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New National Consumer Survey Reveals Interest in Renewable Utility Power, But Low Knowledge Levels

*Consumers Voice High Conservation Values
But Want More Energy-Efficient Options Instead of Reducing Consumption*

No Change In Consumer Message Preferences Pre- and Post-Katrina / Rita

Knoxville, Tenn. – While 75 percent of Americans say it's important to extremely important that their electric utility offer power produced from renewable resources, 50 percent don't know whether or not their electric utility does so, according to a national consumer study released today.

Shelton Group, a marketing communications agency specializing in the utilities and energy industries, conducted the survey, "Energy Pulse 2005," which measures attitudes, opinions and behaviors on energy use and a range of energy-based product categories.

The Energy Pulse study found that although 70 percent of consumers said they've heard of renewable, "green," or sustainable energy, 80 percent were unable to name one source of renewable energy. However, while only 3.4 percent of U.S. consumers said they're currently participating in their

electric utility's renewable or green power program, an additional 38 percent said they are likely to very likely to do so.

"We're seeing a strong openness by consumers to consider energy-efficient options – they just need to be provided more information about those options and how to access them from utilities that provide renewables in their generation mix," said Shelton Group CEO Suzanne Shelton.

"Our data suggest that consumers have a long way to go toward being well-educated about

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2-2-2 Shelton “Energy Pulse” Survey

energy-efficient options, how to access those options and that those options may not necessarily be more expensive than non-efficient ones,” Shelton said.

The study found that 45 percent of consumers are likely to extremely likely to turn to their gas or electric utility for energy-efficient products. Energy Pulse also cited that 50 percent of U.S. consumers said they would be willing to pay more for energy generated through renewable means. Among those, the average amount they’re willing to pay is \$10 per month.

When asked if they would feel more positively about their electric utility due to green power / renewable energy programs, the overwhelming response was “yes” (72 percent).

Americans are relatively divided regarding their feelings about electric utilities. While most (54 percent) said they like their electric utility, 33 percent were undecided and another 14 percent said they dislike their electric utility.

When asked if they either would feel or do feel more positively about their electric utility due to green power / renewable energy programs or energy efficiency programs, the overwhelming response was “yes” (72 percent).

Overall, 63 percent of households think their monthly electric bill is fair. Most of those who don’t (66 percent) chose “Rates don’t reflect costs / too much profit” as their reason.

According to the Energy Pulse study, U.S. consumers prefer increasing energy efficiency and improving technology over exercising energy conservation. Forty-three percent think that increasing energy efficiency is a better solution than reducing energy consumption, cited by 29 percent.

On why they don’t do more to conserve energy, Americans agreed most strongly with the following three reasons:

1. “It’s hard to change habits” (55 percent agree/strongly agree)
2. “I think that new technologies will soon be invented to solve energy supply issues” (54 percent agree/strongly agree)

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3. “Energy efficient products cost more” (49 percent agree/strongly agree)

Overall, agreement patterns seem to generally express faith in emerging energy-efficient technology and disagreement with statements that indicate that energy-efficient technology is unproven or that efficient products don’t work as well.

“Electric utilities would be well-advised to consider more educational outreach to their customer bases about any renewable power options they offer,” Shelton said. “If an energy-efficient product is actually cheaper than non-efficient competitors, companies should use that benefit as a major point of differentiation to overcome consumer assumptions that efficient choices cost more.”

Because the survey was conducted just prior to Hurricane Katrina, one question was re-polled in recent weeks to determine potential consumer changes in opinion – only for Shelton Group to discover opinions stayed the same. When given a choice of several potential persuasive messages, respondents thought the message that would be most effective in convincing Americans to purchase energy-efficient products or participate in more conservation activities was one centered on U.S. national interests, not cost savings or environmental benefits.

“There appears to be a higher priority placed by Americans on the health of the nation’s economy than on immediate personal cost savings,” Shelton said. “Americans also appear to disassociate consumption with higher energy costs, thereby negating the perception that behavior modification to conserve energy is important.”

More information about Shelton Group’s Energy Pulse 2005 study is available on the agency’s web site, www.sheltoncom.com. Based in Knoxville, Tenn., and founded in 1991, Shelton Group’s agency portfolio includes working with one of the country’s largest public power companies for five years to develop federated green power programs for distributors, as well as developing brand-identity strategies and communications programs for two of the largest U.S. public power cooperative associations.