

# Stimulating World

(Revealing people, revealing research)

Ofgem First Deliberative  
Report of Findings

# 1. Executive summary

## Background

Ofgem wished to engage with consumers in a public consultation about energy and environment. As concern around climate change continues to grow, there are key questions about how far consumers understand the relationship of energy consumption to environment, where they see responsibility for action lying and how far they would be willing to pay for measures to limit environmental damage.

Ofgem also wished to know how far consumers were aware of the current work being carried out in energy to tackle climate change (in particular Government initiatives) and what they thought about these measures after closer consideration. A deliberative methodology was selected as the most appropriate approach for this consultation.

The overall objective of the consultation was to understand consumer attitudes to energy and environmental matters, with particular reference to:

- Consumers' awareness of environmental issues
- Consumers' views on action to tackle impact on environment of energy
  - Types of action
  - Responsibility for action
  - Costs of action
- Consumers' willingness to pay for measures to tackle climate change

## Methodology

The deliberative methodology is designed to inform citizens on key issues so that they can arrive at more considered conclusions about the matter in question, in this case the relationship between energy and environment. It is particularly useful when the issues to be considered are complex or contentious. Participants are provided with objective information on the issues at hand and given the time to assimilate and consider the information.

Deliberative research is designed to broadly represent the national population in terms of age, socio-economic grouping, ethnicity and disability so that a range of opinions can be gathered. Participants are gathered as one group so that an open exchange of opinion can take place and people can be exposed to different points of view. While the deliberative methodology can be broadly indicative of the greater national response, it is a qualitative methodology and cannot be construed as representative of the UK population in quantitative terms.

A deliberative approach was deemed most appropriate for this study due to the complexity of the evidence and the saliency of the subject matter.

A two stage deliberative consultation was held with sixty participants in three locations. Stage 1 focused on gathering participants' spontaneous perceptions and knowledge about environmental matters. Stage 2 focused on gauging shifts in opinion as a result of closer consideration of the issues and responses to different energy efficient measures.

- **Stage 1 - comprised three initial workshops of two hours duration**
  - With twenty citizens recruited according to UK socio-demographic breakdown
  - In three locations - London, Bristol, Glasgow (20 participants in each)

- **In the Interim period participants were given:**
  - An information pack with fact sheets to read
  - pre-tasks to complete - collecting articles/cuttings from newspapers/magazines/internet to bring to reconvened sessionsParticipants were given ten days to assimilate the evidence provided in addition to conducting research of their own if they wished.
  
- **Stage 2 - comprised three full day reconvened workshops**
  - With the same group of twenty citizens
  - In the same locations (London, Bristol, Glasgow)

During stage 2 a short presentation broadly outlining key initiatives for environmental policies (Renewables Obligation, Energy Efficiency Commitment and Emissions Trading Scheme) was given by Ofgem in the workshops. The information provided in this presentation represented a broad overview and participants had limited time in which to assimilate the nature of the schemes. As a result, while the policies were considered, participants were still left with questions unanswered.

## **Context**

The research took place at a time when global warming and climate change was receiving much attention in the media hence most participants were broadly aware of the issues. For a number of months previous to the research, TV programmes and news articles on global warming had been present on television almost nightly.

As the research project was underway, more media attention was focused on the issue of global warming and climate change for the following reasons:

- A TV programme was screened reporting claims by a group of scientists that global warming was not so serious and was the result of natural occurrences
- Tony Blair signed an EU deal regarding targets for reducing carbon emissions
- There was much press coverage of the EU deal and questions around who was responsible for emissions
- There were also questions around 'oversubscribing to the Government's micro renewables grant programmes'

The consultation also took place at a time when there had been substantial rises in energy prices and when British Gas had broken this pattern by announcing its intention to cut prices. These price rises had received much attention and generated consumer frustration and mistrust.

These contextual issues inevitably helped frame the consultation. The TV programme, in particular, screened in the interim period between the initial and reconvened workshops, had an impact on some participant's thinking.

Participants were also provided with information on the issues. This included information provided by Ofgem in the form of fact sheets during deliberation and presentations on climate change policies at the reconvened workshops (appended). These covered a wide range of issues including climate change, the impact of energy on climate, a breakdown of UK energy demand and various energy efficiency measures.

Throughout the consultation, also, it became clear that psychological profile was a key factor in influencing participant's responses. Four participant profiles were identified using two key axes of greater awareness/less awareness and trusting/distrustful. These profiles have been called: Savers, Shifters, Withdrawers and the Disillusioned.

## Responses from the initial workshops

The initial workshops showed that participants were largely aware of the relationship between energy and climate change:

- Most took this seriously but some doubted its validity (according to profile)
- Industry was seen as the primary cause of pollution and resultant global warming
- However, there was growing emphasis on energy saving in the home with participants trying to 'do their bit'
- There was no stated knowledge of Government or supplier schemes to implement energy efficiency measures, although some people were aware of 'grants' being available to save people for loft insulation.
- But participants felt that responsibility for energy efficiency measures should rest on Government's shoulders. At the same time, there were concerns about the nanny state
- Cost emerged as a major theme, with participants being very concerned about suppliers' profits, costs to consumers and who would pay for energy efficiency measures
- Overall, there was a general feeling of pessimism and loss of control in the face of the large issue of climate change

## Responses from the reconvened workshops

The reconvened workshops showed that participants had shifted their perspectives on some crucial issues:

- In the interim period, many had become more sceptical that global warming was a very serious issue due to media coverage claiming that it was a natural occurrence. However, they accepted that human influence was responsible for the acceleration of climate change
- Participants demonstrated a heightened awareness of consumers' role in creating emissions and acknowledged that industry is not the main polluter
- In addition they showed a greater awareness that current energy resources would run out and a resultant desire to be more energy efficient to protect remaining stocks
- There was surprise and relief that Government and industry were implementing energy policies. There was also a strong sense of distrust and anger that the public had not been adequately informed of these measures and cynicism around Government's motives
- There was a shift in perceptions of responsibility for implementing energy efficiency measures. After considering the evidence, participants felt that consumers should take more responsibility for measures and continue to be mindful of not wasting resources
- Equally, they felt that all parties - Government, industry and consumers - should pay their parts responsibly
- There was a strong sense that renewable energy should be developed, although there were some reservations according to profile

- However, the issue of cost and payment aroused much passion with participants feeling a sense of victimisation around the issue and considering that they already contributed quite a lot through their bills and there was concern that industry takes large profits and does not pay it own way here
- But participants' sense of fairness and responsibility meant that they were willing to pay their share
- The amount they were willing to pay varied by profile, with the most trusting being prepared to pay a substantial sum, others willing to pay something, and a few not willing to pay anything. Some people in the middle range (a minority) said that they would have wished to pay more but were being realistic about what they could afford.

However, after all the information had been considered there was still a sense of pessimism and loss of control around the issues of climate change, limited energy resources and cost to the consumer (particularly prevalent among the Shifter profile). There was also distrust in the ability of Government and industry to confront these issues. At the end of the deliberation, participants were still looking for strong leadership to help them negotiate these difficult issues. Given these consideration our recommendations for the way forward are as follows:

**Recommendations from the findings of this consultation are:**

Government must show clear guidance and leadership in the face of climate change and diminishing energy resources. This entails:

- Demonstrating a clear vision of how energy will be sourced in the future
- Instilling a sense of optimism about the future

- Clearly communicating what Government and supplier measures are already in place and those to be implemented
- Developing a strong communication of collective responsibility for energy efficiency measures including the role of Government, industry and citizens
- Giving a clear indication that the cost for these measures will fall to all parties - Government, industry and citizens
- Providing clear communication that Government is regulating industry and that suppliers are paying their fair share

A clear communication of vision for the future and collective responsibility for manifesting that vision will be important will be important in encouraging citizens to pay for energy efficiency measures.

There also needs to be clarity about how the money is being collected from citizens. This can be demonstrated in the following ways:

- Clearly laid out bills detailing payments for the Renewables Obligation and the Energy Efficiency Commitment
- Clear communications that energy efficient light bulbs, and other possible measures, are not free but paid for by the consumer

# 2. Introduction

## 2.1 Background

Ofgem wished to engage with consumers in a public consultation about energy and environment. As concern around climate change continues to grow, there are key questions about how far consumers understand the relationship of energy consumption to environment, where they see responsibility for action lying and how far they would be willing to pay for measures to limit environmental damage.

Ofgem also wished to know how far consumers were aware of the current work being carried out in energy to tackle climate change (in particular Government initiatives) and what they thought about these measures after closer consideration. A deliberative methodology was selected as the most appropriate approach for this consultation.

## 2.2 Research Objectives

The overall research objective was to understand consumer attitudes to energy and environmental matters, with particular reference to:

- Consumers' awareness of environmental issues
- Consumers' views on action to tackle impact on environment of energy
  - Types of action
  - Responsibility for action
  - Costs of action
- Willingness to pay for measures to tackle climate change

## 2.3 Method and sample

The deliberative methodology is designed to inform citizens on key issues so that they can arrive at more considered conclusions about the matter in question, in this case the relationship between energy and environment. It is particularly useful when the issues to be considered are complex or contentious. Participants are provided with objective information on the issues at hand and given the time to assimilate and consider the information.

