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Understanding Non-Residential Demand for Green Power

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The Overview

- Project scope
  - green power customer mailed survey
  - green power customer interviews
  - mailed survey of potential customers

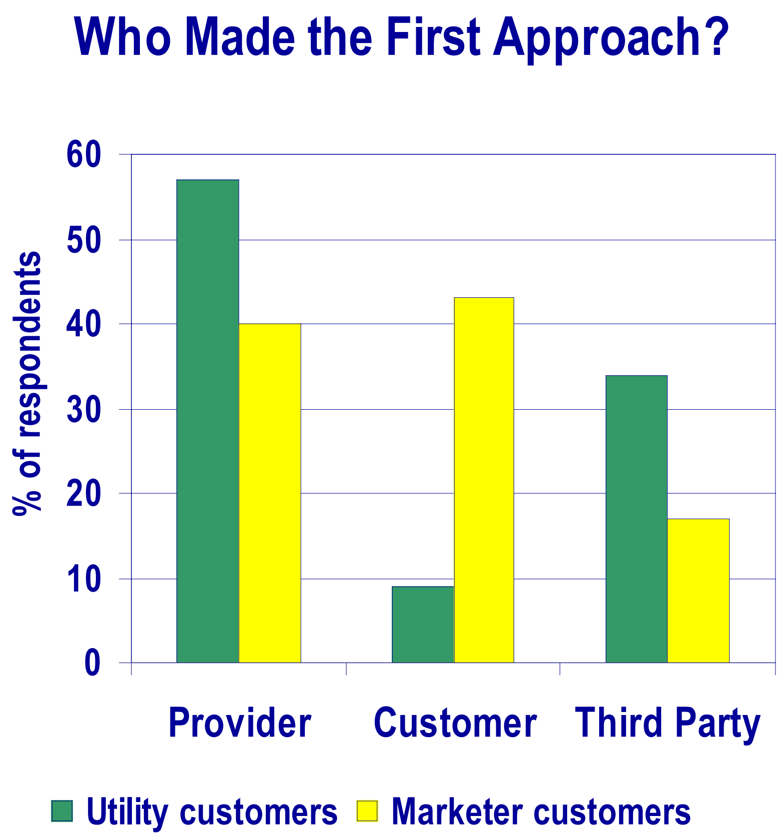
- Existing customer survey objectives:
  - purchasing and decision process
  - selection criteria for suppliers and products
  - company motivations and barriers
  - policy preferences

The Sample

- Mailed to 1800 customers, response rate 27%
  - 222 competitive marketer customers
  - 242 regulated utility customers
- Organization Type
  - 82% business, 14% non-profit, 4% public sector
  - Businesses: 82% retail/service, 18% mfg/wholesale
- Size
  - 57.5% small (<$500,000 revenue/year)
  - 31.6% medium ($.5 - $10 million/year)
  - 10.9% large (>$10 million/year)
- Geography: CA, PA, OR, CO, WI

The Decision

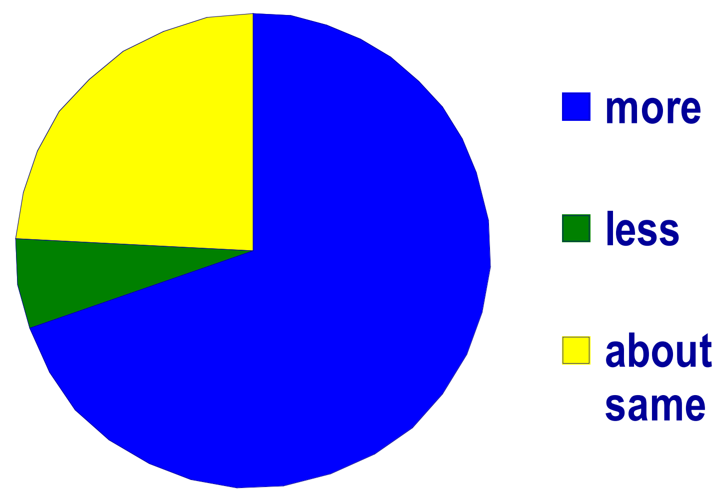
- Procurement
  - 82% purchased off the shelf products
  - 9% issued an RFP
  - 9% negotiated with the green power provider
- Time
  - generally a quick decision
  - larger firms take longer
  - RFP takes longer



