



**PUBLIC OPINION REPORT**  
Energy Policy





## EXPECTATIONS FOR CONGRESS

BY JENN HASKINS

The U.S. general public has become increasingly disillusioned with the political process in the United States. Voters recently expressed their frustration with current policies and priorities by returning control of the House of Representatives to Republicans. The November 4, 2010, election results illustrate the American public expecting progress in a number of different areas and requiring Republicans and Democrats to work together to create policies that are in the best interest of the American people.

One area where Republicans and Democrats must find a compromise is in the area of energy policy. During times of economic recession and recovery, the public's priorities revolve around improving the economy. This extends to energy legislation. The public supports moving to renewable energy, but is concerned about the impact to the lives and finances of the American consumer. The U.S. public wants Congress to provide energy legislation that will help bolster the economy, protect the environment, and require very minimal personal sacrifice by the consumer.

However, there are certain subgroups of the population that are more supportive of energy legislation that promotes renewable fuels, regardless of personal impact. Young adults (18-34 years old), particularly young women with children, strongly support renewable energy policies to ensure that they and future generations have a stable fuel supply and a healthy environment. Highly educated and financially well-off individuals also strongly support renewable energy legislation, as they can see not only the value to the environment and future fuel supply, but also are more insulated against energy price fluctuations.

There is also large support from both Republicans and Democrats to continue the development of alternative fuels in order to become less reliant on traditional (fossil fuel) energy sources. However, while the end goal is the same, the approach to the transition to renewable fuel sources differs. Republican beliefs, while traditionally more supportive of traditional energy sources such as oil, natural gas and coal, are starting to align with Democrats on the need to transition to renewable energy sources and for businesses to start investing in renewable power generation. The difference is the time frame in which renewable fuels can meet the demand and replace the economic benefits traditional fuel sources currently provide.

While not all segments of the population are ready for the transition to renewable fuels to begin, it is clearly an expectation for the future. Congress must begin proposing energy initiatives that not only promote renewable energy but protect the economic benefits currently provided by traditional fuel industries.

## U.S. ENERGY POLICY IS HEADED IN THE WRONG DIRECTION

Currently, U.S. energy policy is not meeting public expectations. The general public is dissatisfied with U.S. energy policy, as half (48%) believe it is on the wrong track while only a quarter (28%) see it as heading in the right direction. Republicans and Independents are most critical of U.S. energy policy, as six in ten Republicans and Independents (59% and 58% respectively) believe it is currently on the wrong track.

Improving public perception of energy policy will be an uphill battle for Congress—not only do most demographics believe energy policy is on the wrong track, but not one subset of U.S. adults believes energy policy is on the right track. At best, U.S. adults are undecided on the current direction of energy policy.

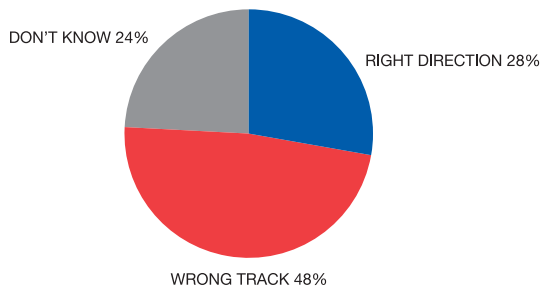
While political ideology identifies those most unhappy with the direction of U.S. energy policy, certain subgroups remain unsure if it is headed in the right direction or on the wrong track. Interestingly, these are the individuals who tend to be more environmentally focused. Young adults (ages 18-34) and women have yet to make up their minds regarding U.S. energy policy, as three in ten (30% and 29% respectively) are undecided as to whether it is heading in the right direction or on the wrong track.

Additionally, Democrats and residents of the Northeast and West are divided. Democrats are just as likely to believe that energy policy is heading in the right direction (37%) as on the wrong track (36%). Residents in the Northeast and West are also divided on U.S. energy policy, with one-third (37% and 34% respectively) viewing energy policy as heading in the right direction, and four in ten (40%) reporting that it is on the wrong track.

**TABLE 1**

Generally speaking, do you believe U.S. energy policy is heading in the right direction or has it gotten on the wrong track?

