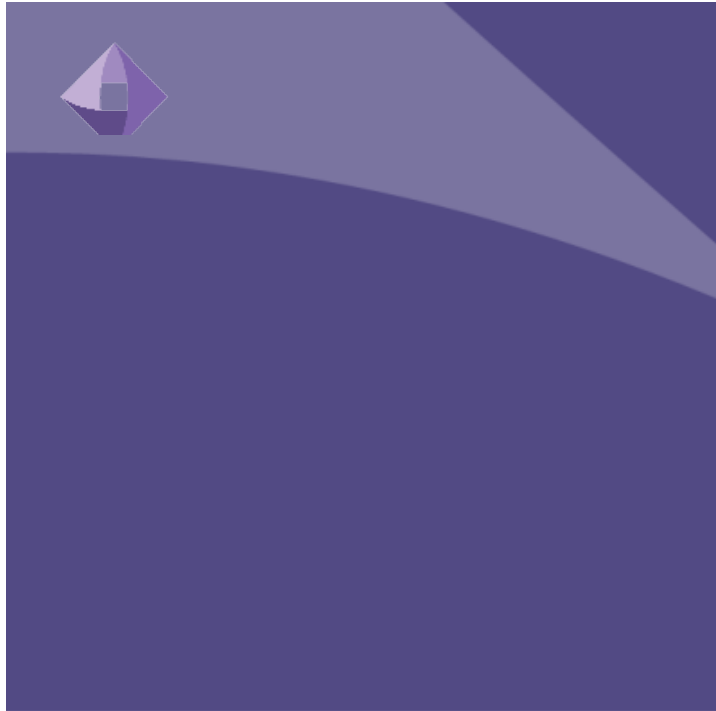






Higher ELI scores do not translate into more positive views of Ontario Government's management of the energy system.

ONT hydro rates among the highest in Canada	58%	65%	75%
ONT Govt. is doing <u>poor job</u> managing energy system	49%	47%	50%
ONT Govt. is doing <u>good job</u> managing energy system	17%	21%	20%