Deliberative research is designed to broadly represent the national population in terms of age, socio-economic grouping, ethnicity and disability so that a range of opinions can be gathered. Participants are gathered as one group so that an open exchange of opinion can take place and people can be exposed to different points of view. While the deliberative methodology can be broadly indicative of the greater national response, it is a qualitative methodology and cannot be construed as representative of the UK population in quantitative terms.

A deliberative approach was deemed most appropriate for this study due to the complexity of the evidence and the saliency of the subject matter.

A two stage deliberative consultation was held with sixty participants in three locations. Stage 1 focused on gathering their spontaneous perceptions and knowledge about environmental matters. Stage 2 focused on gauging shifts in opinion as a result of closer consideration of the issues and responses to different energy efficient measures.

- **Stage 1 - comprised three initial workshops of two hours duration**
  - With twenty citizens recruited according to UK socio-demographic breakdown
  - In three locations - London, Bristol, Glasgow (20 in each)
    - **In the Interim period participants were given:**
      - An information pack with fact sheets to read containing fact sheets
        - fact sheet 1 the gas and electricity supply chains
        - fact sheet 2 sources of energy
        - fact sheet 3 how much gas and electricity do we use?
        - fact sheet 4 where does our electricity come from?
        - fact sheet 5 climate change
        - fact sheet 6 emissions
        - fact sheet 7 what are the environmental impacts of gas and electricity consumption?
        - fact sheet 8 What is government doing?
        - fact sheet 9 what can you do?
        - Fact sheet 10 the cost of taking action to help tackle climate change
        - energywatch going green
  - pre-tasks to complete - collect articles/cuttings from newspapers/magazines/internet to bring to reconvened sessions
- **Stage 2 - comprised three full day reconvened workshops**
  - With same group of twenty citizens
  - In the same locations (London. Bristol, Glasgow)

During stage 2 a further, short presentation broadly outlining key initiatives for climate change policies (Renewables Obligation, Energy Efficiency Commitment and Emissions Trading Scheme) was given by Ofgem in the workshops. The information provided in this presentation represented a broad overview and participants had limited time in which to assimilate the nature of the schemes. As a result participants were left with many questions unanswered.

## 2.4 Sample Design

A representative sample of sixty UK citizens was recruited across three locations. The sample was designed to broadly reflect the views of the UK population.

WORKSHOP 1: BRISTOL				WORKSHOP2: LONDON				WORKSHOP3: GLASGOW			
A/B	18-24	F	1	A/B	25-34	M	1	A/B	55+	F	1
B	25-34	F	1	B	18-24	F	1	B	55+	M	1
B	35-44	M	1	B	35-44	M	1	B	25-34	F	1
B	45-54	F	1	B	45-54	F	1	B	35-44	M	1
B	55+	M	1	B	55+	M	1	B	45-54	F	1
C1	18-24	M	1	C1	18-24	M	1	C1	18-24	F	1
C1	25-34	M	1	C1	25-34	F	1	C1	25-34	M	1
C1	35-44	F	1	C1	35-44	M	1	C1	35-44	F	1
C1	45-54	M	1	C1	45-54	F	1	C1	45-54	M	1
C1	55+	F	1	C1	55+	M	1	C1	55+	M	1
C1	55+	M	1	C1	55+	F	1	C1	55+	F	1
C2	35-44	M	1	C2	55+	F	1	C2	18-24	F	1
C2	45-54	F	1	C2	25-34	M	1	C2	25-34	M	1
C2	55+	M	1	C2	35-44	F	1	C2	35-44	F	1
C2	55+	F	1	C2	55+	M	1	C2	55+	M	1
D	55+	F	1	D	18-24	F	1	D	35-44	M	1
D	25-34	F	1	D	45-54	M	1	D	45-54	F	1
D	35-44	M	1	D	55+	F	1	D	55+	M	1
E	18-24	M	1	E	35-44	M	1	E	18-24	F	1
E	55+	F	1	E	55+	F	1	E	55+	M	1

The constituents of each workshop varied in some small degree. In each workshop participants of ethnic origin and those with disabilities were represented.

# 3. Main findings

## 3.1 Consumers' attitudes to energy and environmental matters arising from the initial workshops

Throughout the course of the workshops, at both the initial and reconvened stages, it became clear that a number of factors influenced participants' opinions about energy and environment. These factors included the information they were exposed to in the fact sheets, information given during the workshops and in the media, and also their natural disposition in terms of psychological leanings. We refer to these tendencies as participants' profiles and outline them here because they have a significant bearing on responses.

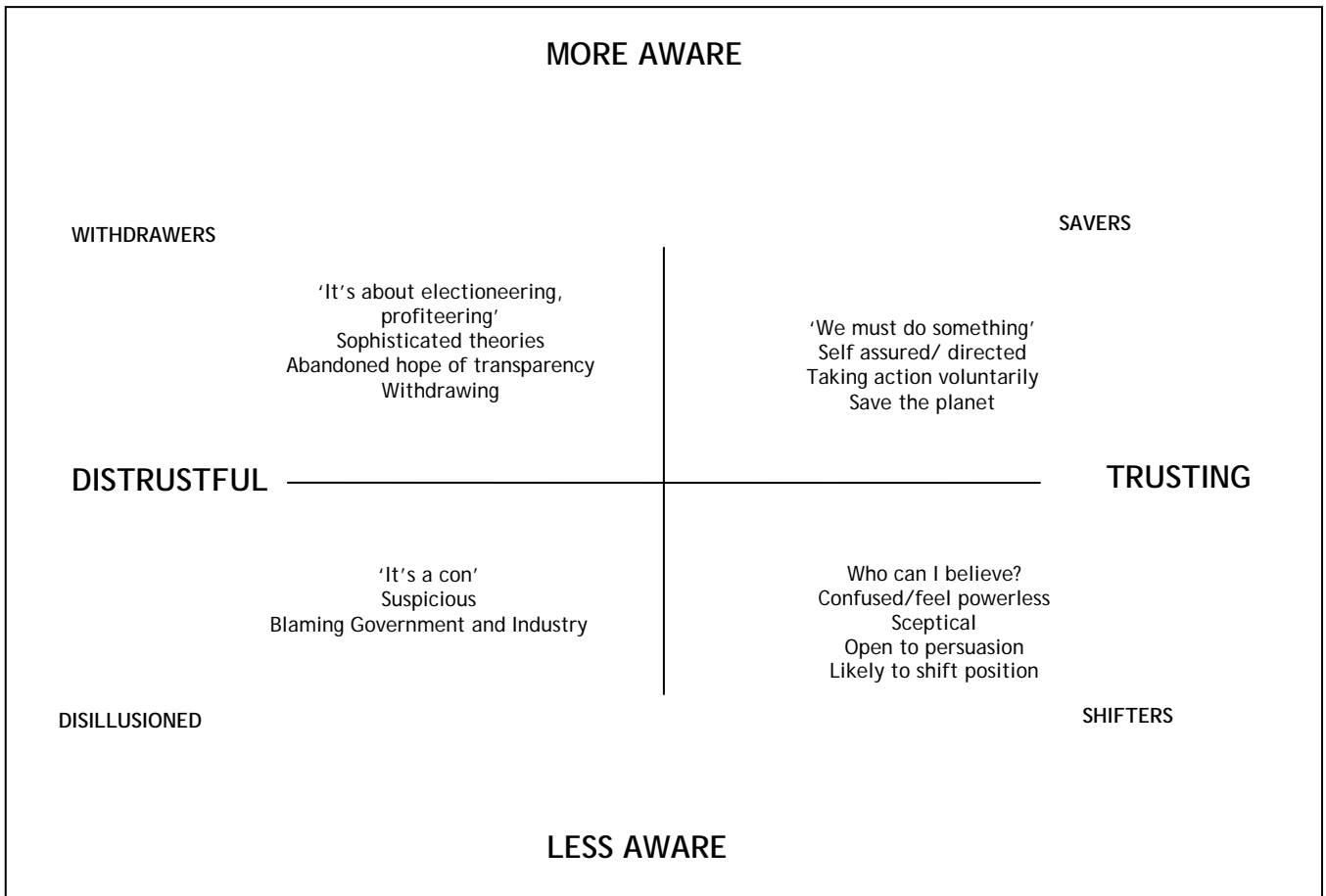
### 3.1.1 Profile of Participants

During the workshops, it became apparent that participants' responses were determined by their levels of awareness of the issues being discussed and their tendency to trust or distrust outside sources in general. We have used these two key factors as axes and created a psychographic profile of participants which is shown below (Profile of Participants).

Using these two axes, four profiles emerged which were very clear in the workshops. These were Savers, Shifters, Withdrawers and the Disillusioned. Of these the Savers were the most self assured in their beliefs and behaviours. The Disillusioned and Withdrawers also voiced strong views. However these three groups tended to be in a minority. Shifters formed the biggest group but were often less rigorous in their viewpoints.

The diagram below (Profile of Participants) shows the key characteristics of each profile and expressions they often used when deliberating the issues.

**Profile of Participants**



Responses varied markedly according to profile, which tended to influence not only attitudes but also the propensity to change opinions or adhere tightly to one position in response to information. The core attributes of each profile were as follows:

**Savers**

In each workshop, Savers represented a minority of participants (up to three in each workshop). They tended to have high levels of knowledge and a strong interest in environmental issues. They generally displayed a trusting attitude and showed fewer propensities to be naturally suspicious of possible

agendas. They were very assured of their ability to think through the subject and their understanding and assessment of the issues. Savers also displayed an awareness of the possibilities and ramifications of future actions. They promoted a collective potential for collective action to bring about change. Typical Saver statements were “we must do something” and “save the planet”. They were prone to take voluntary action such as making concerted efforts to educate their children about energy saving and researching and taking up green tariffs

Savers were unlikely to change their position unless they could be persuaded by rational and cohesive arguments.