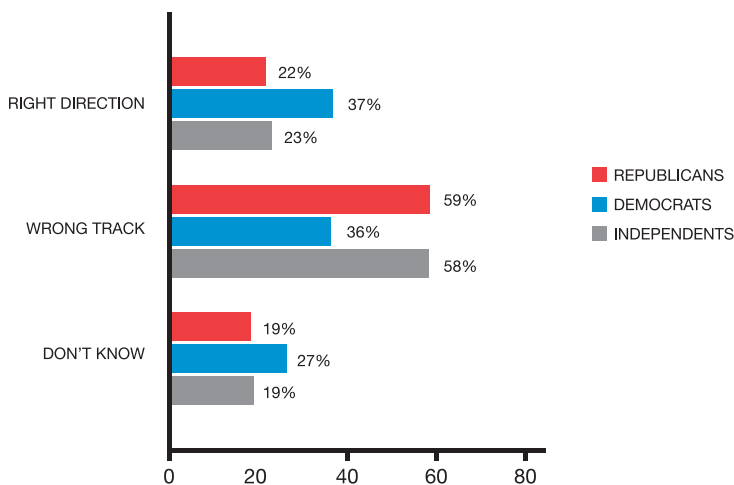
### **Total U.S. Adults**



**TABLE 2**

Generally speaking, do you believe U.S. energy policy is heading in the right direction or has it gotten on the wrong track?

### *Political Ideology*



### **CLASSIFYING U.S. ENERGY POLICY**

In order to understand the public's disapproval of U.S. energy policy, you have to understand the lens through which it is evaluated. The public primarily sees energy policy as an economic (33%) or environmental issue (32%), with some individuals identifying energy policy as a national security issue (13%) or a consumer issue (11%).

Men and Republicans primarily view energy policy as an economic issue (38%, 36% respectively). This is in stark contrast to individuals who view energy policy primarily through an environmental lens.

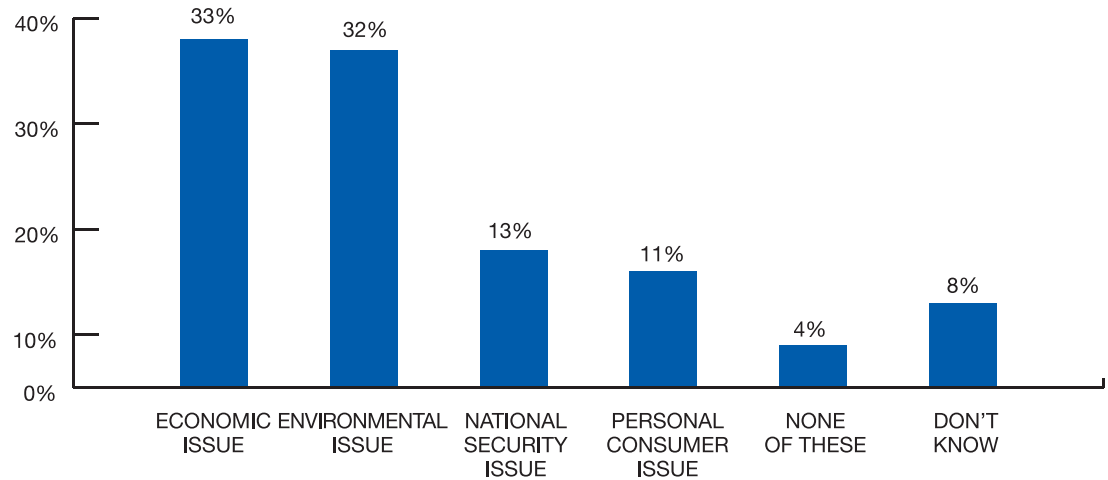
Democrats are far more likely to view energy policy as an environmental issue (44%) compared to Republicans (23%). Not surprisingly, those who are more environmentally conscious also view energy policy as an environmental issue. Individuals with an annual household income of over \$100K (42%), women (39%) and college graduates (38%) are more likely to associate energy policy as an environmental issue.

Congress's challenge will be to mediate these two opposing viewpoints to create policy that is not only beneficial to the economy but to the environment as well.

**TABLE 3**

When you think about energy policy in the U.S., do you think of it primarily as an economic, environmental, national security or personal issue?