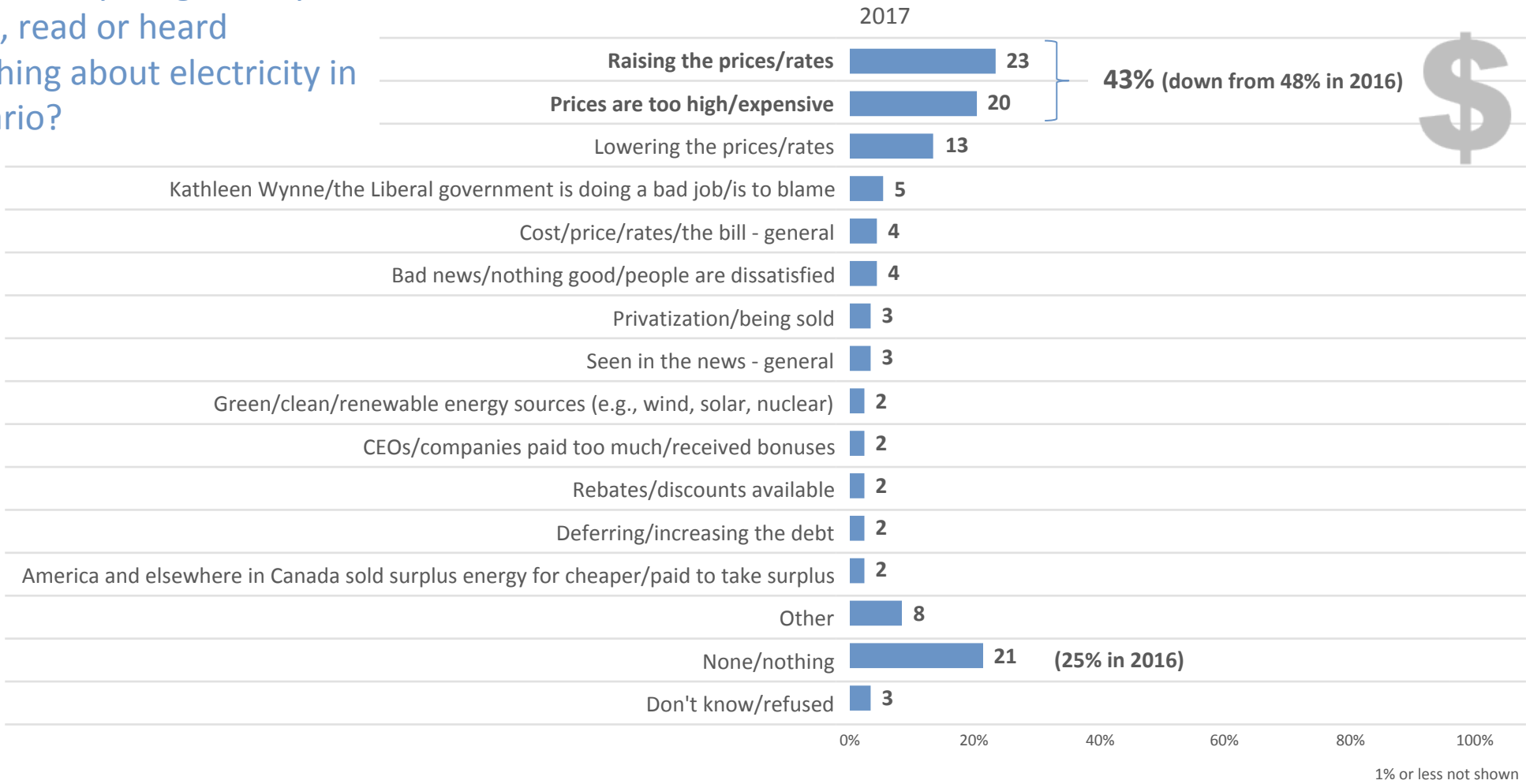


ELECTRICITY COSTS

Affordability is a key priority for consumers, but concerns appear to be rooted in questions about system management. They are not persuaded that price reduction is a 'fix.'

Electricity pricing continues to be a primary occupation of Ontario consumers

What, if anything, have you seen, read or heard anything about electricity in Ontario?



A formula for unpredictable public opinion: concerns about cost + low knowledge + minimal awareness of Govt. initiatives to help consumers + lack of trust in Govt.

High concern



71% of Ontarians are **very concerned** about the cost of electricity – much higher relative to concern about other issues

% VERY CONCERNED ABOUT ...	
The cost of electricity	71%
Impact of generating power on public health/environment	50%
Finding more ways to conserve electricity	47%
Finding more ways to reduce my electricity usage	46%
The reliability of Ontario’s electricity supply system	41%



Two-thirds (66%) feel Ontario’s electricity rates are among the **highest in Canada** (compared to 64% in 2016)



57% are experiencing some **financial hardship**

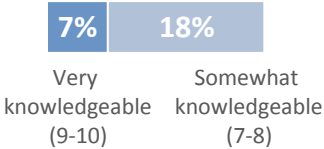


The cost of electricity is making it hard for me and my family to make ends meet

Low knowledge



There is **minimal understanding** of how rates are set. **25%** are knowledgeable.



Knowledge of how electricity prices are set in Ontario

47% have low (20%) to no (27%) knowledge

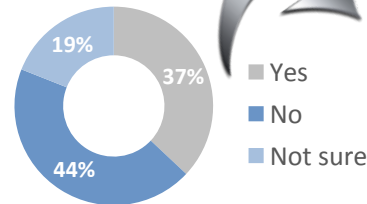
A formula for unpredictable public opinion: concerns about cost + low knowledge + minimal awareness of Govt. initiatives to help consumers + lack of trust in Govt.



Lack of awareness

Relatively few (**29%**) are knowledgeable of what Ontario is doing to help consumers manage the cost of electricity (although up from 21% in 2016)

63% say they have not received a reduction to their bill or aren't sure



14% estimate bill has been reduced by 25%+
72% say subsidy has helped – but, many say minor (37%) or no (28%) impact

Although **72%** pay close attention to the bill: 24% read in detail (**38% in 2016**), 48% browse and compare use (**49%**), 13% only look at the amount (**9%**)