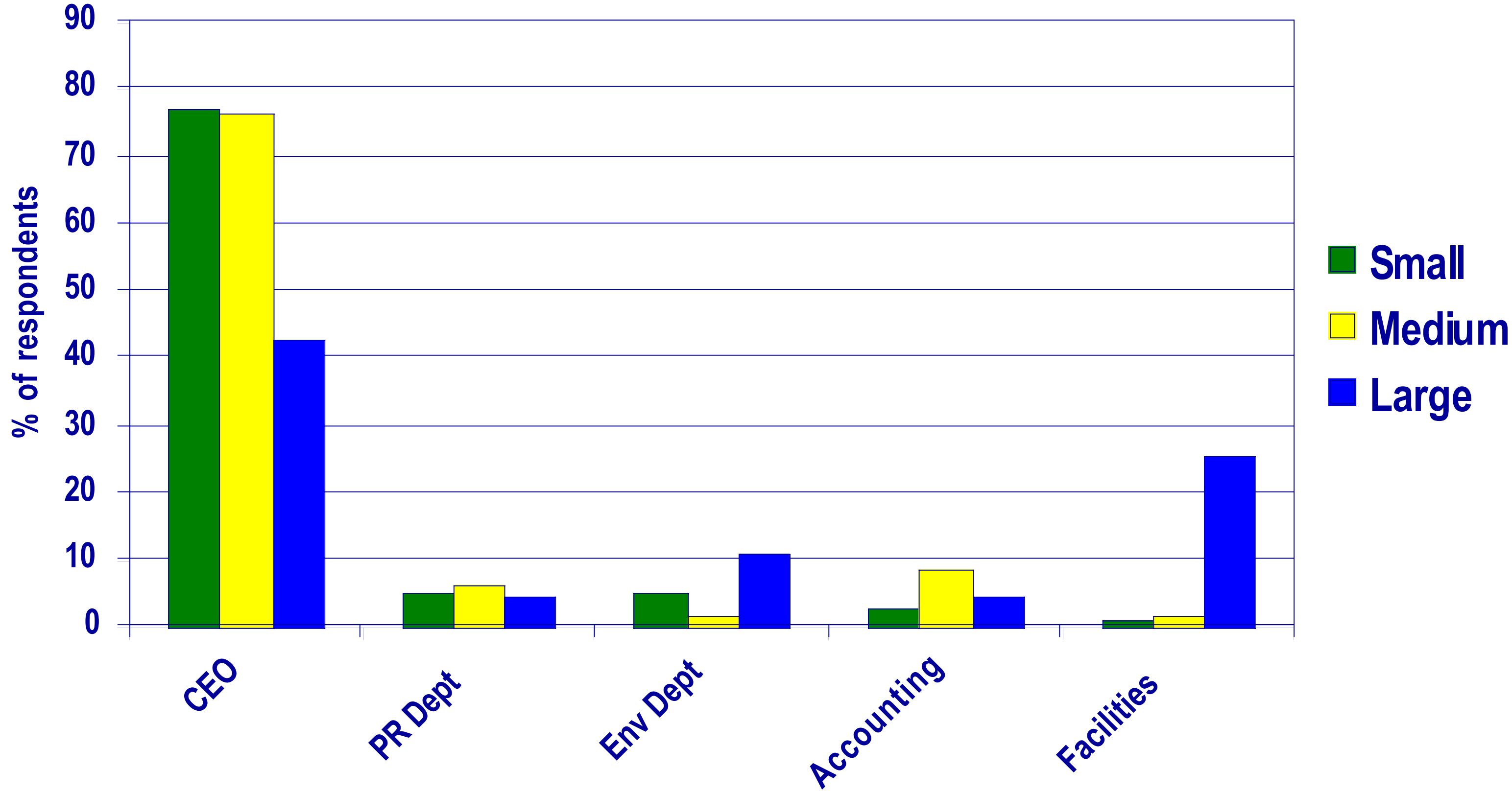
The Cost

- Small customers:
  - 9% premium ($140/year)
- Medium customers:
  - 8.4% premium ($990/year)
- Large customers:
  - 6.4% premium ($9,030/year)
- average includes those who said they are paying about the same, or less

Is green power costing you more, less or about the same?