A typical Saver statement was:

*“.....our collective power as consumers - if we were all armed with the right knowledge and understanding - is immense because if we demand a change and use our proactive consumer power to enforce that, people will have to notice. But a problem is that not enough of us really know or understand the issues...”*

## **Shifters**

Shifters represented the majority of participants across the workshops. They did not reject notion of link between energy and climate change as a whole but were less self assured in their views and displayed less knowledge around environmental issues in general. While they were open to assimilating information, Shifters were often confused by conflicting information presented to them, especially in the media. As a result they tended to feel confused and powerless in the face of issues, such as global warming and energy costs, and they showed a propensity to shift position according to the information they were presented with. During the course of the media attention arguing that global warming is a natural occurrence, many Shifters

moved their position. This also provoked a sense of scepticism among them with the accompanying response "who can I believe?"

A typical Shifter statement was:

*".... I get such mixed messages. I find it hard to know what to believe now.....because as I was saying, last week I was sure we're contributing to global warming, and then I heard on Richard and Judy that its natural.....it's quite confusing because you want to do all you can to try and save the planet but if it's just a natural thing....."*

### **The Disillusioned**

The Disillusioned represented a small minority of only one or two participants in each workshop. They were generally distrustful of the motives of government and business. They showed a tendency to be suspicious and blaming of these bodies. They perceived the consumer to be an underdog in relation to big institutions believing that they were manipulated and misinformed by government and industry. They also tended to be less aware of issues around environment.

As a group, the Disillusioned were very vocal. They tended to adhere to their position and were suspicious of different points of view. With regard to the issue of global warming, they tended to believe that this was also a form of spin with the intention to deceive the average man in the street. In particular, they were suspicious that it might be exaggerated with the aim of extracting more taxes from consumers. They were reluctant to look at any evidence contrary to their point of view. A typical disillusioned statement was:

*"It's a con.....there's money making in it somewhere....it'll end in taxation"*

## Withdrawers

Withdrawers also represented a very small minority of participants, with as little as one or two in each workshop. Like the Disillusioned, they were often distrustful of authority but appeared to be aware of issues surrounding energy and environment and had concluded that consumers were being manipulated by Government and business. They often spoke of the 'electioneering' tendencies of politicians jumping on the green bandwagon, and the 'profiteering' motives of the energy industry. On the whole they were very disillusioned with authorities and business, having abandoned all hope of transparency by these bodies and tended to withdraw as a response. They could be very analytical in their arguments and often used facts from quality newspapers, their own experiences during their travels or in their business setting, to support their views. Withdrawers tended to be very knowledgeable about renewables and their delivery of energy. Some were in favour of nuclear energy.

Withdrawers were unlikely to shift their position unless they were presented with a good argument. During the course of the deliberation, a Chanel 4 documentary questioning the validity of global warming, served to reinforce Withdrawers views about hidden agendas in this area.

While there were many similarities in perspectives between Withdrawers and the Disillusioned, Withdrawers usually presented more detailed and considered reasons for their opinions. A typical Withdrawer statement was:

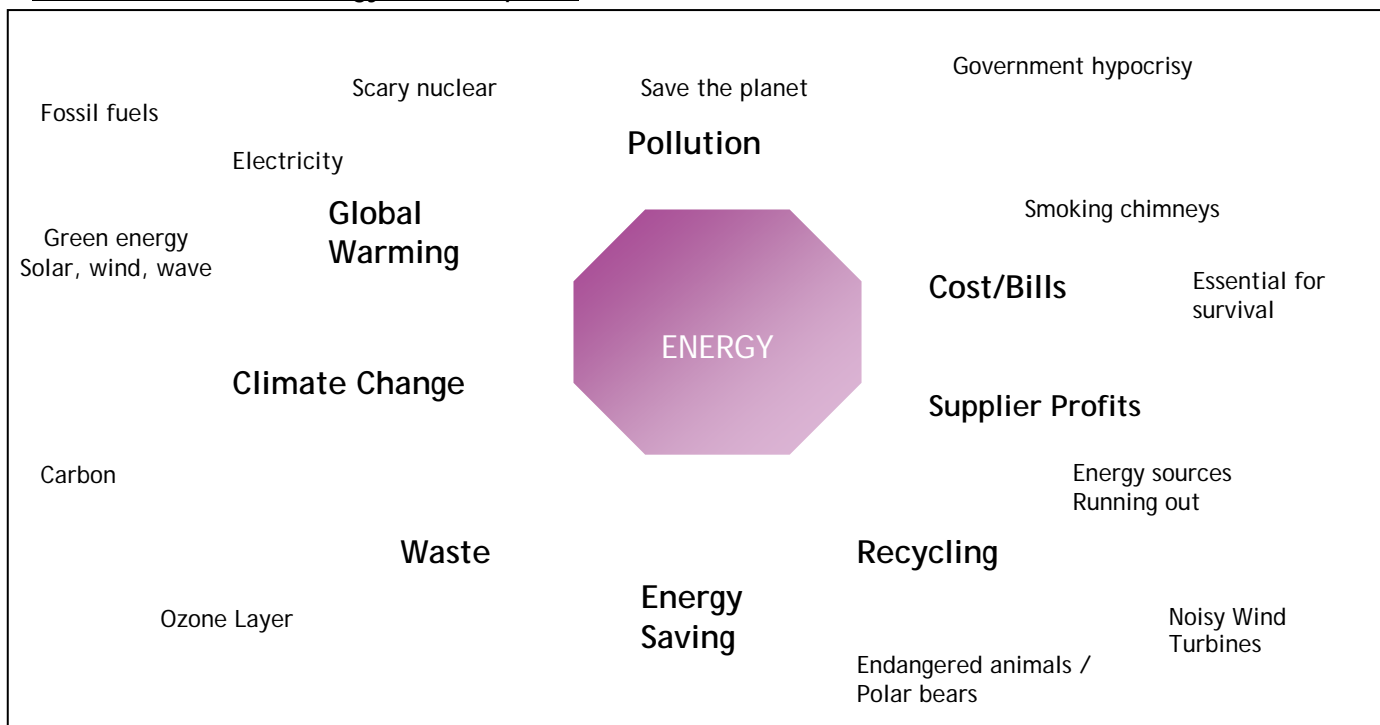
*'It's all about hidden agendas.....'*

### 3.1.2 Associations with energy consumption

There was a spontaneous link between energy and environment in participants' minds. At the beginning of the workshops, a word association exercise with the word 'energy' generated a range of spontaneous responses.

The diagram below (Associations with Energy Consumption) gives a pictorial representation of the kinds of associations that emerged during this exercise. Those associations placed closest to the word energy at the centre of the diagram were the strongest and emerged most frequently. Those farther out were weaker associations at this first stage of the deliberation.

#### Associations with Energy Consumption



On closer inspection, it becomes clear that core associations tend to fall into three key areas, these being global warming, cost and energy savings. Across all the workshops, these associations emerged as significant factors.

Strong media activity, especially over the past months, ensured that the groups were very aware of the issue of global warming. Many showed a strong concern about the issue, particularly in relation to climate change and pollution which they could recognise in their daily lives. There was much talk about the changing weather patterns and pollution generated by traffic.

Associations with the cost of energy were also very important to participants. The rising cost of bills was prominent as a source of disquiet, especially when contrasted to suppliers' profits which were regarded as very large.

*"This is the biggest issue after the mortgage"*

Energy saving measures and recycling were also strong associations. Many had heard about different measures to save energy in the home and were keen to recycle as much as possible. This was often linked to an association with waste, or the prevention of waste, which was important for most participants.

Other associations included those of:

- Government hypocrisy in relation to climate change (where Withdrawers and the Disillusioned felt that Government talked about green issues but did not do its bit to combat climate change)
- the ozone layer
- fossil fuels and carbon emissions
- renewable energy sources such as solar and wind and wave
- endangered animal life
- energy sources running out
- survival issues regarding energy and the Energy Certificate (as part of the new law being introduced in June)

These associations were less prominent at this early stage but were precursors for themes to be developed at the later stage of the consultation.

### 3.1.3 Associations with different energy sources

Participants associated a number of thoughts and feelings with different energy sources:

Fossil fuels had the dual association of providing a comfortable lifestyle incorporating heat, light and warmth and of being a destructive force for the planet. They were seen as essential to our modern, convenient lifestyles. However, there were also strong associations with pollution for many and carbon production for a few. Participants recognised that fossil fuels produced 'dirty energy' which must inevitably lead to global warming. Fossil fuels produced strong associations with smoking power stations, pylons emitting currents and resources running out.

*"Eventually we will destroy the planet"*

Mention of nuclear energy was very scant. Most participants did not want to talk about this energy source and tended to dismiss it as too 'scary' to consider. There were passing references to Chernobyl and power stations taking 100 years to decommission. Other than these participants did not engage with the topic of nuclear energy.

Renewables provoked a much more positive response and a significant interest among participants. The term renewables itself was not known to all and many referred to these sources as wind or solar power. Participants referred to this energy as 'clean' and felt strongly that it represented the future. There were doubts, however, around this source in terms of expense, with many realising that it represented a more costly option. This was particularly true in the case in Glasgow, where participants were more familiar with wind energy. There were also concerns around the aesthetics of renewable energy, with particular regard to wind turbines and solar panels.