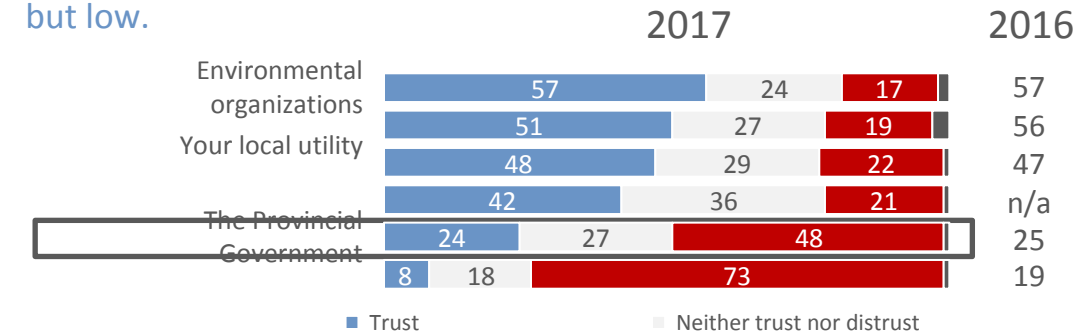


3-in-5 Ontarians have not heard/seen/read anything about the Fair Hydro Plan



Low trust/Mixed views on subsidy

Levels of trust in the provincial government are stable, but low.

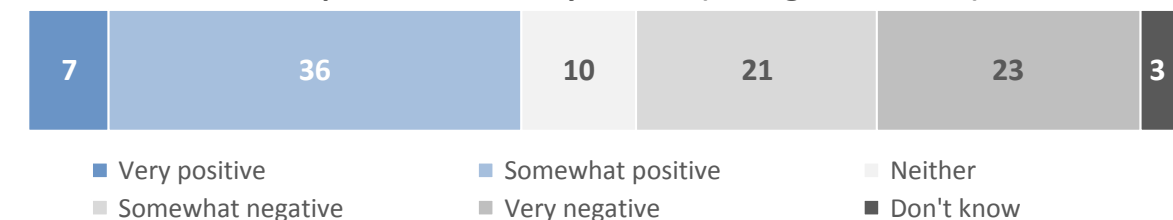


Mixed views on the rate reduction.

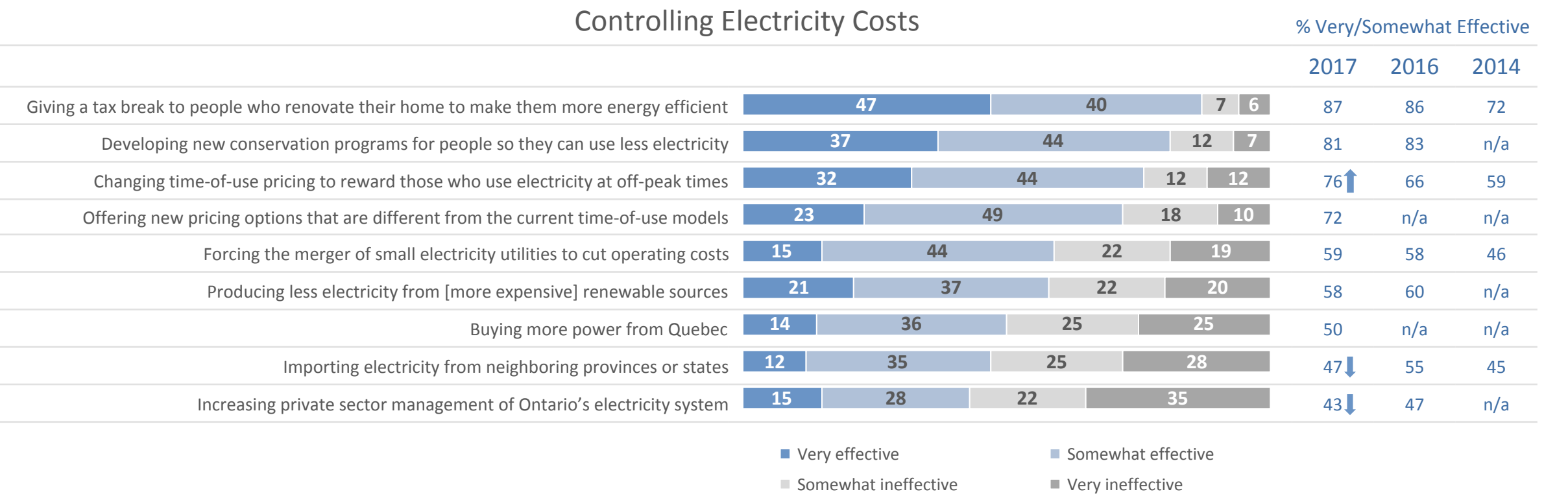
Believe government should subsidize bill