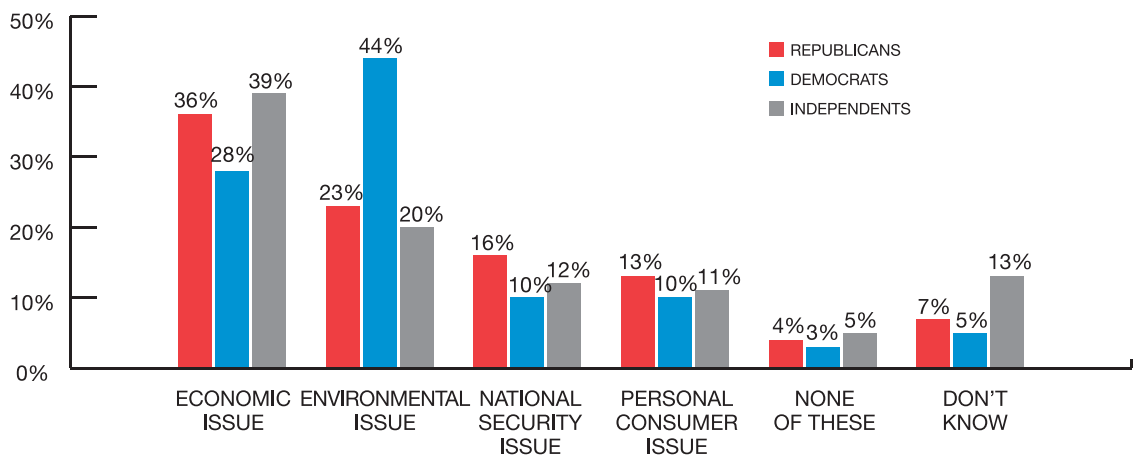
**Total U.S. Adults**



**TABLE 4**

When you think about energy policy in the U.S., do you think of it primarily as an economic, environmental, national security or personal issue?

**Political Ideology**



## CONGRESSIONAL PRIORITIES – ENERGY VS. ENVIRONMENT

The U.S. government has a variety of issues it needs to address, and for some energy policy is not a top priority in comparison to healthcare, reducing the deficit, improving education, and ensuring national security. However, for most, energy and the environment are top-priority issues that need to be addressed simultaneously.

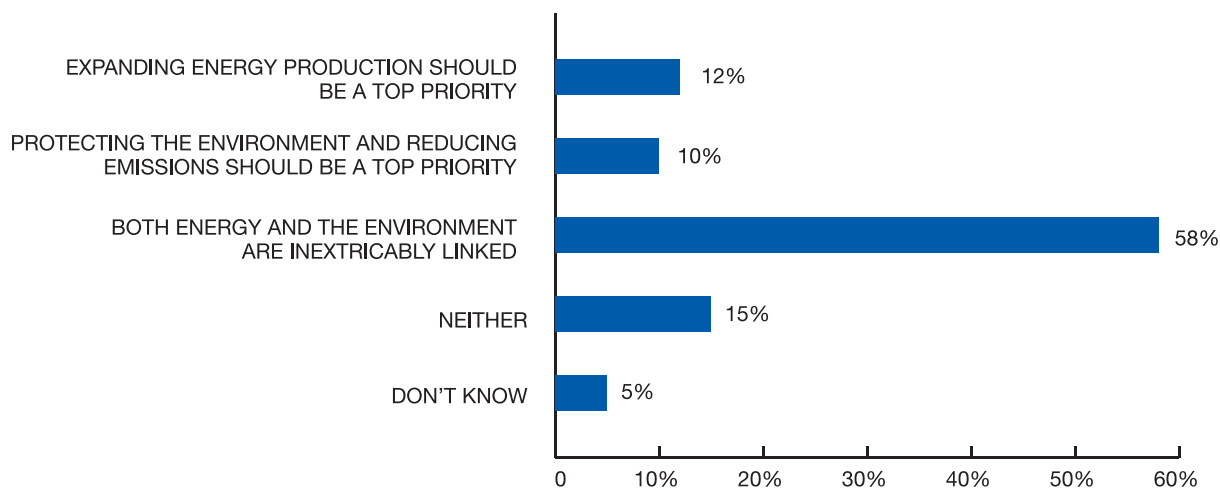
While the public is divided as to whether U.S. energy policy is an economic or environmental issue, the majority (58%) believe energy and environmental policy should both be top priorities for Congress as they are inextricably linked. Essentially, the public wants a strong economy while improving environmental standards. Congress is expected to design energy policy to achieve this outcome. Only two in ten U.S. adults believe expanding energy production (12%) or protecting the environment (10%) should be a top priority for Congress in the absence of making the other a priority as well.

