

Colorado's New Energy Economy: The Path Forward

**Consumer Demand:
What do Consumers Want
and at What Price?**

**Floyd Ciruli
Ciruli Associates**

October 30, 2007



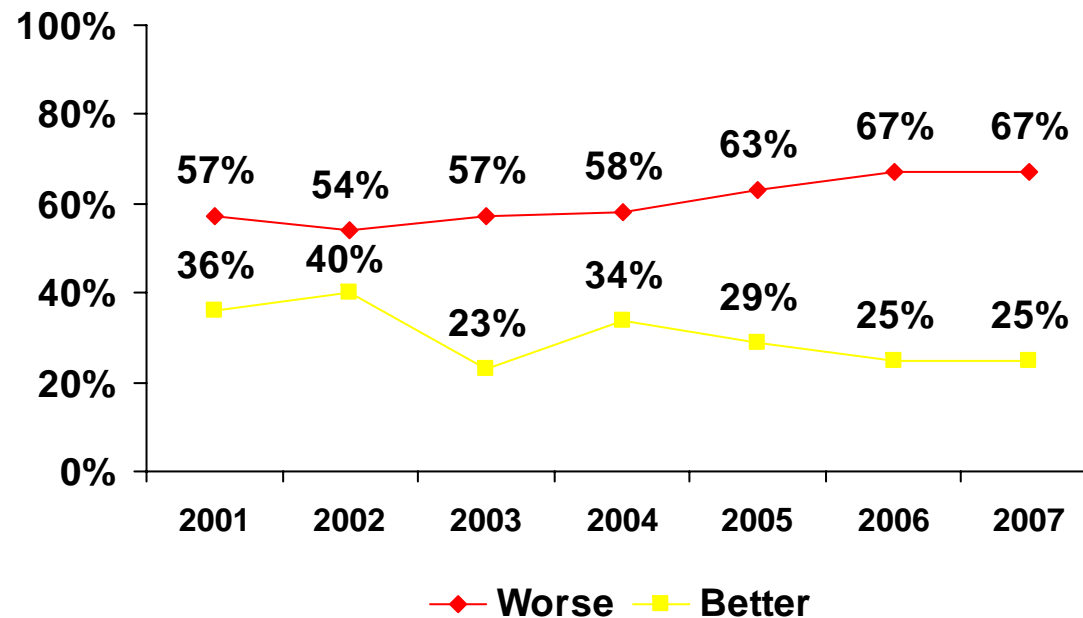
Trends

- Awareness and concern about the environment, energy use and cost grows
- Global warming moves to first place following media coverage, expert opinion and advocates' actions
- Energy companies receive blame related to environment, cost, and foreign and domestic policy
- Political and business leaders adopt sustainability rhetoric and strategies
- Support increasing for regulation and taxes as solution, but opposition to higher gasoline and utility bills
- Environment significant, not dominant issue in 2008. Democratic advantage.

Environmental Pessimism Personal Optimism

- Feel good about air, water, environment at workplace and home – 71%

Environment Getting Worse



Gallup, March 2007

Question: Right now, do you think the quality of the environment in the country as a whole is getting better or getting worse.

Global Warming in First Place but Not Top Problem

- Most important problem for federal government: Iraq – 48%; environment – 1%
- Colorado's top priority for state government: immigration – 26%; environment – 4%

Most Important Environmental Problem

<u>Newsweek</u>	<u>8/07</u>	<u>4/07</u>
Global warming	38%	12%
Water pollution	14	19
Air pollution	13	19
Garbage and landfills	10	17
Loss of ozone layer	7	13
Endangered or vanished species	3	5