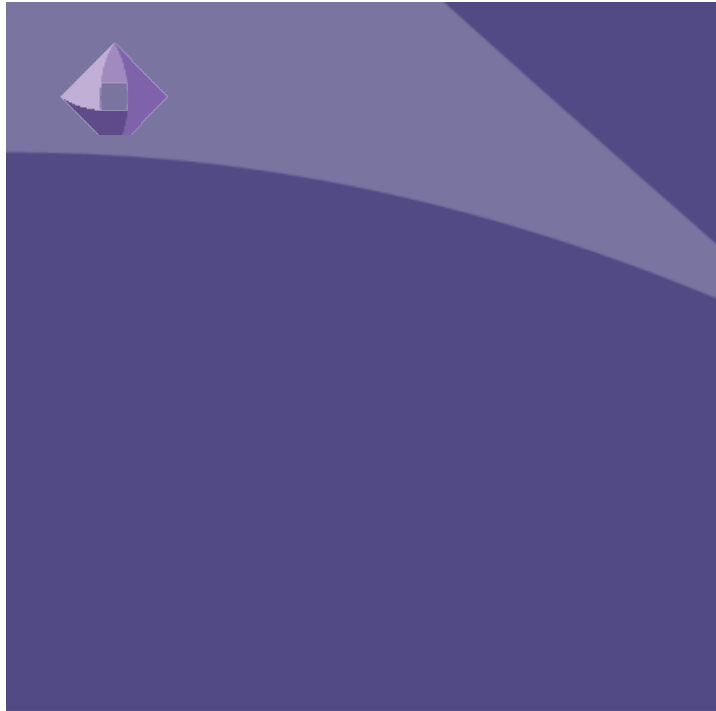


Impressions of Fair Hydro Plan (among those aware)



The public supports a range of options to help control electricity costs, primarily incentives and pricing models which encourage energy efficient behaviours





CONSERVATION

People want to do more to conserve energy, but aren't sure how or to what effect.

Conservation is a clear priority



Ontarians are concerned about finding ...
more ways to conserve electricity (84%)
more ways to reduce electricity usage (82%)

81% say ...

helping people in Ontario conserve and
manage their electricity usage is **important**

(7-10 on a 10-point scale)

However, only

44% are satisfied that ...

Ontario is helping people conserve and
manage their electricity usage

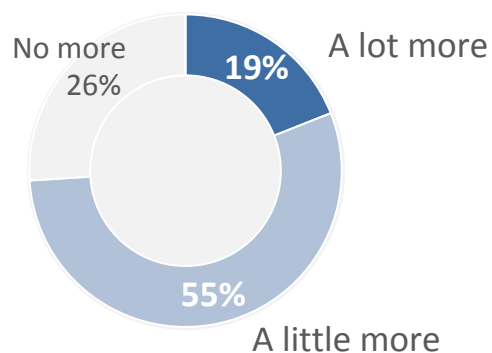
(7-10 on a 10-point scale)

Although satisfaction has increased from 38% in 2016

Consumers are willing to do more, but not sure what or whether anything they could do would make a big difference