Interestingly, while most Democrats (69%) and Republicans (48%) believe expanding energy production and protecting the environment should both be top priorities for Congress, some Republicans are divided between believing only expanding energy production (21%) should be a top priority for Congress and believing that neither energy nor the environment should be a top priority for Congress (21%).

**TABLE 5**

Please listen to the following opinions and tell me which MOST closely matches your own views and opinions.

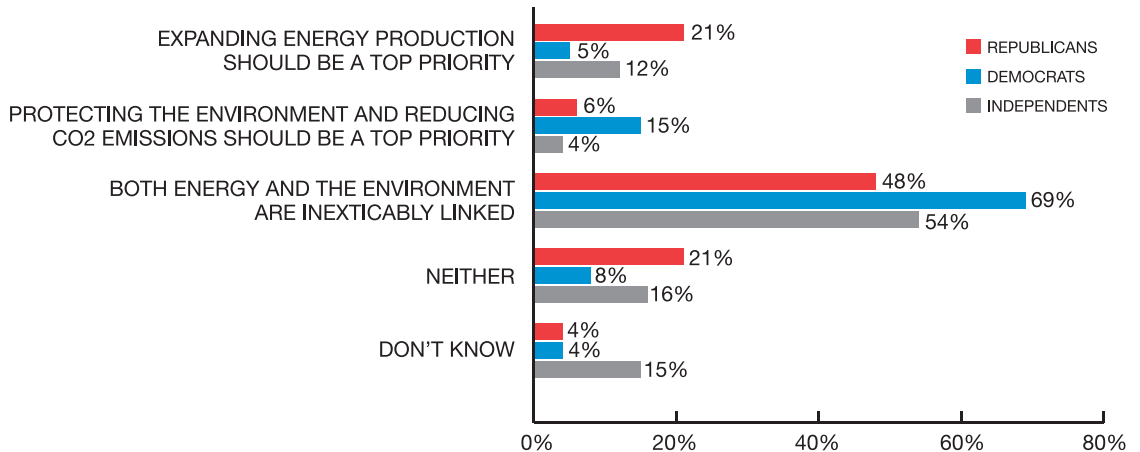
### *Total U.S. Adults*



**TABLE 6**

Please listen to the following opinions and tell me which MOST closely matches your own views and opinions.

***Political Ideology***



**SUPPORT FOR CONGRESSIONAL ENERGY POLICIES**

When looking at specific energy policies, the public reinforces their belief that energy and the environment are inextricably linked, as they are more supportive of initiatives which encourage renewable and/or clean energy and conservation. Specifically the public is most supportive of:

- Tax credits for businesses to purchase solar energy panels or wind turbines for their facilities (72% total support);
- Tax credits for utility companies to transition from coal power plants to renewable power generation such as wind and solar (72% total support);
- Increased investment in clean coal technology (69% total support); and
- Tax credits for utility companies to invest in smart grid technology (67%).

Consistent with other research findings, those who tend to be more supportive of initiatives involving transitioning to renewable energy are those most concerned with future energy security, those who can afford potential increases in energy costs, and Democrats.

TABLE 7

How much could you support or oppose the following initiatives in Congress?