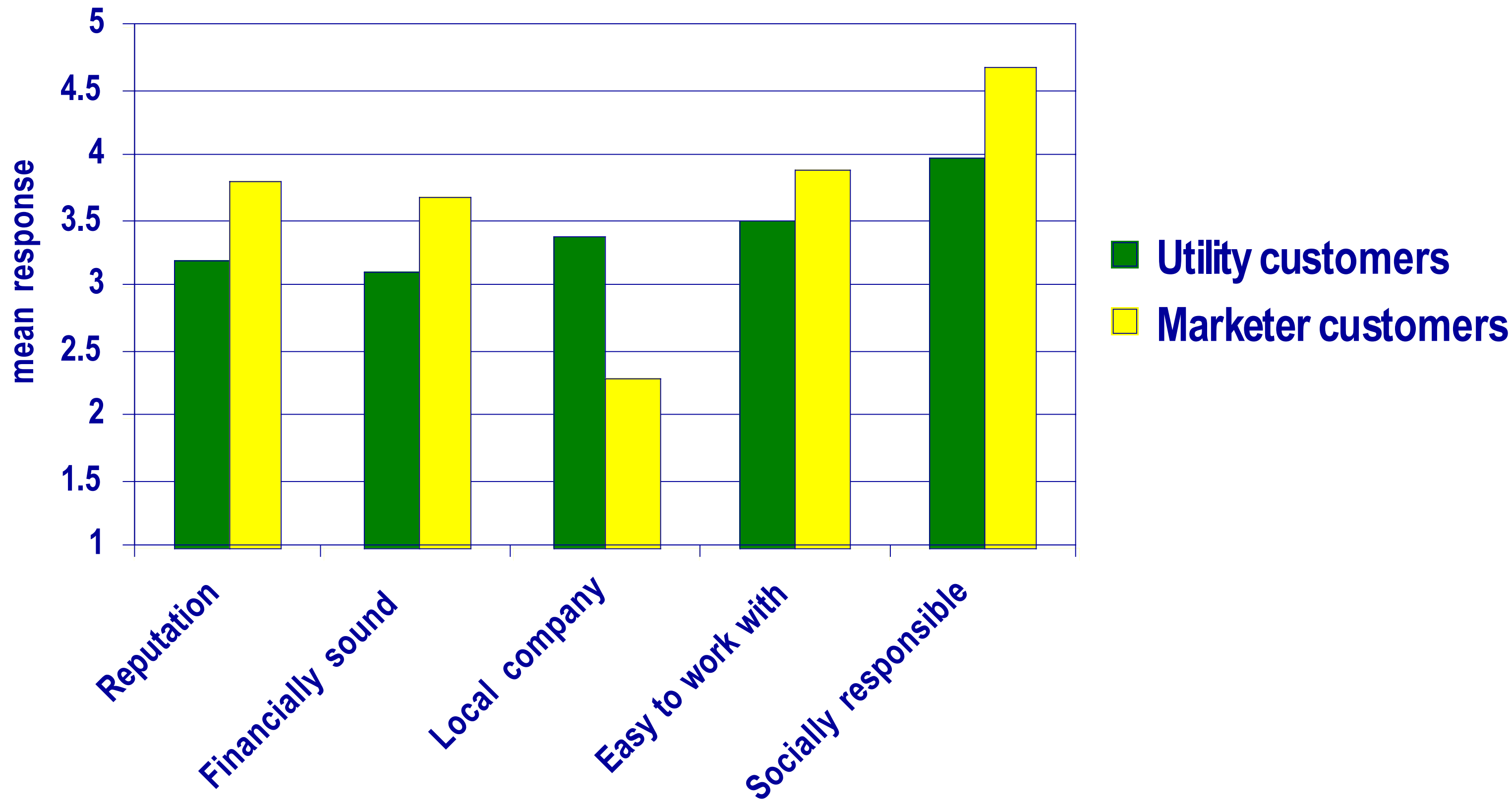


The Champions