93% say it's worth it to conserve energy AND 73% would do more if they knew how

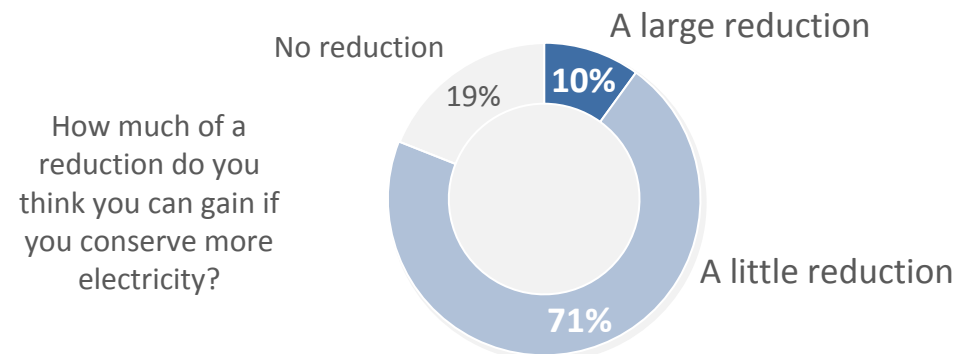
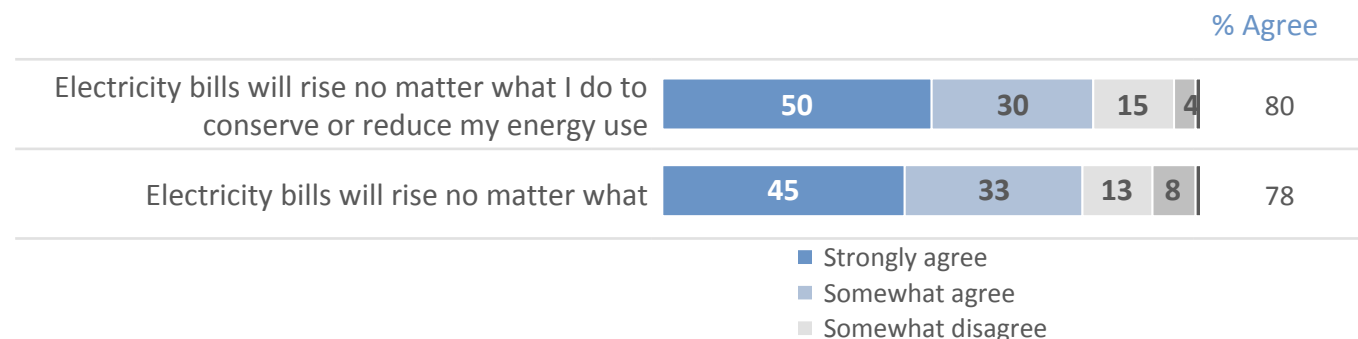
But many question what more they can do ...

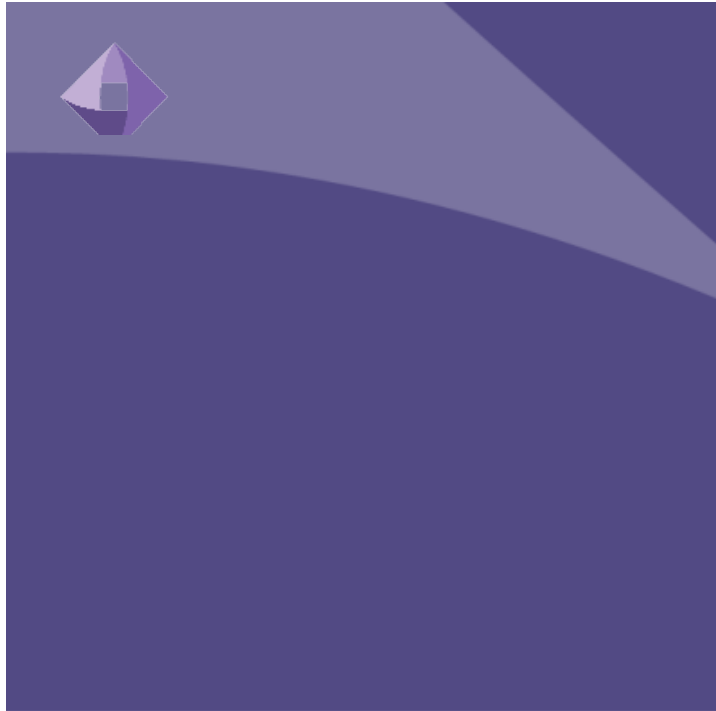


56% *strongly agree* they are doing everything they can to reduce household electricity consumption (91% agree overall)

42% describe their household as moderate/very low energy user,
37% as medium energy users