*"They (wind turbines) are a blot on the landscape...eyesores"*

Noise was cited as an issue with wind turbines and again this was particularly marked in Glasgow. There were also some doubts about the effectiveness of solar panels and the ability to store the energy produced.

#### 3.1.4 Awareness of the relationship between energy and the environment

Participants made a strong link between energy use, pollution and climate change. Recent media coverage had established this link making the topic more significant for everyone. As one participant remarked, there was a television programme almost every night on the topic. Hence, at this initial stage of the consultation, there was much talk about the relationship between energy use and environmental warming. Most participants were open to the idea and registered a strong awareness that steps must be taken to halt the progress of climate change. Only a few Disillusioned and Withdrawers questioned the validity of global warming in the initial workshops.

There was a strong feeling, however, that industry was primarily responsible for pollution and the problem of global warming. Most associated pollution with smoking chimneys or office buildings lit up at night. These had become symbols in participants' minds for the damage inflicted on the environment. In Bristol, concerns about this issue were being addressed by local green campaigners who were asking offices to turn off their lights at night.

*" The green campaigners are urging Bristol offices to turn off their lights and they're having a night on April 4<sup>th</sup> where they are encouraging them to turn them off"*

While most saw the problem of excess energy use and resultant pollution as the problem of industry and business, they were aware that their own actions had an effect on global warming. Participants were aware that they could make energy saving efforts such as turning off lights, standbys and taps,

boiling only as much water as needed and recycling as much as possible. There was an awareness and intention to follow these measures by all but a few. However, participants stated that their efforts were often inconsistent.

*“We want to do our bit.....life gets in the way”*

While the link between energy and environment had been made, there was confusion for many about how global warming and climate change had actually come about. Understanding of the role of carbon dioxide and greenhouse gases was often vague and there was substantial confusion around the role of the ozone layer in relation to climate change. As one participant remarked:

*“how can switching on a light send out CO2 into the atmosphere?”*

Awareness of the process tended to vary by region, however, with participants in Bristol often clearer about the causes and process of climate change.

### **3.1.5 Key themes emerging from the initial workshops**

In the initial workshops a number of key themes emerged in relation to energy and environment. These themes were consistent across the workshops and were as follows.

**There was a growing awareness of the crucial role of energy in our lives.** Most participants acknowledged that we are very dependent on energy to maintain our day to day existence and comfortable lifestyles. Savers had often thought through this issue of dependency in some depth. Likewise, older people, who had lived through the war years, noticed how this dependency had increased over the decades. There was also a strong sense that we take our lifestyles for granted.

Equally, there was a strong sense of the damage that our dependency on fossil fuels is causing to the environment. Participants were concerned by the destruction of our landscapes, as symbolised by melting icecaps, and wildlife, so vividly portrayed in the picture of the polar bear standing on the ice. Images from the media of the global destruction of our environment, was a major theme. Emissions from transport, as well as industry, were often cited as the main cause of this damage. The Disillusioned remained sceptical about these claims.

*“on the news the other night the picture of the polar bear standing on the ice...that really brought it home to me”*

There was a growing realisation that our energy use is non-sustainable. Although many participants did not use the language of sustainability, there was recognition that we use more energy than ever before. Savers were aware and most vociferous about the increased levels of consumption. As part of this, waste emerged as a key theme. Participants were particularly averse to the idea of wastefulness as part of excess consumption and the extra expense that wastefulness entails.

*“We have it good and there is lots of waste....we expect a certain lifestyle”*

There was a strong focus on energy saving. This was something that most participants felt they could reasonably achieve in their everyday lives to some extent and had the added advantage of saving them money. Energy saving was also a tangible response to worries about wastage and the discomfort that this caused. For Savers, the energy preservation mentality represented a broader shift in our thinking towards a new mindfulness around consumption.

*“We are moving into a new kind of society.....saving money and saving energy.....the more you use the more you are rewarded”*

*“We are being persuaded to be more mindful”*

**There was a feeling that new sources of energy need to be developed.** For most participants this involved the development of renewable sources, namely solar power and wind power. Awareness of other renewable sources was low. For a few, nuclear power represented an option but most refused to consider it because of the 'terrifying associations'.

*"We need new ways of creating energy"*

**Awareness and understanding of renewables was limited and varied by location.** Across all three locations - Bristol, London and Glasgow - Savers had researched this option and were knowledgeable about renewables. In Glasgow, there was greater awareness among all profiles due to the proximity of wind turbines in the area. Most could cite the benefits and drawbacks of renewable production.

**Cost was a key issue for all participants.** Cost emerged as a strong focus of attention in this first stage of the deliberation and continued throughout. Often the issue of cost was not clearly integrated with participants' notions of environment. It frequently arose as an independent theme and was focused on the price of bills, with a strong feeling that costs were often passed onto the consumer by suppliers who were making indecent profits. There was also much confusion around the different suppliers and a sense that it was impossible to make a side by side comparison across the different suppliers. Overall, participants felt a sense of victimisation around the issue of energy costs, particularly in the light of recent price increases. There was mention, however, of price cuts by British Gas and a warm welcome for this development.

*"The escalation of fuel costs....and its very confusing with different costs"*

The issue of cost and environment did come together, however, in terms of energy saving measures, which saved the consumer money, and the

development of renewable resources, which most realised was more expensive. There was an expectation that this extra cost for renewables would be passed on the consumer. While most were unhappy about this, they also accepted that measures would need to be taken to combat climate change.

**There was a minor theme of fossil fuels running out in the initial workshops.** This theme was more developed in the reconvened workshops but at this early stage was less prominent. It did arise spontaneously across all locations, however, especially among Savers and Withdrawers, but was more prevalent in Glasgow where renewables are in place.

*“We are vulnerable.....we can't go back in time”*

**Another minor theme was the perception that the UK was unable to make a difference in cutting CO2 in the face of other countries' emissions.** This theme was to emerge more strongly in the reconvened workshops but made an initial appearance at this stage.

#### **Factors influencing people's perceptions of environmental matters**

Strong media coverage was very important in influencing people's perceptions of climate change. News coverage and press items focussing on key environmental changes were cited, in particular the break up of the Antarctica ice caps. The image of the polar bear on melting ice was a particularly strong symbol for participants. David Attenborough's programmes on climate change and how it will affect the UK were also mentioned. Industrial smoking towers had become an iconic symbol of the cause of global warming for participants.



Media coverage of global disasters occurring as a result of climate change, such as Katrina and flooding worldwide was also influential in forming peoples' perceptions.

Participants drew on their personal experience of climate change. All had registered unusual and worrying weather patterns and occurrences in nature, such as daffodils in January, no snow in Scotland and lambs in winter. The passing of the seasons was generally lamented.

*"We can actually see it happening"*

### 3.1.6 Perceptions of what government is doing to combat climate change

Very little was understood about the role of Government in combating climate change via energy efficiency schemes. There was no direct knowledge of

Government schemes in relation to the energy industry or consumers. Even Savers were unaware of the measures Government is taking.

There was, however, awareness of the results of the Energy Efficiency Commitment. Participants were aware that energy suppliers sent out energy saving light bulbs, also a few were aware that local councils insulated pensioners' lofts. They simply did not connect these activities with a Government scheme. There was even a minor awareness of energy rating for buildings among a few participants.

There was cynicism around Government's role in relation to energy suppliers, especially among Withdrawers and the Disillusioned. They felt that Government and the energy industry were most likely to be involved in money making schemes together at the expense of the consumer.

*"The regulators are working for industry and not for the consumer"*

In the absence of information or understanding of the schemes there was a belief amongst participants that Government was underperforming in this crucial area. This left them with a feeling of helplessness and worry about the future. There was a sense that Government should be taking more responsibility and providing a vision, direction and guidance for consumers.

*"We get no answers... Government has to help people to help themselves.....to make us self sufficient"*

In London and Glasgow, there was also an attitude among some participants that Government should 'force' consumers to take energy efficiency measures. Equally, there was a feeling that if it was really important, Government would be publicising the issue more and doing something about it. As this did not seem to be the case at the moment, it posed a question in participants' minds as to the seriousness of the issue.

### 3.1.7 Perceptions of what industry is doing to combat climate change

There was little understanding of what suppliers, and other facets of the energy industry, are doing to put energy efficiency measures in place. Despite a strong awareness of the distribution of energy efficient light bulbs, this was not connected in participants' minds to any cohesive measure on the part of industry and Government.

Rather, negative thoughts and feelings towards suppliers tended to dominate participants' thoughts. There was a strong sense that suppliers' focus was on profits and satisfying their shareholders, at direct cost to the consumer. There was a lot of resentment about this issue among all profiles.

*"They are only looking at shareholders and just billing consumers"*

In addition, people experienced considerable confusion when investigating supply companies. While participants acknowledged the choice of suppliers, there was also a feeling that having so many to choose from was confusing. Making comparisons between different suppliers' costs was thought to be virtually impossible and only a few had made use of U-switch or other price comparison sites. Equally, bills were thought to be very difficult to decipher and there was some anger around this issue.

Overall, industry was perceived to be doing very little to deal with environmental issues.