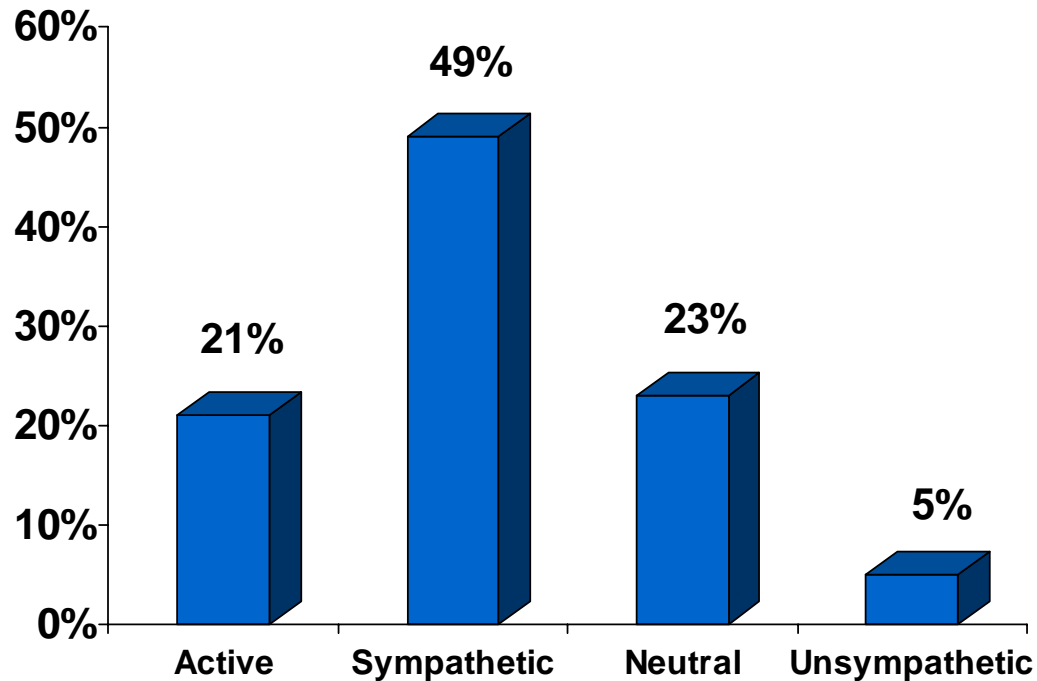
Newsweek, August 2007

Ciruli Associates, September 2007

Question: Which ONE of the following do you think is the most important environmental problem facing the world today? Is it some other environmental problem that I haven't mentioned? [Rotated]

Everyone's an Environmentalist - Few Active

Environmental Movement



Gallup, USA Today, March 2007

Question: Thinking specifically about the environmental movement, do you think of yourself as an active participant in the environmental movement, sympathetic toward the movement, but not active, neutral, or unsympathetic toward the environmental movement?

Power Industry Not Popular

The Image of Top and Bottom Business and Industry Sectors out of 25

<u>Gallup</u>	<u>Positive</u>	<u>Negative</u>	<u>Positive</u>
Restaurant industry	63%	10%	+53%
Computer industry	61	10	+51
Internet industry	54	19	+35
Retail industry	51	18	+33
Electric and gas utilities	31	45	-14
Health care industry	28	56	-28
The federal government	21	57	-36
Oil and gas industry	19	67	-48

Gallup, August 2007

Question: For each of the following business sectors in the United States, please say whether your overall view of it is very positive, somewhat positive, neutral, somewhat negative or very negative?

The Terminator Becomes the Hulk

- Politics and businesses go green
- Ritter – The Colorado Promise: “Lead Colorado toward self-sufficiency by promoting alternative energy, encouraging cleaner ways of extracting and using fossil fuels, and rewarding efficiency and conservation.”
- Hickenlooper – Climate Action Panel and Plan: “Smart choices on energy use, grow economy, foster environmental health, leave legacy of sustainability.”
- Xcel – Second year on Dow Jones Sustainability Index for North America: Richard Kelly – “Commitment to environmental performance and social responsibility.”

Global Warming Issue and Solutions Reframed



Cut Emissions, Save Money, Help Economy

	<u>PIPA</u>
Efforts in the United States to reduce the release of greenhouse gases will cost too much money and hurt the U.S. economy; or,	23%
The U.S. economy will become more competitive because these efforts will result in more efficient energy use, saving money in the long run	71

