



June 18, 2013

MEMORANDUM

TO: Town of Wellesley Municipal Light Plant
FR: Opinion Dynamics Corporation
RE: Analysis of recent mail survey of residential and commercial consumers

This memo summarizes the results from a mail survey conducted by the Town of Wellesley Municipal Light Plant (WMLP). The survey targeted residential and commercial consumers of the WMLP. In total, 366 residential consumers and 62 commercial consumers completed the survey. Selected questions include results from a similar survey conducted in September of 2008. What follows is a summary of the key findings.

Executive Summary

The results from this survey show that *reliability* is the most important WMLP objective among residential consumers, while *price* is most important among commercial consumers. Interestingly, the lead objective among both samples is not dramatically ahead of the second place objective, but the divergence between the two consumer groups is clear. Both reliability and price are deemed more important than other objectives—like renewable energy, energy efficiency in town buildings, conservation education and profits. *In general*, however, it appears that the *intensity* of ‘price/cost’ issues has waned among both groups since the last survey in 2008. And, this drop in intensity has led to a greater willingness to pay for energy programming. We also see a dramatic increase in installation of more energy efficient lighting.

Both groups of consumers rate WMLP more positively on reliability than price—with commercial customers somewhat more critical on cost issues. A plurality of residential consumers would pay the extra cost (\$1.75 per month) to allow for 5% renewable energy in the town’s electricity mix. Among commercial consumers, the plurality would pay the extra cost (\$2.08) to allow for a 1% renewable mix.

One-third of commercial consumers (33%) and a little over one-quarter of residential consumers (26%) have had interactions with WMLP’s Customer Service over the last two years. Among these groups, commercial consumers give WMLP a positive mean score of 4.35 (out of 5.00), while residential consumers assign even higher marks (4.51 out of 5.00).

As an indicator of the reduced importance of cost issues over the last five years, we note an increased willingness among both consumer samples to pay something extra on their electric bill for energy conservation and renewable energy activities. This, despite the lower *relative* ranking

of these issues overall. For example, in 2008, 38% of commercial consumers expressed some willingness to pay extra for these programs—now that number has risen to 51%. There was also a rise in willingness to pay among residential consumers—although not as dramatic. In 2008, 53% of this group was willing to pay more, today the number has risen to 58%. With regard to specific programs, commercial consumers are most willing to pay extra for projects to *reduce electricity usage for Town buildings* and for a *Lighting Retrofit Program*. Among residential consumers, greatest support also went to projects to *reduce electricity usage for Town buildings*, followed by *solar panels for Wellesley residents and businesses*.

Perhaps the most surprising finding in the survey is the increased *installation* levels of compact fluorescent or LED lighting. Among commercial consumers, 22% now say they have replaced “all” of their regular light bulbs with compact fluorescent or LED lighting—up from just 7% in 2008. Among residential consumers, 10% now say they have replaced “all” of their regular light bulbs with compact fluorescent or LED lighting—a doubling of the 5% we saw in 2008.

A majority of commercial consumers (54%) want WMLP’s additional payment to go to reduced electric rates, compared with 39% who feel that way among residential consumers. Majorities in both samples are aware of the option of receiving monthly bills via email, but a majority of commercial consumers (55%) are *unaware* of WMLP’s Voluntary Renewable Energy Program. Most in both samples are highly satisfied with getting their bill via email. Interestingly seven in ten commercial consumers pay their bill by writing a traditional check to WMLP, compared with only 39% of residential consumers who do the same. Again, both samples express high levels of satisfaction with WMLP’s processing of their monthly payment.

About four in ten members of both samples are interested in getting information from WMLP via social media outlets—primarily the Town of Wellesley website.

In 2008, we suggested the following strategy: “WMLP needs to make the connection between long-term cost reductions and short-term commitments to vital conservation programs.” The results from this survey indicate that WMLP has done a good job in forging that link. Also, the overall reduction in concern for “cost” issues seems to have enhanced the willingness of consumers to invest in energy programming that—in the long run—will save money and enhance energy conservation.

What follows are the top-line results for both residential and commercial WMLP customers.

Sample size: Total: N=366

1. Below is a list of six objectives that currently are or could be considered objectives for the WMLP. Please rank each objective in order of importance by placing a “1” next to the objective you would rank as most important, a “2” for the second most important, with “6” being the least important.