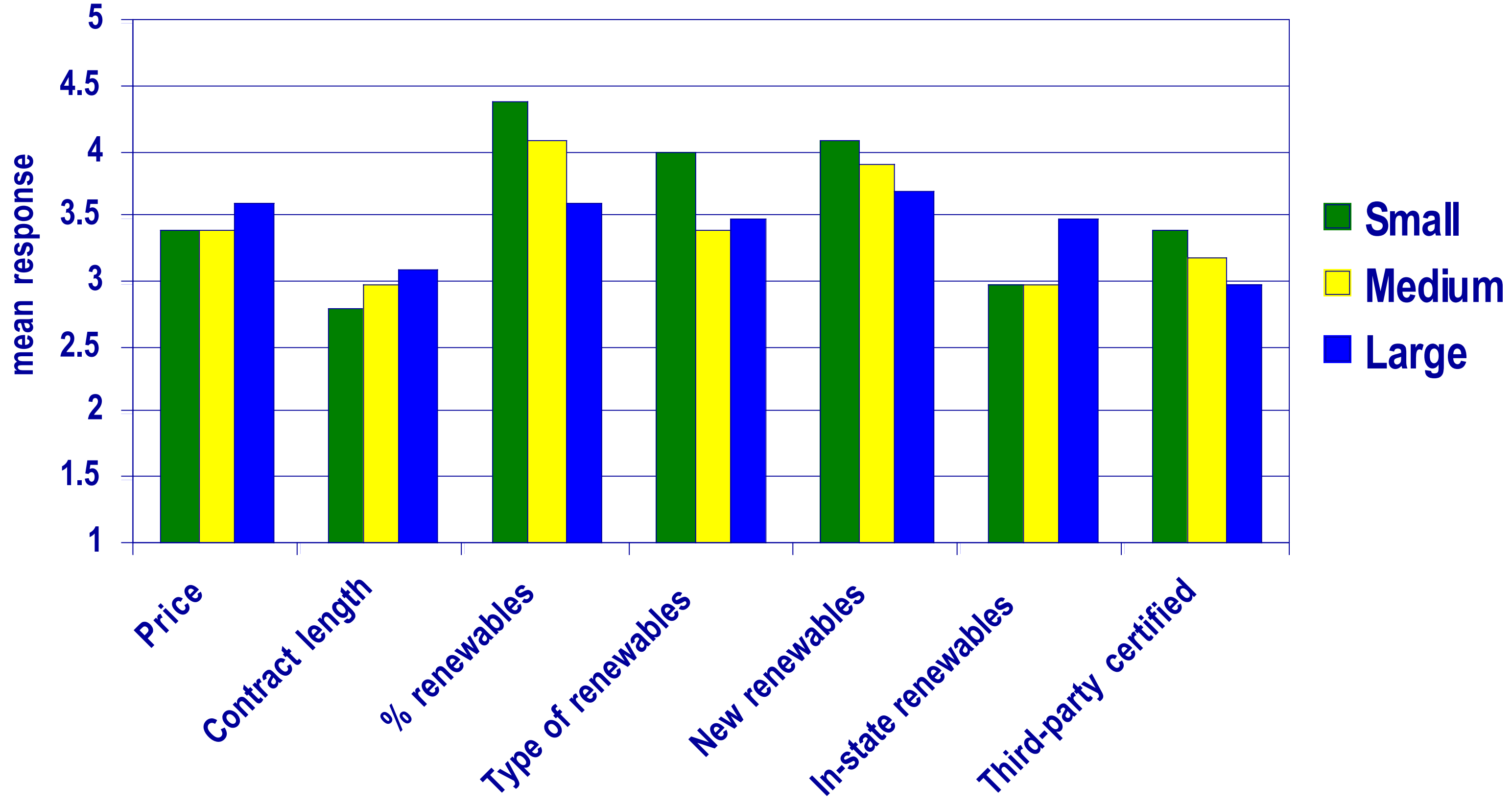
Parent company = 0; some "other"