*"They should change their attitude to the environment and consumers"*

### 3.1.8 Perceptions of what consumers are doing to combat climate change

As already outlined in this report, participants' had an increasing focus on energy saving measures around the home. Most were focused on 'doing my bit' to the best of their ability. Financial considerations were also key in

participants' energy saving efforts. The dual benefit of saving money and helping the environment was very powerful for them. All but a few were making an effort to follow publicised methods of energy saving but there was recognition that they could only do so much within the constraints of their lives. Also they did not want to compromise their lifestyles.

*"I still have to take the children to school in the car"*

*"We don't want to go back to the dark ages.....I don't want to lose my lifestyle"*

There was a perception among some Savers and older participants that the younger generation, who had been raised in modern consumer society, were unaware of consumption issues. Hence, they were attempting to teach their children to conserve energy.

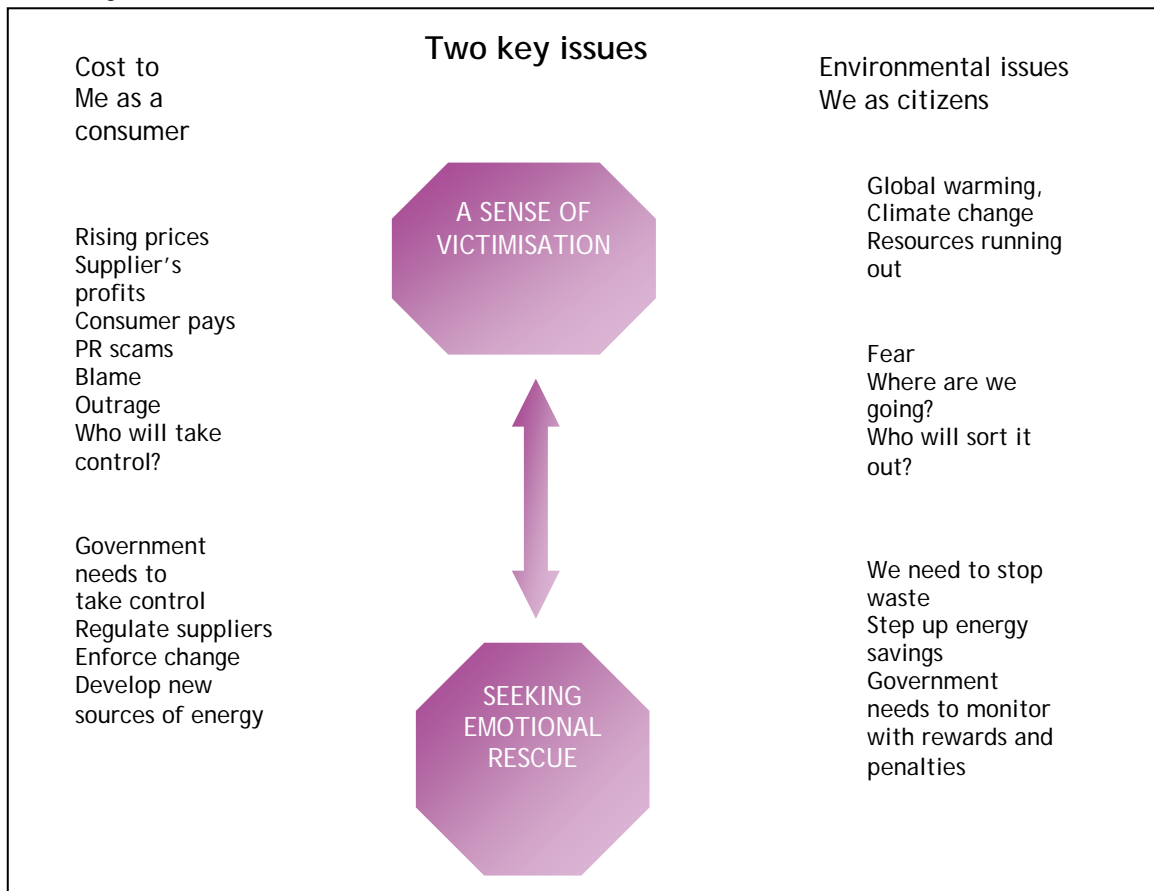
### **3.1.9 The emotional experience underlying responses**

At the end of the initial workshops, there was a sense that people were feeling victimised by worrying environmental developments and issues of energy costs. In a time of uncertainty, when the parameters of a comfortable consumer life were being questioned, participants felt at a loss. No one was seen to be clearly addressing the issue. Government was not seen to be taking action, despite talking about green issues, and industry was felt to be so profit orientated that it would not be interested in taking action. At the end of the day, it seemed participants would suffer the consequences of climate change and be asked to pay for these measures. They were clearly looking for someone to take the lead in the situation and tended to place that responsibility on Government.

The diagram below (Two Key Issues) shows the two key issues that arose in the initial workshops - cost and environmental concerns. Often these arose in an unconnected fashion. The two issues also show the divide between

participants' perceptions of themselves as consumers and citizens. As consumers they thought more closely about the cost of energy to themselves. As citizens they thought more about the global issues of climate change and the future of resources. The two issues did become linked in the context of energy saving measures around the home. The sense of victimisation felt around these issues is highlighted in the diagram and the desire for rescue, often by Government, in the face of these issues.

### Two key issues



### 3.1.10 Perceptions of responsibility for measures to help with climate change

While participants, at this stage, were looking to Government to take the lead, there was also a level of inconsistency in their thinking. They felt that Government should be taking more steps to regulate industry, provide

leadership and guidance, educate and inform the public and provide cohesive, national action to help combat climate change. At the same time, they were concerned about the nanny state and Government simply jumping on the green bandwagon to win votes. Essentially, they were unsure about the trade-off involved in giving Government core responsibility but unable to see another way forward.

### 3.2 Informed responses arising from the reconvened workshops

One of the premises of deliberative research is that participants are given information to inform their responses on key issues. During the course of the consultation, in the interim period and during the reconvened workshops, participants were given a variety of information from different sources to help them come to informed conclusions about the issues being deliberated. This information included:

- Information sheets in briefing packs were given at the end of the initial workshops to be read in the interim period
- Further information on climate change policies schemes was presented by Ofgem during the reconvened workshops

It should be noted that the information given in the workshops constituted an overview of Government schemes rather than a detailed account and that participants had a limited amount of time in which to assimilate it.

In the period between the workshops, a number of new developments also emerged in relation to global warming and climate change. These were highly publicised in the media:

- A TV programme (and resulting press) reporting claims by a group of scientists that global warming was not so serious and was the result of natural occurrences
- EU deal signed by Tony Blair on binding targets for reducing carbon emissions
- Much press coverage of the above issues and the 'oversubscribing' to the governments micro renewables grant programmes

Participants drew on all these sources when giving their opinions in the reconvened workshops. It was particularly noticeable in the reconvened workshops that the TV programme (reporting claims that global warming was not so serious by groups of scientists) had had a strong impact on participants' responses.

### 3.2.1 Key themes on environment and energy arising from the reconvened workshops

A number of movements of opinion were evident since the initial workshops but also some significant developments on themes that had emerged at the earlier stage.

**There was a strong sense of confusion about global warming.** This was a significant change since the earlier workshops and was particularly noticeable with Shifters. Conflicting information about global warming and climate change presented between the workshops had induced confusion among participants.

*"There is so much conflicting information.....what is the truth?"*

There was scepticism about the causes of climate change. There was a noticeable increase in scepticism, especially among Shifters. The Disillusioned and Withdrawers were even more sceptical and attributed the whole story of global warming to hidden agendas of political electioneering and an intention to make the consumer pay more.

*"It's a big con....a load of hype....climate change has become a buzz word"*

Many were swayed by arguments in the media that changes in the climate are natural.

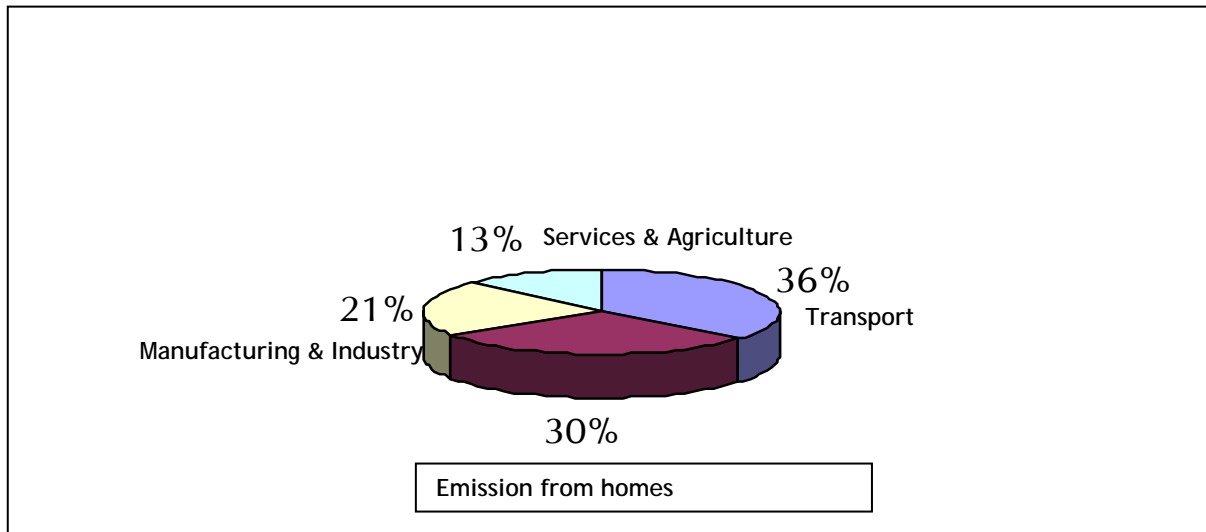
*"It is nature, we are not causing it"*

Generally, despite this confusion, there was an acceptance that humans are accelerating climate change. This view was often put by Savers who led the way in this line of thinking. So, while many had shifted their views about humans causing climate change, they did acknowledge that we are accelerating the process. There was a sense that a bigger population, more urbanisation and more travel increases consumption of fuel, which in turn accelerates climate change. However, there were questions about how far the UK was responsible in relation to other countries.