... or what impact it will have



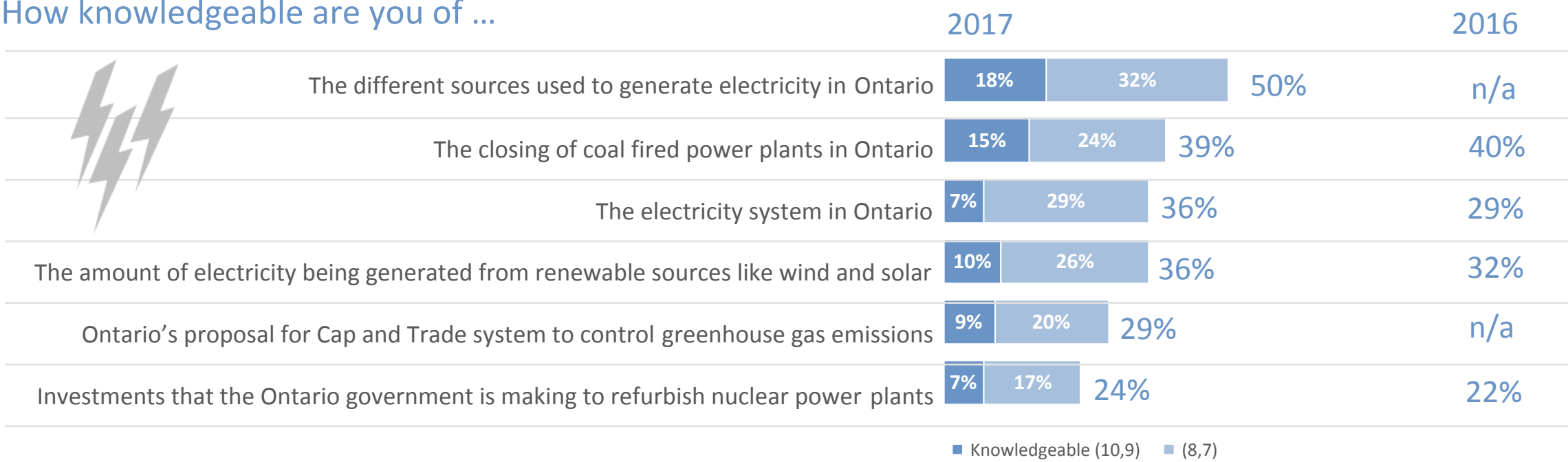


GREEN ENERGY/RENEWABLES

Ontarians are mostly supportive of incorporating a larger component of renewables/diverse sources within the energy mix, with some concerns.

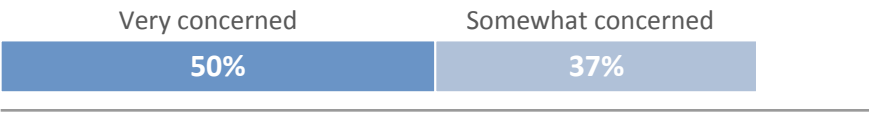
Foundational knowledge is limited – modest understanding of how electricity is generated in Ontario

How knowledgeable are you of ...



Many are concerned about the impact of generating power on public health and the environment, and agree that developing clean sources is important

87% are concerned about the impact of generating power on public health and the environment



84% agree that developing clean sources is important

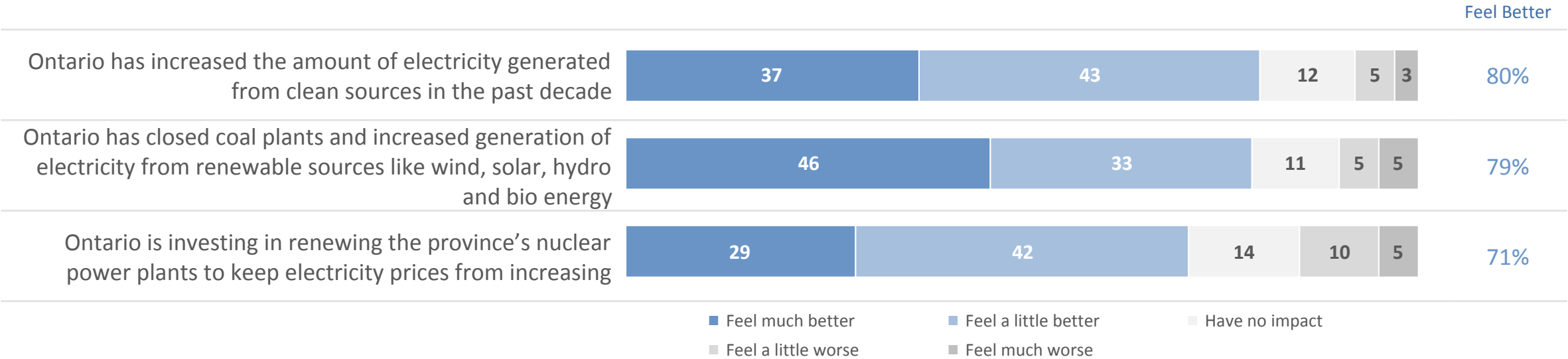


... At the same time, just **50%** are **satisfied with how that is being done** (up from 46% in 2016).