**Total U.S. Adults**

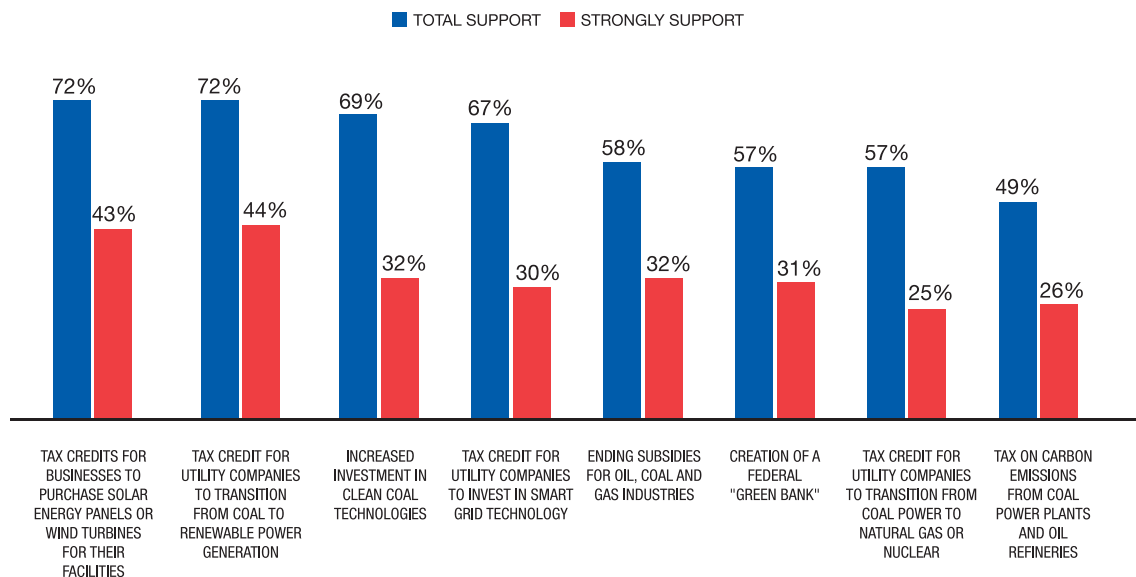
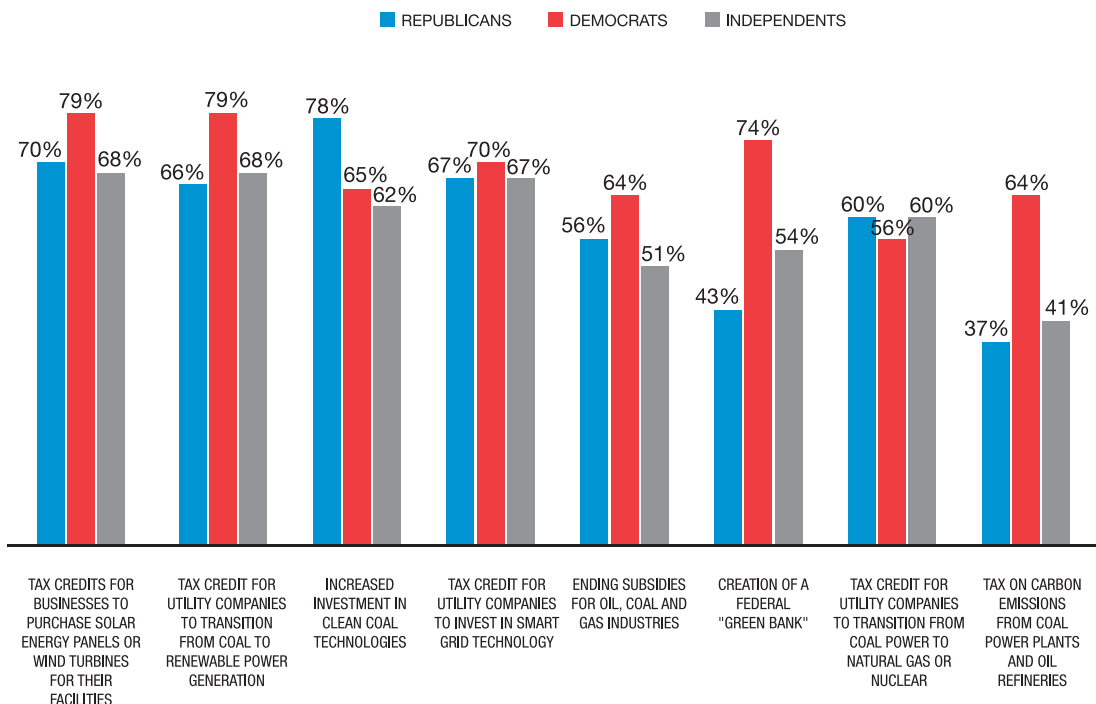


TABLE 8

How much could you support or oppose the following initiatives in Congress?

**Political Ideology**



Further insight can be gleaned by examining support for each initiative in more detail.