*"We are accelerating it but what is our cause v the rest of the world?"*

There was a heightened awareness of the consumers' role in accelerating climate change through energy related emissions. This represented a significant shift in opinion since the first stage and was a result of a pie chart supplied in the information packs.

## Energy emissions by sector



Participants had become more aware that emissions from homes and transport combined are at least as big as emissions from industry. Also the figure of 30% emissions from homes had a big impact on participants. Most had simply no idea before the workshops how much energy was lost through walls and roofs etc.

There was a recognition that the tendency had been to blame industry whereas in fact people were equally, if not more responsible.

*"I never really thought about gas and electricity from homes....I only thought about power stations"*

There was also a heightened awareness of fossil fuels running out. This issue was bigger in the reconvened workshops and seemed to have taken on a greater poignancy than global warming. Underlying responses, there was a real sense of fear that our lifestyles could be threatened when these resources were exhausted. Withdrawers and the Disillusioned were sceptical of this claim, however, and some stated that new sources of gas had already been found.

As well as thinking about reducing the amount of energy that is wasted, there was a continuing theme about waste in general and recycling. This was even more prominent than at the first stage and became a point of heated debate, particularly in London and Glasgow. There was a strong sense that efforts by consumers to recycle were being undermined by Government. People were angry that they had heard that some recycling was being taken to landfill sites. Equally, consumers felt there was much waste by an excessive use of appliances. As one Saver put it:

*“Luxuries are now necessities...we use ten times more appliances than 40 years ago”*

There was also a continuing sense that other sources of energy must be developed. This was particularly poignant as participants were increasingly concerned about resources running out. All profiles, with the exception of some Disillusioned, felt we must prepare the way for future generations and strive to ensure our current lifestyles. Renewables seemed to offer the only viable solution for the future.

*“I don't want to be cold....I don't want to lose my way of life”*

But there were still issues around the cost of energy and cost of renewables in particular. There was a clear recognition that renewables will cost more. While participants were happy that it was 'clean' energy, they were concerned that it represented “a really big chunk of money” and that the cost would be loaded onto the consumer. There was a strong sense that renewables would be a big burden for this generation.

*“It will cost in the short term”*

Equally, there were concerns around the landscape and animal habitats, especially for Savers. There was a feeling that certain renewable sources

such as hydropower would destroy rivers and wildlife also that wind turbines would be ugly and noisy.

**There were continuing issues around nuclear power.** Most participants did not even want to discuss the subject of nuclear. They had such a strong feeling about the destructive potential of nuclear and nuclear waste that they preferred to ignore it as an option. Some participants had noted in their information packs, however, that the amount of nuclear energy we use now is far greater than in 1970. They interpreted this as a deception on the part of Government who talked about green energy but actually developed nuclear.

**There was a sense that we, as a society, need to change our ways before it is too late.** This included all elements of society - Government, industry and consumers. However, there was a high level of distrust in Government and industry and a feeling that they were out for their own gain.

*“There’s making a profit and there’s making a profit. These big companies make billions”*

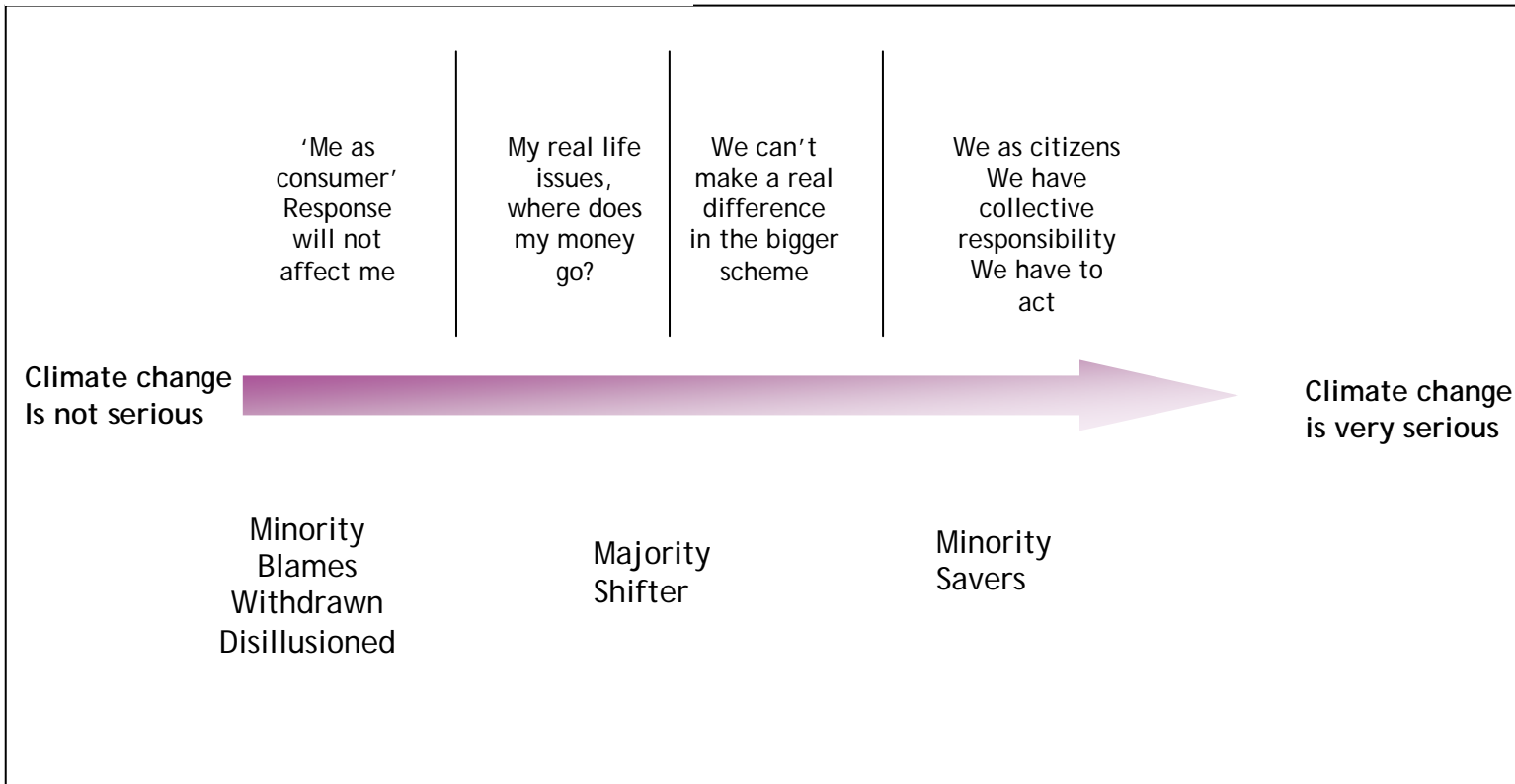
*“If you look at it, it’s a lot of taxation coming through, and if you look at big business, they twist things and use it to their own advantage”*

For some Savers, however, the need for action was urgent. They were very fearful for the future of the planet and human beings.

*“Unless everybody, the Government, companies and us as individuals does something, the world is going to be a completely different place in a few years. I’m not talking about 50 years or 100 years, I’m talking about 10 years time”*

### 3.2.2 Perspectives on climate change

#### Perspectives on climate change



The chart above shows perspectives on climate change differed according to profile. Across the workshops it was clear that perspectives on climate change ranged along a dimension from 'me' as an individual consumer to 'we' as citizens. Participants aligned themselves along this dimension in accordance with profile. For the Disillusioned and Withdrawers climate change was not a serious issue. They tended to be coming from an individual consumer perspective and felt that the issue had been exaggerated.

*"I don't think most people are grasping the idea of what it is about.....human activity is not the great 85%.....it isn't the end of the world.....the programme last night on television cast a lot of doubt as to whether CO2 was actually the cause"*

At the other end of the spectrum, Savers saw the situation as very serious and took the mantle of citizen. They thought that immediate collective action was needed.

*"It's all about taking responsibility"*

In the middle, Shifters took a more pragmatic approach in that they tried their best to effect some change but felt that their contribution could only be minimal.

*"I'm in the middle. I do want change but I'm only one person and I've got my life to lead, do you see what I'm saying. I'm in two minds at the moment..."*

There was a noticeable movement on the part of Shifters to the less serious end of the spectrum in response to the television programme questioning the seriousness of global warming and man's part in it.

### **3.2.3 Informed responses to Government schemes**

In a short presentation given by Ofgem, participants were given more information on the Renewables Obligation (RO), the Energy Efficiency Commitment (EEC) and Emissions Trading (see appendix). This was in addition to the information received in the information packs.