Ranked 1st

Reliability: providing reliable electric service by minimizing power outages.	45%
Price: providing electricity at the lowest possible cost to customers.	39
Renewable Energy: making sure some portion of the Town’s power comes from renewable sources.	8
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	5
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	2
Profit: increasing rates to make a larger contribution to the Town of Wellesley’s general fund.	1

Ranked 2nd

Reliability: providing reliable electric service by minimizing power outages.	35%
Price: providing electricity at the lowest possible cost to customers.	34
Renewable Energy: making sure some portion of the Town’s power comes from renewable sources.	16
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	8
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	6
Profit: increasing rates to make a larger contribution to the Town of Wellesley’s general fund.	2

Ranked 3rd

Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	30%
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	27
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	20
Reliability: providing reliable electric service by minimizing power outages.	11
Price: providing electricity at the lowest possible cost to customers.	7
Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	5

Ranked 4th

Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	33%
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	25
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	24
Price: providing electricity at the lowest possible cost to customers.	8
Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	7
Reliability: providing reliable electric service by minimizing power outages.	4

Ranked 5th

Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	30%
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	20
Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	19
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	19
Price: providing electricity at the lowest possible cost to customers.	10
Reliability: providing reliable electric service by minimizing power outages.	3

Ranked 6th

Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	67%
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	15
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	8
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	6
Reliability: providing reliable electric service by minimizing power outages.	2
Price: providing electricity at the lowest possible cost to customers	2

Based on your knowledge and experiences, please check the box that best represents your opinion of the services provided by the WMLP.

2. **Reliability:** compared to surrounding communities how would you rank the WMLP's reliability?

<u>Mean</u>	<u>1 - Poor</u>	<u>2 - Below Average</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>Don't Know</u>
4.73	-%	-	3	20	73	5

3. **Pricing:** compared to surrounding communities how would you rank the WMLP's price for electricity?

<u>Mean</u>	<u>1 - Poor</u>	<u>2 - Below Average</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>Don't Know</u>
4.08	1%	2	11	33	22	32

4. A typical Wellesley family uses about 850 kWh/month. Including 1% renewable energy in Town-wide electricity purchases would increase the monthly bill for this typical family about \$0.35 cents/month. Based on this information, what level of renewable energy would you support including in the Town-wide supply?

<u>0%</u>	<u>1% (\$0.35)</u>	<u>5% (\$1.75)</u>	<u>10% (\$3.50)</u>	<u>20% (\$7.00)</u>
16%	19	26	20	19

5. **Customer Service:** have you had any interaction with the WMLP's Customer Service function during the past two years?

Yes	26%
No	74

6. If you answered “yes” to the prior question, how would you rank the quality of service provided?

<u>Mean</u>	<u>1 - Poor</u>	<u>2 - Below Average</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>No Interaction</u>
4.51	2%	-	2	30	49	18

7. In general, how willing would you be to increase your monthly electric bill to help pay for energy conservation and/or renewable energy activities by WMLP?

	<u>Not willing at all</u>	<u>Not very willing</u>	<u>Somewhat willing</u>	<u>Very willing</u>
May 2013	18%	24	39	19
Sept 2008	20%	26	39	14

[ASK IF Q7 IS VERYWILLING OR SOMEWHAT WILLING, ELSE TO Q13]

Please indicate your level of willingness to pay something extra on your monthly electric bill to help pay for the following energy conservation and renewable energy initiatives:

8. Lighting Retrofit Program

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.50	9%	8	29	32	22

9. Commercial energy audit

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.09	16%	14	28	28	14

10. Solar panels for Wellesley residents and businesses

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.55	10%	8	26	26	29

11. Energy conservation educational materials, programs and seminars

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.13	15%	15	29	26	15

12. Projects to reduce electricity usage for Town buildings

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.76	6%	8	23	31	32

13. Please indicate roughly how many of your regular light bulbs you replaced with compact fluorescent or LED bulbs:

	<u>None</u>	<u>Some</u>	<u>About half</u>	<u>Most</u>	<u>All</u>
May 2013	16%	38	13	23	10
September 2008	22%	39	18	16	5

14. Instead of paying excise and property taxes, the WMLP makes a \$1,000,000 annual payment to the Town's General Fund. If the Town of Wellesley was served by an investor-owned electric utility the real estate tax payment would be approximately \$460,000. Please check the **one** box that best represents your opinion of how the WMLP's additional Payment In-Lieu-Of-Taxes should be allocated:

Reduce electric rates	39%
Continue to support general fund	32
Improve reliability	11
Energy efficiency in Town buildings	11
Conservation programs	8

15. Are you aware of the following options/programs?

- a. Receiving your month utility bills via email?