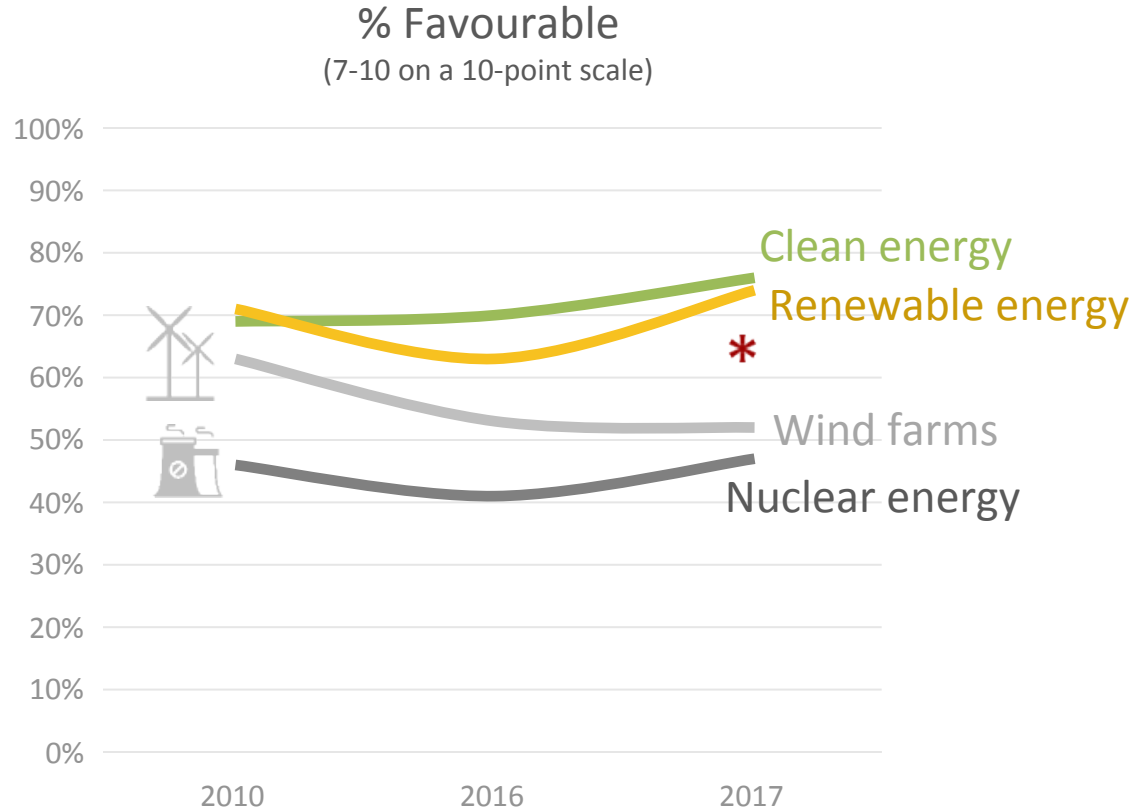
50% believe Ontario is **not currently generating enough electricity from renewable sources** (down from 56% in 2016)

And, green energy solutions are key to improving perceptions about how the system is being managed