Supplier Selection Criteria

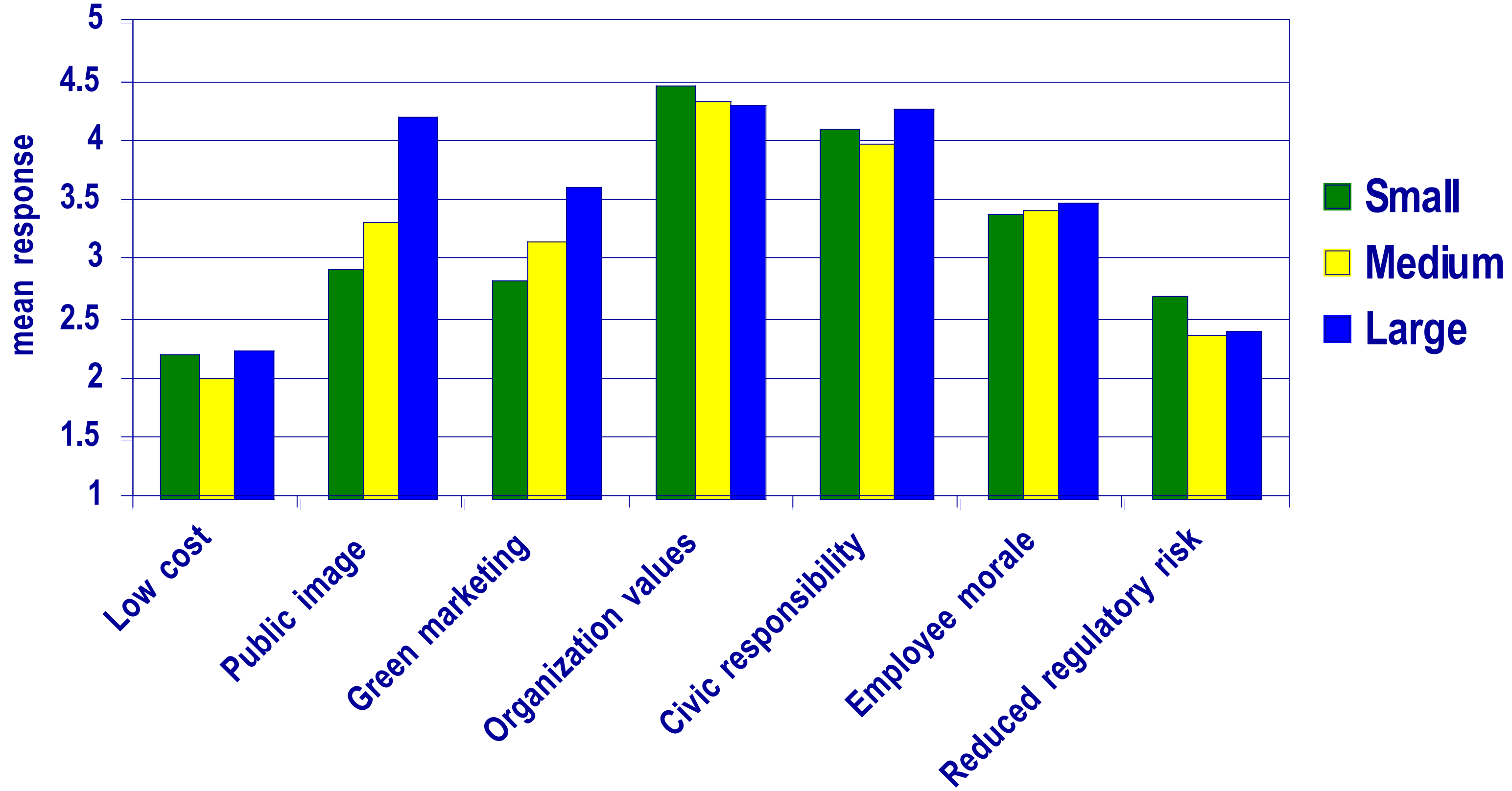


Ed Holt & Associates, Inc.