Yes	61%
No	39

- b. Voluntary Renewable Energy Program?

Yes	58%
No	42

16. If you currently receive your bill via email, how satisfied are you?

<u>Very Satisfied</u>	<u>Satisfied</u>	<u>Not Satisfied</u>
67%	32	1

17. How do you pay your bill?

Write a check and mail it in the included envelope	39%
Use my personal bank's online banking system to send the payment	29
Have the payment deducted from my bank account by the Town of Wellesley on the discount date	26
Use the Town of Wellesley's website "Online Payment Option"	4
Bring my payment to the WMLP building at 2 Municipal Way	2
Bring my payment to Town Hall	1

18. How satisfied are you with the WMLP's processing of your monthly payment?

<u>Very Satisfied</u>	<u>Satisfied</u>	<u>Not Satisfied</u>
76%	23	1

19. Would you be interested in receiving information from WMLP via social media such as status of outages or energy conservation tips, etc?

Yes	41%
No	59

20. If you answered YES to Question 19, how would you like to receive information?

Town of Wellesley website	47%
Facebook	12
Twitter	10
Other	30

21. What additional programs or services would you like the WMLP to provide?

22. Please indicate the **total** number of people living at your Wellesley residence:

1	19%
2	24
3	15
4	23
5	14
6	4
7	1
Other	-

23. Do you own or rent your home?

Own	75%
Rent	25

24. What is your age range?

<u>18-25</u>	<u>26-35</u>	<u>36-45</u>	<u>46-55</u>	<u>56-65</u>	<u>Over 65</u>
1%	5	22	37	17	17

25. About how much is your average monthly electric bill?

\$1 - \$50	20%
\$51 - \$100	27
\$101 - \$250	36
\$251 - \$500	12
Over \$500	1
(Other/Don't know)	4

Sample size: Total: N=62

1. Below is a list of six objectives that currently are or could be considered objectives for the WMLP. Please rank each objective in order of importance by placing a “1” next to the objective you would rank as most important, a “2” for the second most important, with “6” being the least important.

Ranked 1st

Price: providing electricity at the lowest possible cost to customers.	44%
Reliability: providing reliable electric service by minimizing power outages.	40
Renewable Energy: making sure some portion of the Town’s power comes from renewable sources.	9
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	4
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	2
Profit: increasing rates to make a larger contribution to the Town of Wellesley’s general fund.	-

Ranked 2nd

Price: providing electricity at the lowest possible cost to customers.	38%
Reliability: providing reliable electric service by minimizing power outages.	29
Renewable Energy: making sure some portion of the Town’s power comes from renewable sources.	16
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	9
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	7
Profit: increasing rates to make a larger contribution to the Town of Wellesley’s general fund	2

Ranked 3rd

Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	42%
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	24
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	18
Reliability: providing reliable electric service by minimizing power outages.	9
Price: providing electricity at the lowest possible cost to customers	7
Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	-

Ranked 4th

Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	27%
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	25
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	23
Reliability: providing reliable electric service by minimizing power outages.	14
Price: providing electricity at the lowest possible cost to customers.	7
Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	5

Ranked 5th

Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	30%
Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	25
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	18
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	16
Reliability: providing reliable electric service by minimizing power outages.	7
Price: providing electricity at the lowest possible cost to customers.	5

Ranked 6th

Profit: increasing rates to make a larger contribution to the Town of Wellesley's general fund.	70%
Conservation Education and Programs: subsidizing programs to allow customers to reduce their energy usage.	16
Energy Efficiency in Town Buildings: taking a leadership role in identifying ways to use energy more efficiently.	7
Renewable Energy: making sure some portion of the Town's power comes from renewable sources.	5
Reliability: providing reliable electric service by minimizing power outages.	2
Price: providing electricity at the lowest possible cost to customers.	-

Based on your knowledge and experiences, please check the box that best represents your opinion of the services provided by the WMLP.

2. **Reliability:** compared to surrounding communities how would you rank the WMLP's reliability?

<u>Mean</u>	<u>1 - Poor</u>	<u>2 - Below Average</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>Don't Know</u>
4.65	-%	-	3	25	63	8

3. **Pricing:** compared to surrounding communities how would you rank the WMLP's price for electricity?

<u>Mean</u>	<u>1 - Poor</u>	<u>2 - Below Average</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>Don't Know</u>
3.90	2%	5	9	34	17	33

4. A typical Wellesley business uses about 5,400 kWh/month. Including 1% renewable energy in Town-wide electricity purchases would increase the monthly bill for this typical business about \$2.08 dollars/month. Based on this information, what level of renewable energy would you support including in the Town-wide supply?