## **TAX CREDITS FOR BUSINESSES TO PURCHASE SOLAR ENERGY PANELS OR WIND TURBINES FOR THEIR FACILITIES (72% SUPPORT)**

Three-quarters (72%) of the general public support tax credits for businesses to purchase solar energy panels or wind turbines for their facilities. Consistent with previous findings, individuals who have the financial resources to offset potential cost increases and those with a vested interest in future generations are more likely to support this policy.

- Annual household income \$75K to less than \$100K (87% support)
- Annual household income \$100K or more (82% support)
- Adults with children under the age of 18 living in their household (77% support)
- College graduates (77% support)

However, even though tax credits for businesses to purchase solar energy panels or wind turbines are heavily supported, there are certain population segments that are not as eager to endorse them.

- Residents of the South (27% oppose)
- Annual household income less than \$35K (25% oppose)
- Annual household income \$35K to less than \$50K (26% oppose)
- Annual household income \$50 to less than \$75K (23% oppose)
- No children under the age of 18 living in the household (24% oppose)

Not surprisingly, Democrats (79%) are more likely to be supportive of this proposal than Republicans and Independents (70%, 68% respectively). One-quarter (25%) of Republicans actually oppose tax credits for businesses to purchase solar panels or wind turbines and 14% strongly oppose such an initiative.

This exemplifies that even heavily supported initiatives can benefit from communications to the public that address potential economic implications to the American public and local economies.

## **TAX CREDIT FOR UTILITY COMPANIES TO TRANSITION FROM COAL POWER PLANTS TO RENEWABLE POWER GENERATION SUCH AS WIND AND SOLAR (72% SUPPORT)**

Seven in ten (72%) U.S. adults support a tax credit for utility companies to transition from coal power plants to renewable power generation. This proposal is particularly appealing to individuals with a high household income (82% \$100K or more) and at least a college education (76%).

Additionally, while Republicans (66%) and Independents (68%) support this initiative, Democrats continue to be the most supportive of renewable energy proposals (79%). Over half of Democrats (56%) strongly support transitioning utility companies from coal power plants to renewable power generation, while a small segment of Republicans (29%) actually oppose this transition.

### **INCREASED INVESTMENT IN CLEAN COAL TECHNOLOGIES (69% SUPPORT)**

There is strong support among members of the general public to increase investment in clean coal technologies (69%). Interestingly, the only differentiation among subgroups is by political party. Investment in clean coal technology is more supported by Republicans (78%) than Democrats (65%) or Independents (62%). While Democrats are typically members of the party that supports minimizing our environmental footprint, they prefer to support initiatives that deal with renewable fuels and conservation as opposed to stricter standards for traditional fuel sources. Republicans tend to support a slower transition to renewable fuels by creating a clean comprehensive energy portfolio that includes fossil fuels.

### **TAX CREDIT FOR UTILITY COMPANIES TO INVEST IN SMART GRID TECHNOLOGY (67% SUPPORT)**

Residential smart grid technology is in its initial stages and the public does not yet have a full understanding of what this technology will provide. Despite this lack of awareness, two-thirds (67%) of the general public support a tax credit for utility companies to invest in smart grid technology. Men (73%), college graduates (72%) and individuals earning an annual household income of over \$75K (82% \$75K to less than \$100K, 78% \$100K or more) are more likely to support a tax credit for utility companies to invest in this technology.

Interestingly, there is no differentiation on support for investment in smart grid technology by political party. Democrats are more likely to strongly support the initiative than Republicans (36% vs. 25%), but overall support levels are consistent across political parties (67% Republican, 67% Independent, and 70% Democrat).

### **ENDING SUBSIDIES FOR OIL, COAL AND GAS INDUSTRIES (58% SUPPORT)**

There is moderate support for ending subsidies for oil, coal and gas industries (58%). Interestingly, there is very little differentiation between subgroups on this issue. The only differentiating factor is based on political ideology. Republicans have traditionally been the base of support for fossil fuel industries such as oil, gas and coal. While Democrats are more likely to support ending subsidies (64%), Republicans are also in support of this initiative (56%) as well as Independents (51%). This may indicate an erosion of oil, coal and gas industries' base of support. However, a small, strong base still remains, because while most Republicans support ending subsidies provided to nonrenewable energy companies, there is strong element of opposition in the Republican party (31% oppose) to repealing these subsidies.