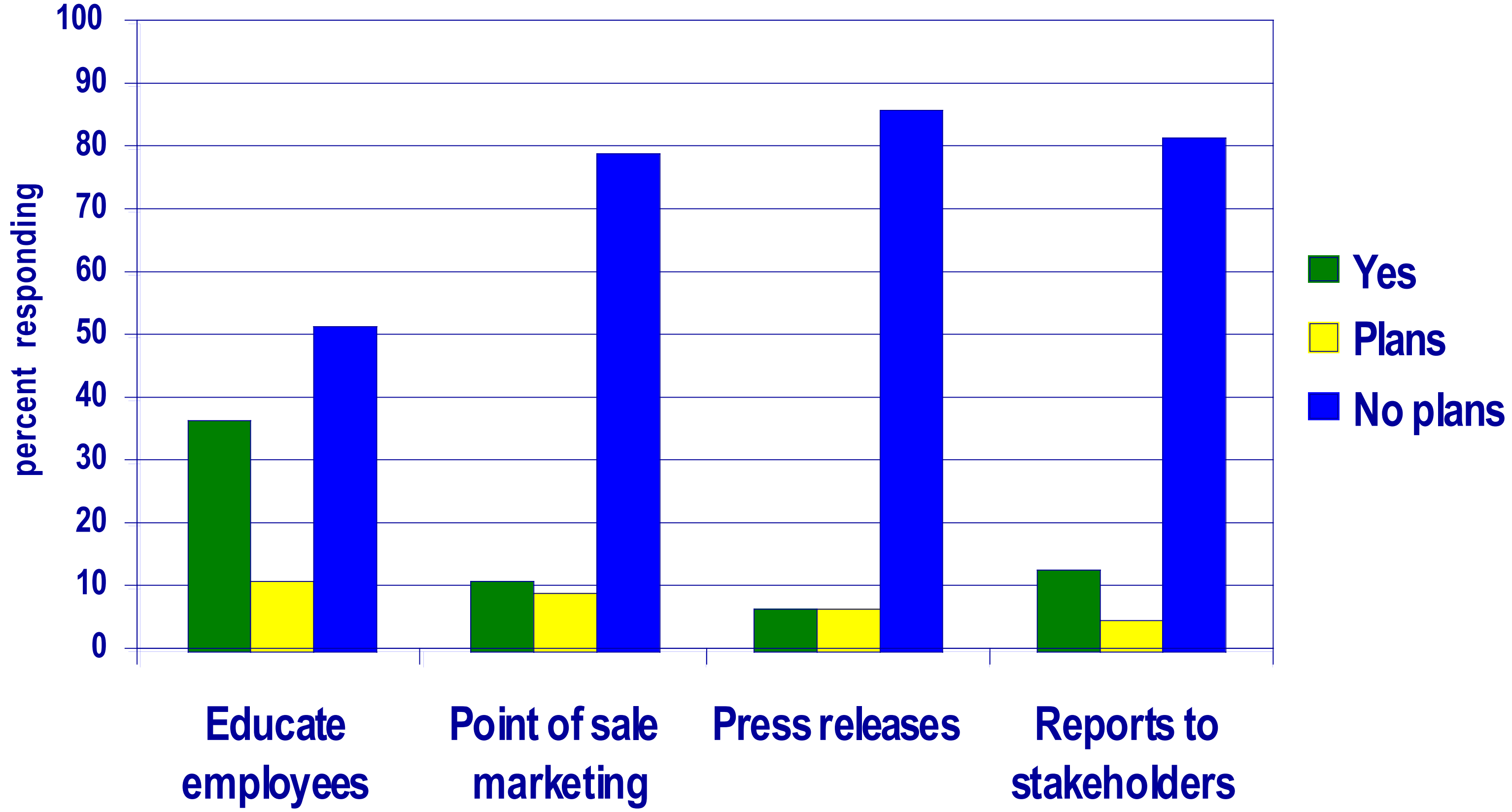
Product Selection Criteria



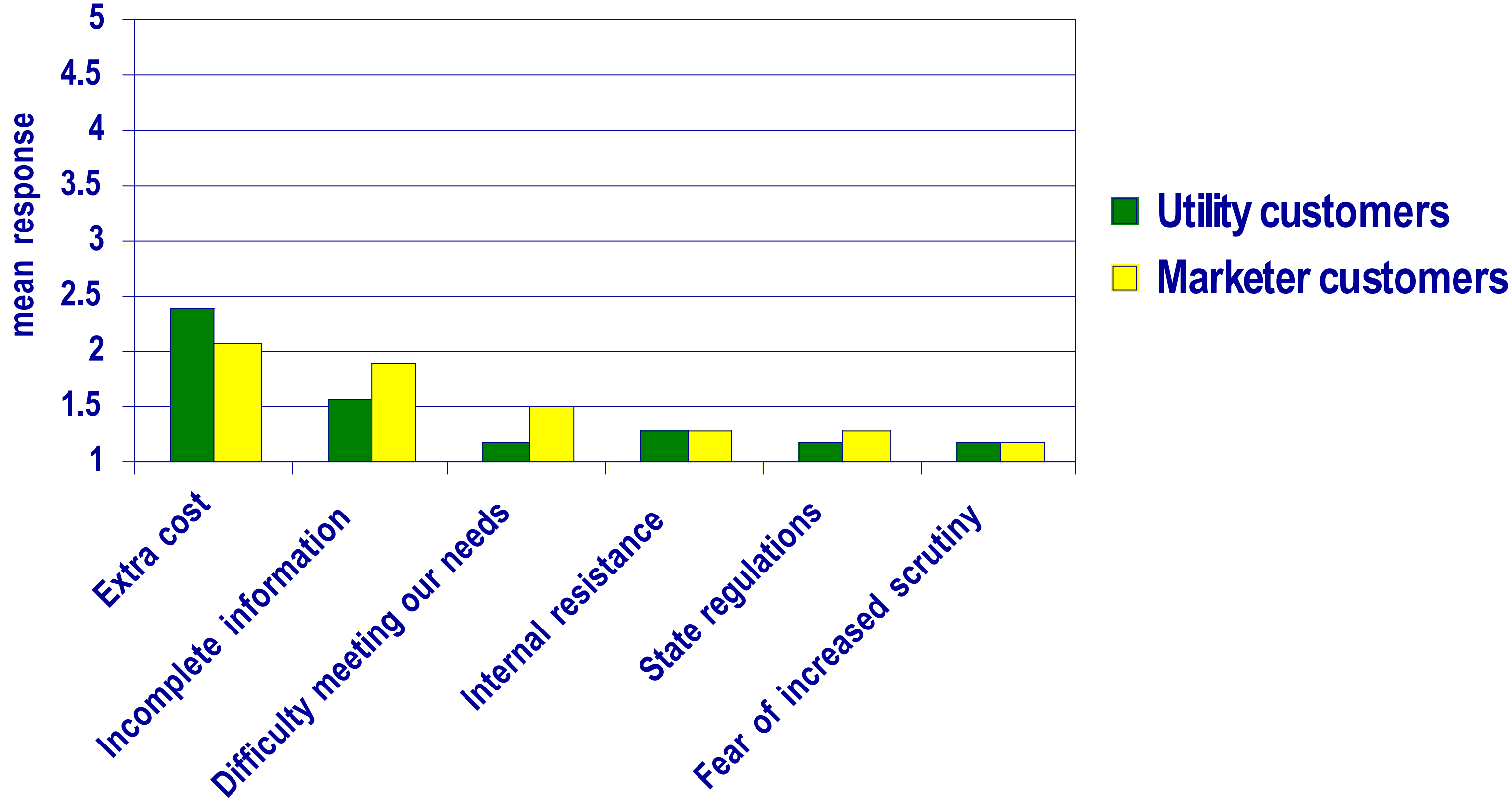
Motivations



Getting the Word Out

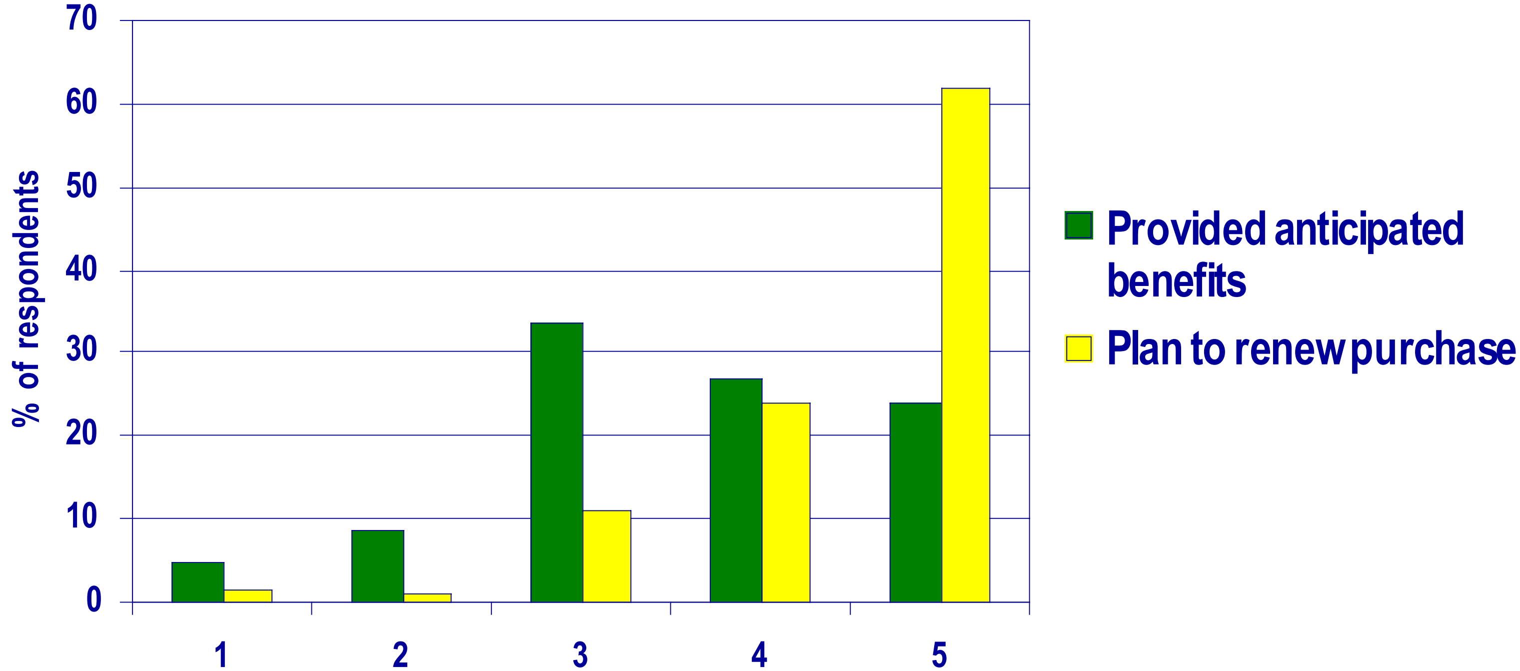


Barriers



mean response
5
4.5
4
3.5
3
2.5
2
1.5
1
Extra cost
Incomplete information
Difficulty meeting our needs
Internal resistance
State regulations
Fear of increased scrutiny
Utility customers
Marketer customers

Satisfaction



1 = not at all (not very likely)
5 = completely (very likely)

Preliminary Conclusions

- Early adopters are more altruistic than anticipated
  - organization values, civic responsibility, employee morale
- The largest firms are more likely to seek private benefits
- Marketers and utilities need to find ways to create more private benefits to reach those organizations that are less altruistic