<u>0%</u>	<u>1% (\$2.08)</u>	<u>5% (\$10.40)</u>	<u>10% (\$20.80)</u>	<u>20% (\$41.60)</u>
19%	35	28	18	-

5. **Customer Service:** have you had any interaction with the WMLP's Customer Service function during the past two years?

Yes	33%
No	67

6. If you answered “yes” to the prior question, how would you rank the quality of service provided?

<u>Mean</u>	<u>1 - Poor</u>	<u>2 - Below Average</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>No Interaction</u>
4.35	-%	-	11	26	37	26

7. In general, how willing would you be to increase your monthly electric bill to help pay for energy conservation and/or renewable energy activities by WMLP?

	<u>Not willing at all</u>	<u>Not very willing</u>	<u>Somewhat willing</u>	<u>Very willing</u>
May 2013	23%	26	41	10
Sept 2008	25%	38	34	4

[ASK IF Q7 IS VERYWILLING OR SOMEWHAT WILLING, ELSE TO Q13]

Please indicate your level of willingness to pay something extra on your monthly electric bill to help pay for the following energy conservation and renewable energy initiatives:

8. Lighting Retrofit Program

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.26	18%	12	24	21	26

9. Commercial energy audit

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
2.94	15%	26	21	26	12

10. Solar panels for Wellesley residents and businesses

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.09	24%	15	15	24	24

11. Energy conservation educational materials, programs and seminars

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
2.88	21%	18	24	24	12

12. Projects to reduce electricity usage for Town buildings

<u>Mean</u>	<u>1 - Not willing to pay more</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5 - Very willing to pay more</u>
3.29	9%	12	35	29	15

13. Please indicate roughly how many of your regular light bulbs you replaced with compact fluorescent or LED bulbs:

	<u>None</u>	<u>Some</u>	<u>About half</u>	<u>Most</u>	<u>All</u>
May 2013	8%	34	8	27	22
September 2008	29%	30	11	23	7

14. Instead of paying excise and property taxes, the WMLP makes a \$1,000,000 annual payment to the Town's General Fund. If the Town of Wellesley was served by an investor-owned electric utility the real estate tax payment would be approximately \$460,000. Please check the **one** box that best represents your opinion of how the WMLP's additional Payment In-Lieu-Of-Taxes should be allocated:

Reduce electric rates	54%
Continue to support general fund	17
Improve reliability	12
Energy efficiency in Town buildings	10
Conservation programs	7

15. Are you aware of the following options/programs?

- a. Receiving your month utility bills via email?

Yes	53%
No	47

- b. Voluntary Renewable Energy Program?

Yes	45%
No	55

16. If you currently receive your bill via email, how satisfied are you?

<u>Very Satisfied</u>	<u>Satisfied</u>	<u>Not Satisfied</u>
54%	46	-

17. How do you pay your bill?

Write a check and mail it in the included envelope	70%
Use my personal bank's online banking system to send the payment	17
Have the payment deducted from my bank account by the Town of Wellesley on the discount date	13
Use the Town of Wellesley's website "Online Payment Option"	2
Bring my payment to the WMLP building at 2 Municipal Way	2
Bring my payment to Town Hall	-

18. How satisfied are you with the WMLP's processing of your monthly payment?

<u>Very Satisfied</u>	<u>Satisfied</u>	<u>Not Satisfied</u>
72%	26	2

19. Would you be interested in receiving information from WMLP via social media such as status of outages or energy conservation tips, etc?

Yes	41%
No	59

20. If you answered YES to Question 19, how would you like to receive information?

Town of Wellesley website	54%
Twitter	12
Facebook	-
Other	33

21. What additional programs or services would you like the WMLP to provide?

22. Please indicate the **total** number of people working at your Wellesley business.

0 - 3	28%
4 - 10	43
11 - 25	15
More than 25	9
(Other)	4

23. Do you own or rent your business location?

Own	30%
Rent	70

24. How long has your business been in Wellesley?

<u>0-1 Year</u>	<u>2-3 Years</u>	<u>4-5 Years</u>	<u>6-7 Years</u>	<u>8-9 Years</u>	<u>10+ Years</u>
2%	6	13	4	7	69

25. About how much is your average monthly electric bill?

\$100 or less	19%
\$101 - \$500	51
\$501 - \$1000	8
More than \$1000	15
(Other)	8

26. How do you heat your business?

Oil	52%
Natural Gas	29
Other - See <i>Appendix A</i>	19