Public perceptions of affordability and the clean energy transition

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Methodology

On behalf of Clean Energy Canada, Abacus Data conducted an online qualitative community from July 19 to 22, 2022. The community explored public perceptions regarding affordability and the clean energy transition. Fifty participants were recruited using a panel provider and selected based on a number of demographic variables, such as age, gender, region, visible minority, and 2021 federal election vote.

For this study, **participants were recruited from Ontario**, given the political importance of Canada's biggest province along with our desire to understand how recent regional EV investments were resonating with residents. Accordingly, we recruited **from the GTHA, its surrounding areas, and the manufacturing/auto cities of Windsor, Oshawa, and Oakville**.

The community was structured around a guide developed in consultation with Clean Energy Canada that explored people's perceptions around energy costs and the clean energy transition – and how the two were connected. A smaller sample of participants were invited to participate in a follow-up focus group to further explore key findings from the online community.

Key findings

1. **Support for climate change action is nearly universal among participants** – many citing that changes to help mitigate environmental impacts of climate change are **necessary**.

2. **Awareness of climate change action taken by the government is high**. Most cite the carbon tax, Canada's Emission Reduction Plan, carbon neutral targets, and electric vehicles as key components.

3. **Some feel that the government could take a more active approach** in educating the public of the changes that they are making.

4. Accompanying impressions of government effort to combat climate change is the understanding or acceptance that these efforts may make **life more expensive in the short-term in order to help reduce energy and daily costs in the long run**.

5. Initially, participants were under the impression that the **clean energy transition would likely cost them a good deal more upfront**, but these **opinions tempered** once ideas and arguments were put forth.

6. Perceptions are most persuaded by the idea that **Canada will be able to better regulate and control the price of domestically produced clean energy, versus being exposed to the geopolitics of oil prices (Russia, Saudi Arabia) and profit-motivated oil companies** – making the connection that energy produced and priced in Canada will be more fairly priced.

7. Despite any potential increases to the cost of living or other negative impacts, participants are overwhelmingly **supportive of the clean energy transition**. It is clear that concern for the environment is pervasive among participants, and likely felt similarly among many Canadians.

8. The clean energy transition is not expected to happen "overnight." Participants **anticipate the transition requiring a lot of investment and innovation** in this area.

9. In fact, it's felt that this transition – to help combat climate change – is **already behind** where participants feel we should have progressed by now.

10. **The prospect of EVs as a key component of combating climate change is largely appealing**. Participants are aware of various initiatives led by the provincial government, and building the EV auto industry in Ontario is expected to **provide jobs and grow the economy.**

11. Building the EV auto industry in Ontario will also **alleviate some of the supply and demand challenges** currently associated with purchasing an EV.

12. **Government efforts to incentivize the uptake of EVs are regarded positively and participants admit they would be motivated by rebates**, especially when it comes to providing and/or stacking rebates to help offset the initial cost of purchasing an EV.

13. It's also recognized that in order to support a rise in EVs on the road, **more charging stations will need to be implemented across the country**, which is currently considered one of the biggest barriers to adoption.

14. There is also the idea that as EV charging stations "pop up," this will serve as a reminder that EVs are available for purchase and **keep EVs more top-of-mind**.

Conclusions and recommendations

The qualitative research and our analysis of the online community and focus group results point to a few conclusions:

1. It is evident that people value specific examples when looking at ideas and messages relating to the clean energy transition. Providing specific examples helps stakeholders make sense of

sometimes convoluted topics. Their base understanding of climate change remains undeveloped, although based on previous research, has advanced to another level.

2. People see a link between the cost of living and the clean energy transition. Most feel there will be a short-term negative impact but long-term benefits. While this is a positive finding, it does suggest elevated risk in the short-term around climate action given the concerns people have about inflation and the rising cost of living.

3. Most people have a pretty good understanding of what the clean energy transition is and involves. They can visualize the shift away from fossil fuels toward clean energy sources and EVs. The **link between EVs and the clean energy transition is likely very strong**.

4. Among those we engaged, the clean energy transition is not threatening or something they should be afraid of. In fact, most see it as something that *must* happen if climate change is going to be addressed properly.

5. The federal government's actions on climate are broadly supported by those we engaged in this research. There is little appetite to see the carbon tax removed and broad support for incentives for EVs.

6. What we heard about EVs confirms previous research. Most would buy an EV if they could and they were available. People see them as costing less in the long-run and being more efficient, but there are concerns about the upfront costs, the lack of charging infrastructure, and the maintenance costs relative to gas-powered vehicles.

7. Ultimately, most participants understood that a clean energy transition has to happen. They naturally start with EVs and feel positively about the opportunity both for them personally and the Ontario economy. Messaging around energy security (given the war in Europe), the growing risk of extreme weather, and the opportunity Canada has to be a global leader in not only clean energy production, but the use of clean energy in terms of transportation, is very well understood.