Impact of Ontario Government’s Activities and Investments on Perception



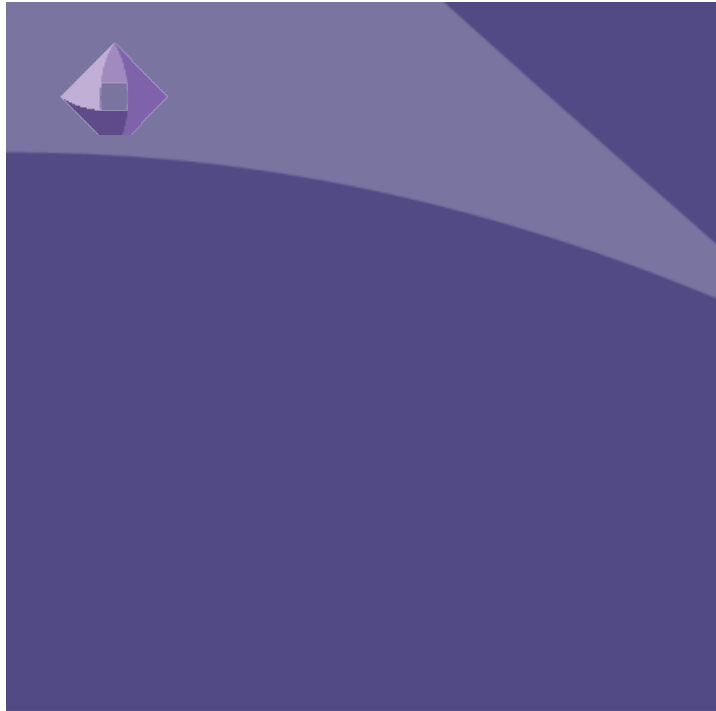
But there are questions about cost, and some concerns about wind farms and nuclear



* In 2017, 65% are favourable toward being able to generate their own electricity from solar panels

Green energy = Higher cost

	% Agree	
	2017	2016
Ontario should import clean energy from other jurisdictions when it is cost-effective to do so (47% strongly agree)	83%	84%
Ontario should extend the life of the Darlington and Bruce nuclear power plants (34% strongly agree)	71%	n/a
Ontario should increase the number of solar and wind farms (41% strongly agree)	70%	73%
It is worth it to pay more for clean green energy (27% strongly agree)	68%	n/a

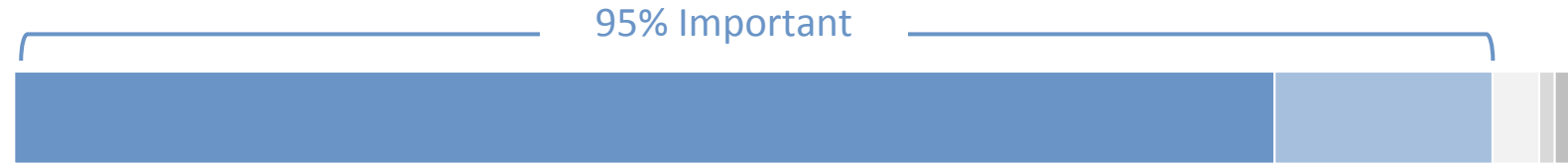


RELIABILITY

A steady, reliable supply of electricity is tablestakes.

Reliability is critical and, for the most part, the system is delivering

Importance of a steady and reliable supply of electricity



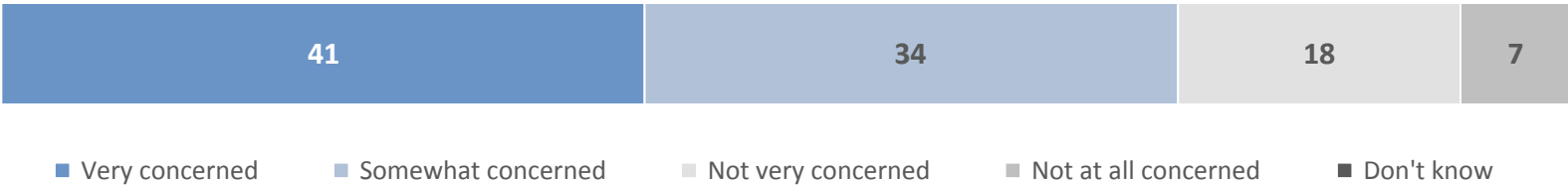
Satisfaction that Ontario is ensuring a steady and reliable supply of electricity



Nevertheless, concern about reliability is potential troublespot, and should be monitored.
Positive response to significant capital investment, but value may not be seen/felt

Level of Concern About Electricity-Related Issues

The reliability of Ontario's electricity system



Ontario has invested nearly \$70 billion dollars in improving the reliability of the electricity system over the past decade

Impact of Ontario Government's Activities and Investments on Perceptions