(PIPA) Program on International Policy Attitudes

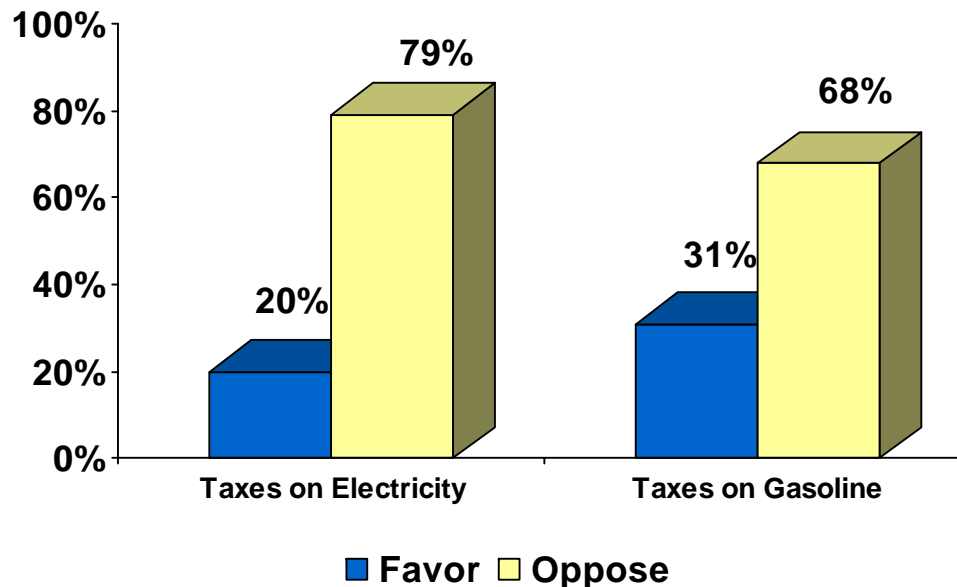
Knowledge Network 2005

Question: Which of the following statements comes closer to your opinion?

Will Sacrifice as Ideal, but Resist Tax and Price Increases

- People should be willing to pay higher prices in order to protect environment – Agree 60%

Oppose Taxes for Conservation



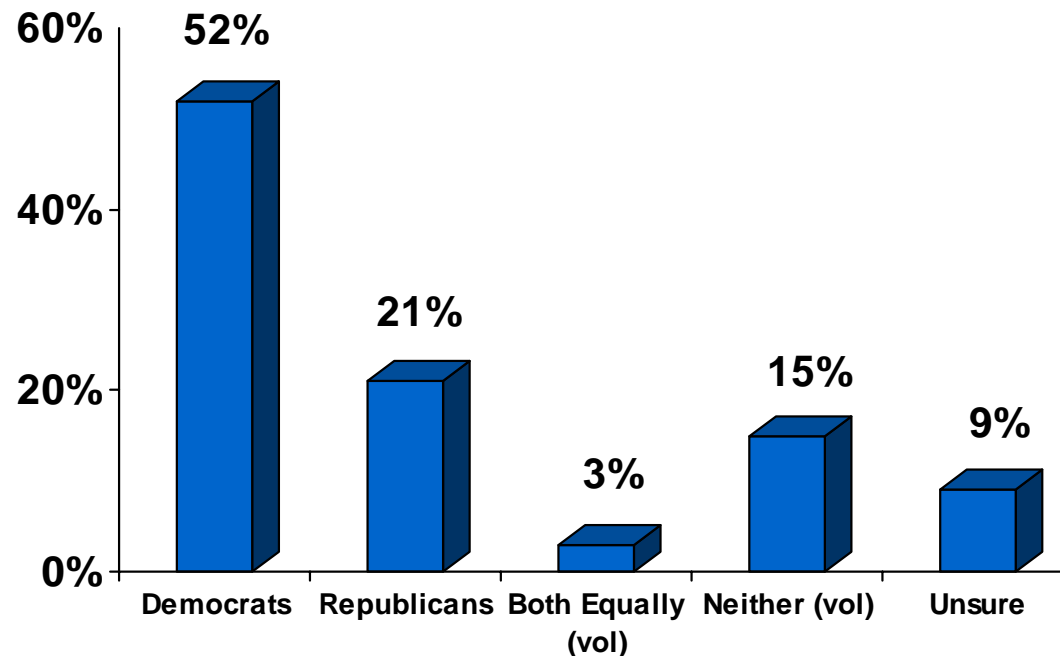
ABC News, March 2007

Question: For each of the following, please tell me whether you favor or oppose it as a way for the federal government to try to reduce future global warming? Increased taxes on electricity so that people use less. Increase taxes on gasoline so that people either drive less, or buy cars that use less gas.

Global Warming Secondary Issue for Voters - Advantage Democrats

- Single most important issue in determining vote, environment – 4%

Democratic Advantage 2 to 1



Newsweek, August 2007

Question: In general, which political party do you trust more to handle the issue of global warming: the Republicans or the Democrats? [Rotated]