By their nature, these schemes are difficult to understand. Participants did, however, grasp their essence although some of the details were too much to assimilate in the short period of a workshop.

Overall, participants were surprised and encouraged to find that Government had put measures in place to tackle the environment impact of energy. They were reassured by this and generally felt pleased that Government was attempting to deal with the issues of climate change.

However, they also felt a level of anger that they had not been informed of these schemes earlier. This tended to reinforce distrust in Government that had arisen throughout the workshops. Shifters, Withdrawers and the Disillusioned were the most expressive in their anger.

Participants also raised a number of issues around the individual schemes and were particularly vociferous in their reactions to payment methods for the schemes. In addition there was often there was a lack of clarity about how payment worked.

#### 3.2.4 Responses to the Renewables Obligation

Responses to this scheme tended to be a mixture of relief and suspicion. Participants acknowledged that RO was a move 'in the right direction'. After considering the evidence they felt that sourcing energy from renewable sources was both efficient and cost effective but that it was not fast enough and the amount of 6.7% this year was too small. As one participant worked out, the average of £ 7 a year added to energy bills by suppliers recouping their cost represented less than 50p a month.

However, there were still suspicions around Government's motives from all but the Savers. There was a sense that consumers were having yet another tax imposed on them and they wondered where the money actually went.

*"The £7, I'm a bit confused....if they (the suppliers) don't manage the clean certificates and obviously they get fined for them, where is that money...where has it gone? Is there an investigation into that...?"*

Participants were also suspicious that Government could 'be passing the buck' onto suppliers. At the same time they questioned the process of rewarding suppliers. There was a sense that while suppliers were being rewarded they were not being compelled to provide education and grants to consumers.

Some participants suggested that consumers should be given incentives in the same way.

*“If the suppliers get rewarded so should we in incentives”*

There was also a feeling that Government was not fining suppliers enough if they did not meet their targets.

There was a particularly heated response to the fact that consumers' contribution to RO had not been made clear. While the £7 was acceptable to them, participants felt that they had not been consulted or informed. The lack of clarity in bills layout was often mentioned in connection with this. There was a sense of belief that the government had sanctioned the addition of a set £7 charge to the cost of every bill, rather than an understanding that this is just one of a suppliers many costs which are recouped through billing. As one person said:

*“I have no objection to the £ 7, what I take issue with is the underhand way that they have gone about it”*

The issue of the UK paying more than other EU countries was also raised in this context. There was a concern that GB customers may be paying for green energy which is then sent to and used in Europe, therefore removing all benefits for customers in this country.

*“Britain pays more than other UK countries...Poland has huge supplies of coal so they use more than us”*

Issues of where exactly the money went continued to be a problem when assessing this scheme, with participants thinking that not all costs to suppliers of environmental programmes were genuinely being spent on environmental issues.

*"It's generating huge amounts of revenue every week but where is it going...we need to know"*

Some participants in London suggested that a specific Climate Change fund should be established to ensure that the money was ring fenced and independent of Government or businesses.

### 3.2.5 Responses to the Energy Efficiency Commitment

Again, this scheme was met with a mixture of surprise, relief and anger. Participants were reassured to know that such a scheme was in place but this positive feeling was immediately countered by their distrust in Government. Many were angry as they realised they were already paying for energy efficiency measures that they had thought were free. For the Disillusioned and Withdrawers this was further evidence of Government's 'underhand' intent and a stealth tax. Shifters tended to become more distrustful on finding this out. In particular, energy efficiency light bulbs became the focus of attention. Participants felt a strong sense of being let down to find that they were funding the bulbs.

*"I feel deceived.....these bulbs were presented as free, now I find out that we are paying for it!"*

The benefit that some low income groups derive through subsidised measures, such as roof insulation, was not a focus for participants.

Some believed that the penalties on industry were being passed on to the consumer hence the hidden payment for these measures.

For Savers, however, there was a feeling that this scheme was very useful because it would help consumers take action in energy efficiency measures.

*“It’s actually up to us who are consuming.....we are producing more emissions than industry”*

Despite some heated responses around the issue of payment for this scheme, especially in London and Glasgow, participants did acknowledge that, on the whole, consumers should take more responsibility and an understanding of this scheme facilitated that understanding.

*“I want to know what they are doing basically. I want to know how it is helping if I’m paying for it. It feels like something should be moving along....”*

### 3.2.6 Responses to the Emissions Trading Scheme

There was limited comprehension of this scheme but participants were able to pick out key points of interest and contention.

It was felt to be useful because it forced industry to cut CO2 emissions and become more efficient. However, there were a number of concerns about how small businesses would manage and what effect this would have for employees of those businesses. Also, there was a sense that big businesses would simply buy their right to pollute, so avoiding their responsibility.

The issue of the UK paying more than other nations arose again in this context. Some participants felt that although the scheme covered the EU, it was still not Europe wide so that the UK was in effect paying more.

### 3.2.7 Responses to Green Tariffs

Green tariffs proved to be a challenging concept for most participants. There were a number of comprehension issues around the level of green energy supplied and the different types of green tariffs. Also there were

some key barriers to acceptance around cost, especially for Withdrawers and the Disillusioned. Some Savers, however, took a positive attitude to green tariffs and were even contemplating taking them up.

Participants believed that there were barriers to accepting the concept of green tariffs, particularly as it was a recent innovation. The fact that there is no direct exchange of product for money spent was new and challenging. When participants realised that the actual energy they would be receiving was not green but mixed with energy from other sources, they felt confused and nervous about the scheme.

*“the only question is, looking at it, all the electricity comes down the power lines, then decants, all comes from different sources, so you can’t channel green from non green, so that makes it confusing”*

Equally, the different types of green tariffs could add to the confusion. The difference between green source, investment and carbon offset was too much to assimilate at this time.

*“this is designed so this tariff goes into constructing....so it’s not necessarily what you’re getting, it’s what you’re getting into....sponsoring or funding....the green is what is ahead as opposed to what is in the process”*

*“I don’t really understand it that much, so I wouldn’t choose to pay my money into something that I wasn’t sure of”*

The issue of the supplier’s role in green tariffs was raised, especially in Glasgow. There were suspicions that suppliers were trying to meet their own government set targets by making consumers pay. For Withdrawers and the Disillusioned this added to their belief that green tariffs were another scam.

There were also worries around the fact that, as yet, there is no independent accreditation body and consternation that some people could take green

tariffs which represented another payment on top of the Renewables Obligation.

*“They are gullible early adopters being hit twice for payment”*

While the idea of green tariffs was difficult to grasp, some Savers did make the analogy with unleaded petrol and organic food to help them understand better. They argued that at first there may be resistance to the concept, with suspicions about its validity, but in the end people would accept it in the same way that organic food had been accepted.

In order to engage with green tariffs, participants thought they needed to know a number of things. Firstly, they would need to know how a particular green tariff functions - as an investment or as a means of stimulating the growth of green energy. Also they would want to know exactly how much green energy a supplier offers. Recognising these facts would enable consumers to more readily trust their suppliers.

They would also need proof that the supplier was genuinely offering this in order to increase the consumer's choice and that the additional money was being channelled into actual projects, for example, a new wind or wave energy initiative.

Ideally, participants would need reassurance from an independent source, such as an independent accreditation agency, that the tariffs were genuine.

While most participants were not interested in green tariffs, there was some indication in Glasgow that once they had become familiar with the idea, they would begin to consider it more.

### **3.2.8 Concerns about the environmental performance of a company/ supplier**

While the precise structure of the energy industry was difficult to assimilate, after consideration of the information many expressed the opinion that they would like to see a green league table of suppliers showing which were producing most green energy. They also wanted to see all elements of the energy chain (generators, networks and suppliers) regulated by Government to ensure an efficient service. There was a belief that if this was not done, Suppliers would try to get away with as much as they can. However, there were also concerns that Government was most concerned with meeting its targets. Overall, participants needed to feel a greater sense of trust in both Government and industry.

### **3.2.9 Perceptions of where responsibility for action to tackle the environment impact of energy lies**

Having seen and deliberated the information, there was a significant shift in participants' notions of where responsibility for energy efficiency measures lie. In line with this, there was a belief that responsibility should be shared equally between Government, industry and consumers.

While some profiles blamed Government, there was a prevailing sense of fairness, which in the end predisposed most participants to accept a share of the responsibility.

### **3.2.10 Willingness to pay for energy efficient measures**

The issue of payment for schemes, however, raised a good deal of passion and anger across the workshops.