### **CREATION OF A FEDERAL "GREEN BANK" TO PROVIDE VARIOUS TYPES OF FINANCING FOR RENEWABLE ENERGY, TRANSMISSION AND OTHER LOW EMISSIONS PROJECTS (57% SUPPORT)**

Support for the creation of a federal "green bank" is moderate (57% support) among the general public. However, younger individuals (ages 18 to 34) and residents of the West and East are significantly more supportive (67%, 65%, 64% respectively). Not surprisingly, Democrats (74%) are more likely than Republicans (43%) and Independents (54%) to support this initiative.

There is also a significant number of individuals who oppose this initiative (31%). In fact, two in ten (21%) strongly oppose the development of the "greenbank" to provide various types of financing for renewable energy. Interestingly, Republicans are more likely to oppose this initiative (48%) than support it (43%). In fact, one-third (32%) strongly oppose the creation of a federal "greenbank."

### **TAX CREDIT FOR UTILITY COMPANIES TO TRANSITION FROM COAL POWER PLANTS TO NATURAL GAS POWER PLANTS OR NUCLEAR POWER PLANTS (57% SUPPORT)**

Support for a tax credit for utility companies to transition from coal power plants to natural gas power plants or nuclear power plants is moderate (57%). However, college graduates (63%) and men (62%) are more likely to support this initiative. Interestingly there is no difference in support by political ideology. It appears that while respondents are generally supportive of this plan, they would rather coal power plants be transitioned to renewable sources of energy such as solar and wind.

## **TAX ON CARBON EMISSIONS FROM COAL POWER PLANTS AND OIL REFINERIES (49% SUPPORT)**

While most of the general public support policy initiatives that transition traditional fuel sources to renewable energy supplies, they are not as supportive of penalizing the oil and coal industries. Only half (49%) of the general public supports a tax on carbon emissions from coal power plants and oil refineries while four in ten (39%) oppose the initiative.

Oil refineries are primarily concentrated in California, states bordering the Gulf of Mexico and the Northeast. Power plants are also more concentrated in the West and Northeast because of higher population density and greater need for electricity. These areas are most exposed to the harmful effects of carbon emissions and as a result are more likely to support a tax. Residents of the Northeast (59%) and West (56%) are more likely to support a tax on carbon emissions from coal power plants and oil refineries, while residents of the Midwest are more likely to oppose such an initiative (47%) rather than support it (41%).

The largest variations of support for this initiative come in the context of political party. While Democrats are largely supportive of taxing carbon emissions (64%), Republicans are more likely to oppose such initiatives (55%). In fact four in ten (39%) Democrats strongly support this idea while in contrast 37% of Republicans strongly oppose this type of policy. Interestingly, while the right and left are polarized, Independents are evenly divided between their support of (41%) and opposition to (42%) to taxing carbon emissions from oil refineries and coal power plants.

Cap-and-trade policy was taken off the table when Republicans took over the House of Representatives; however, additional policy to curb emissions may be considered in the future and will most likely be met with lukewarm support or opposition. The public seems far more supportive of incentivizing companies to pursue renewable fuel sources rather than penalizing industries.

## Conclusion

Change in energy policy is eminent as the public at large believes it is currently ineffective. The question is how to create policy that promotes the use of renewable fuels while still helping the economy climb out of a recession. Added to that dilemma, many constituents are refusing to or are not financially secure enough to deal with rising energy costs and unwilling to make significant changes to their lifestyle, and Congress has an uphill battle in turning around public perception of energy policy. However, the public is not the only barrier standing in the way of creating energy legislation.

Republicans and Democrats also need to be able to work together to improve energy policy. This will be difficult due to the competing interests of industries and environmental organizations. Environmental organizations want policy that utilizes the highest environmental standards and industry wants policy that has minimal impact to the economy and their financials. If energy legislation is not going to serve the best interests of the public, it offers no incentive for the public to make significant changes to their lifestyle as a result.

Is energy policy that creates a compromise of all interested parties and public expectations better than no energy policy at all? That is a question Congress may have to answer in the future. One thing is certain: the public places a high priority on energy policy from an economic and environmental perspective and will continue to be dissatisfied with the direction of energy policy unless progress is made.

## Methodology

A telephone survey of 1,022 U.S. adults age 18 and older was fielded from November 5-8, 2010. The margin of error is +/-3%.

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