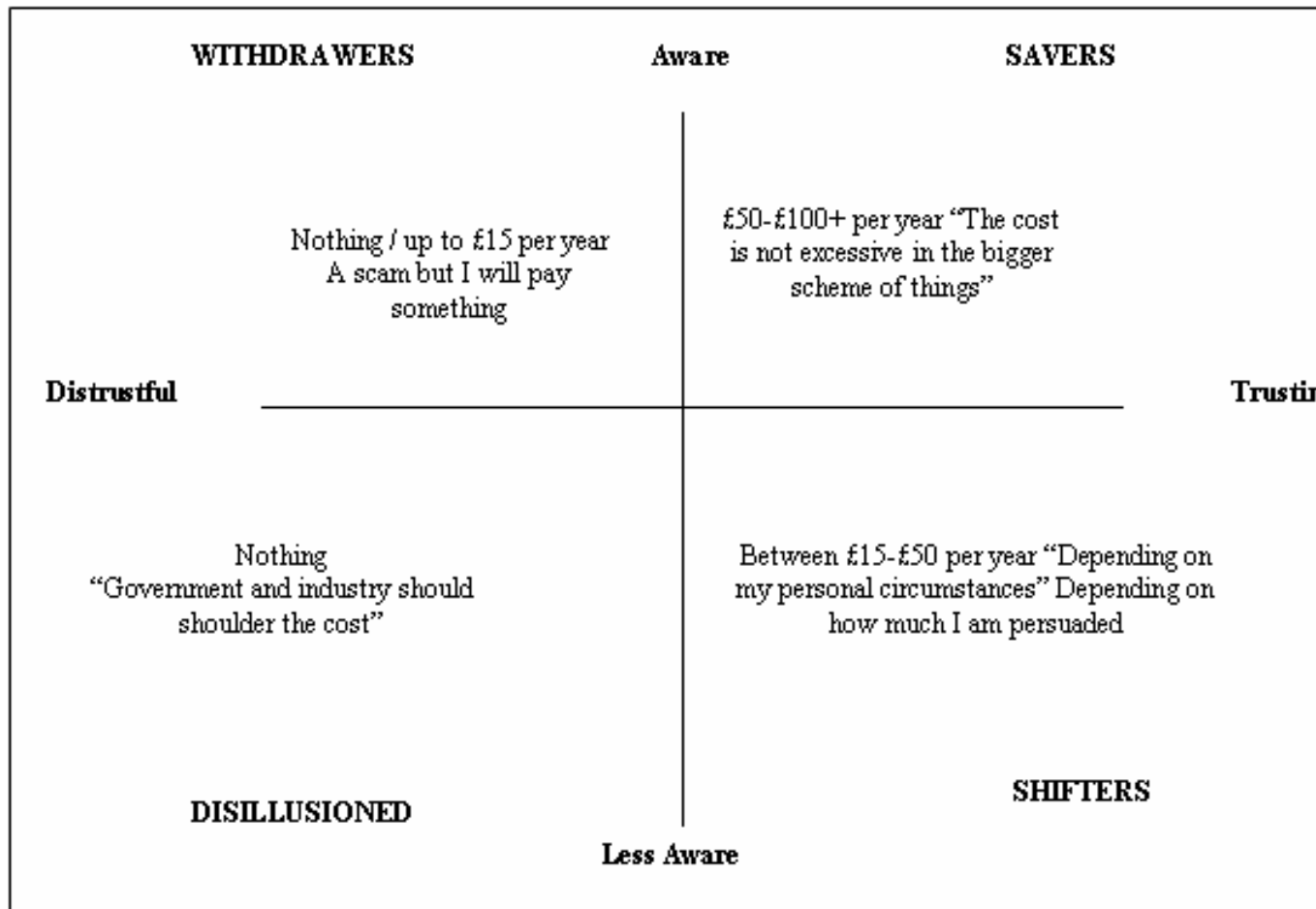
There was a strong sense that Government and suppliers should bear much of the cost for these measures. Along with this, there was much distrust around perceived stealth taxes and worries about where the money would go.

Participants wanted to know that the money raised from bills would be used in actual projects. They wanted to see a real commitment on the part of Government and industry. They needed to feel confident that the money would be used well and efficiently. Despite these concerns, there was a general acceptance that consumers, as citizens, will have to shoulder some of the burden of payment.

For many, coming to this position was, and will be, an uncomfortable process. In the absence of vision and leadership, which many felt strongly, they would experience this as a heavy burden.

In terms of how much participants were prepared to pay, the figure varied by profile and is shown below. Participants were given a choice of different sums of payment, from nothing to £100+ and asked to align themselves with the different sums. Attitudes toward payment are also shown in the diagram, with Withdrawers and Disillusioned talking more about 'scams' and Savers and Shifters talking more about the value of the payment and their ability to pay.

Willingness to pay



Withdrawers and the Disillusioned were the least willing to pay but were sometimes prepared to make a token offering. They often positioned themselves at the 'nothing' mark and were committed to their position here.

Savers were the most prepared to pay believing that the cause is worth it. The amount they were able to pay depended on their individual life situations. On the whole, if they could afford it, Savers thought that in the greater scheme of things £50 - £100+ is a fair amount. Shifters were also generally prepared to pay according to their circumstances. Those who could afford more tended towards the £50 end and those whose life situations

limited their outgoings were prepared to pay £15 because that is what they could reasonably afford. The ability to pay sometimes resulted in some Shifters moving closer to the Saver territory and some Savers landing in Shifter territory. Hence, the borders between these two territories could be fluid.

### 3.2.11 Methods of payment

Considering methods of payment aroused a good deal of passion, particularly for Withdrawers and the Disillusioned who believed that Government and industry should bear the cost.

Participants were asked to provide arguments for paying via taxation and bills. Most favoured the option of paying by bills, due to an innate aversion to central taxation although they were more open to local council taxation.

Savers, and some Shifters, could see clear arguments for paying by taxation.

#### Arguments for paying via bills

Payment by bills was seen as the preferable option for a number of reasons.

Participants argued that everyone pays. Everyone would contribute to the development of new energy sources and there would be no scope for 'avoiders' to escape payment.

*"Everyone would contribute. If you're going to develop a new technology for the future everyone who uses it has to contribute"*

Everyone would pay according to their usage via bills. Participants preferred this option even though there was recognition that the socially disadvantaged may be penalised. Paying on a monthly basis was also felt to be more affordable for the average person.

There was a feeling that payment via bills would afford more transparency as the money does not disappear into Government coffers and consumers can receive statements recording where the money has gone on their bills. As raised earlier, this was an issue because bills are complicated to read but they still afford transparency in that payments can be itemised.

Participants could, however, also see the arguments for not paying by bills. These included the fact that everyone pays the same irrespective of income.

*“Whether you are a pensioner or millionaire you pay the same”*

While, it was felt that bills ensured most people paid their share, it was recognised that some still managed to avoid paying bills.

A further argument against paying by bills was lack of transparency. The money levied would go into private hands and potentially mean higher profits for suppliers.

### **Arguments for paying via taxation**

Arguments for paying via central taxation were usually put by Savers. They believed that Government would have a more strategic approach to investing the money than industry. It was argued that Government already had information on citizens. There were fears about industry having this same information.

*“the Government already has this sort of information on us, we didn't particularly want private companies knowing this information about us....if that money goes to companies who controls how it will be used?...who are they really answerable to?”*

There was also feeling that citizens could influence Government but not industry.

*“At least with Governments you can have some control over them....you can influence them.....we will have more control over how the money is going to be used”*

There was an argument that billing would penalise the socially disadvantaged.

*“We felt that the billing system did penalise low income families with high usage”*

Overall, only a few participants favoured payment via taxation but paying by council tax was seen as a better option. Participants felt council tax was fairer because people would pay according to their means, namely in price bands. Also that they would receive a breakdown of costs and regular updates of costs. Finally participants felt that it would be easier to monitor payments via council tax.

## 4. Conclusions and recommendations

At the beginning of their journey through the workshops, participants were largely aware of the link between energy and climate change. During the course of the deliberation they were informed in more depth about the issues

Their informed responses were dependent on a number of factors including:

- Factual and impartial evidence (provided in fact sheets)
- Media coverage (before and over the duration of the deliberations)
- Psychographic profile (identified in the workshops)

Certain profiles were predisposed to a single point of view (Savers, Withdrawers and the Disillusioned). The key profile of Shifters, which represented the majority of participants, was likely to shift their opinion according to information presented

Key movements in opinion after considering the evidence were:

- An understanding of citizen's activity in accelerating climate change (although scepticism about human activity causing climate change)
- A stronger understanding of diminishing resources and the need to address this issue
- A recognition that substantial investment is needed in new energy sources with renewable energy being seen as the only viable route for all but a few participants
- A willingness to take more responsibility for energy efficient measures in the home
- A clearer appreciation of the dual benefit for consumers of energy saving in terms of cost and the environment

- A willingness to pay for Government implemented energy efficient measures (for all but a few) to the best of the individual's ability in recognition that consumers are also citizens

However, after all the information had been considered there was still a sense of pessimism and loss of control around the issues of climate change, limited energy resources and cost to the consumer (particularly prevalent among the Shifter profile). There was also distrust in the ability of Government and industry to confront these issues. At the end of the deliberation, participants were still looking for strong leadership to help them negotiate these difficult issues

Our recommendations from the findings of this consultation are:

Government must show clear guidance and leadership in the face of climate change and diminishing energy resources. This entails:

- A clear vision of how energy will be sourced in the future
- Inculcating a sense of optimism about the future
- Clearly communicating what Government and supplier measures are already in place and those to be implemented
- A strong communication of collective responsibility for energy efficiency measures including the role of Government, industry and citizens
- A clear indication that the cost for these measures will fall to all parties - Government, industry and citizens
- A clear communication that Government is regulating industry and that suppliers are paying their fair share

A clear communication of vision for the future and collective responsibility for manifesting that vision will be important will be important in encouraging citizens to pay for energy efficiency measures.

There also needs to be clarity about how the money is being collected from citizens. This can be demonstrated in the following ways:

- Clearly laid out bills detailing payments for the Renewables Obligation and the Energy Efficiency Commitment
- Clear communications that energy efficient light bulbs, and other possible measures, are not free but paid for by the consumer.

