Communicating Affordability and the Energy Transition

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Study objectives

- **Explore** perceptions and impressions of energy costs and concerns.
- **Understand** the relationship between affordability and the clean energy transition.
- **Test** messaging that best motivates people to support the clean energy transition, despite concerns about affordability.

Methodology

Two components

1. **Online research community** with 45 participants living in Ontario (varied by age, gender, and background) conducted from July 19 to 22, 2022.
2. **Virtual live focus groups** conducted on August 4, 2022, with community participants.
    - Group 1 included those living in Windsor, Oshawa, Oakville and other auto/manufacturing areas.
    - Group 2 included those living around Toronto and the GTHA.

What we learned

FINDING #1

Canadians are seized by concerns about the cost of living and inflation.

This is what almost everyone is thinking about and worried about.

What we learned

FINDING #2

Support for climate action is nearly universal.

Awareness of climate action taken by government is high.

But understanding *how* to tackle climate remains underdeveloped (although improved).

What we learned

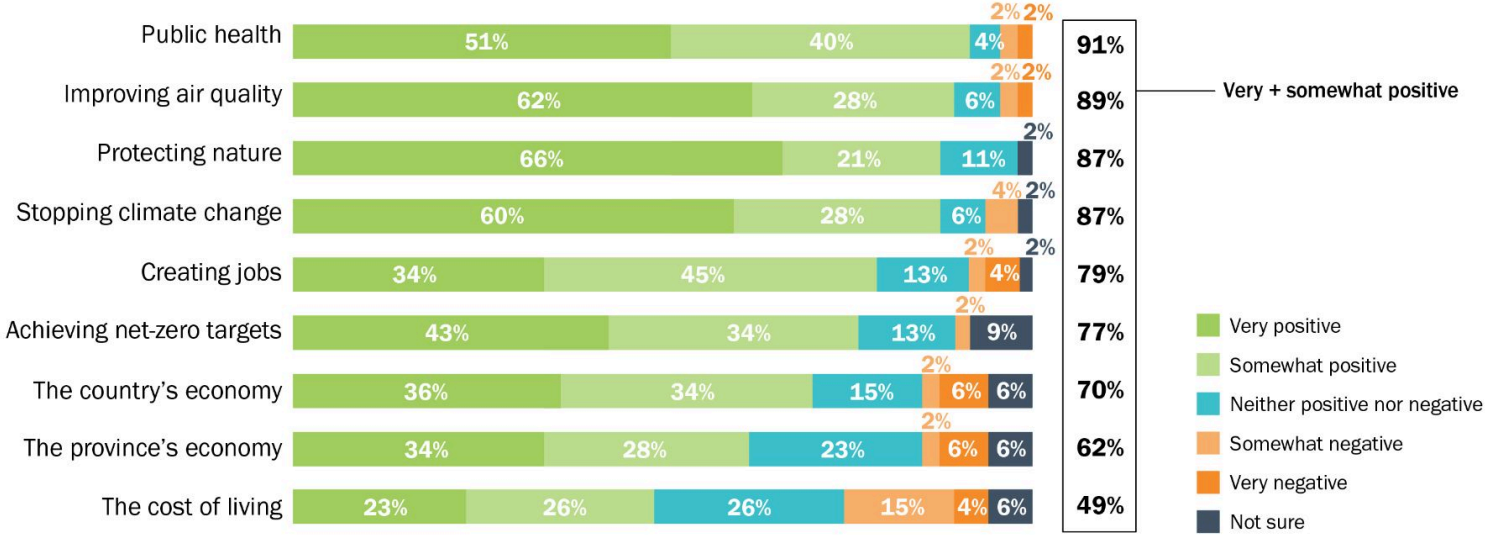
FINDING #3

Participants believe climate action will make life more expensive in the short-term but will reduce costs in the long-run.

When they consider “the clean energy transition,” people believe it will improve the environment and public health, and that it will also protect nature and stop climate change.

Impact of the clean energy transition

Does the clean energy transition have a positive or negative impact on the following?



What we learned

FINDING #4

EV adoption is strongly linked to people's conception of the clean energy transition.

But hurdles remain: cost, charging infrastructure, and concerns about reliability.

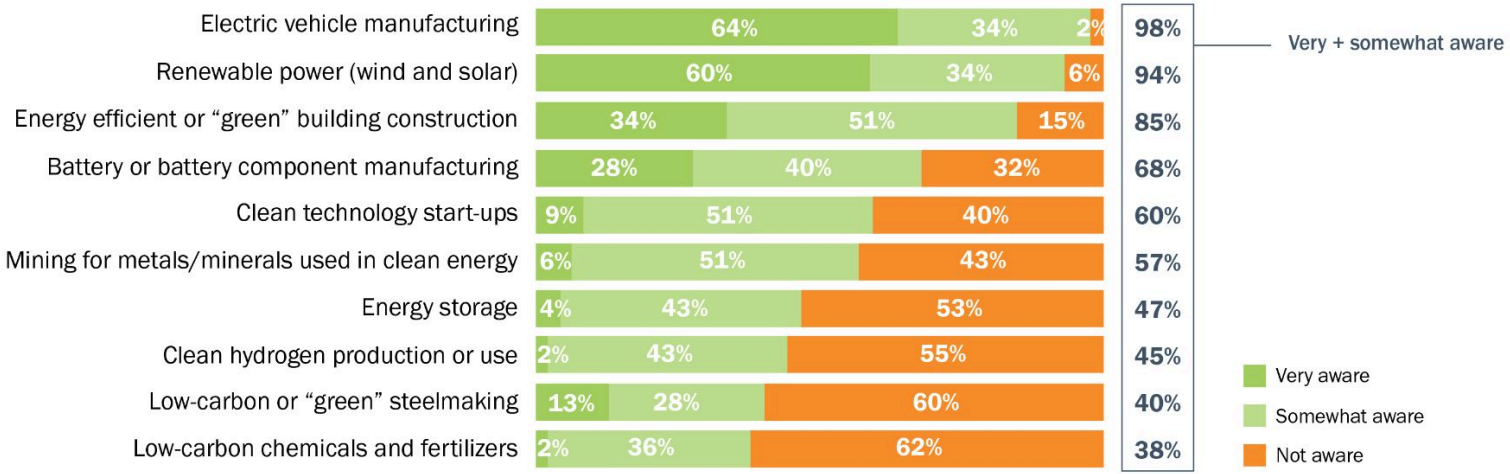
What we learned

FINDING #5

The economic opportunity offered by EVs and a broader clean industrial strategy is well understood and accepted.

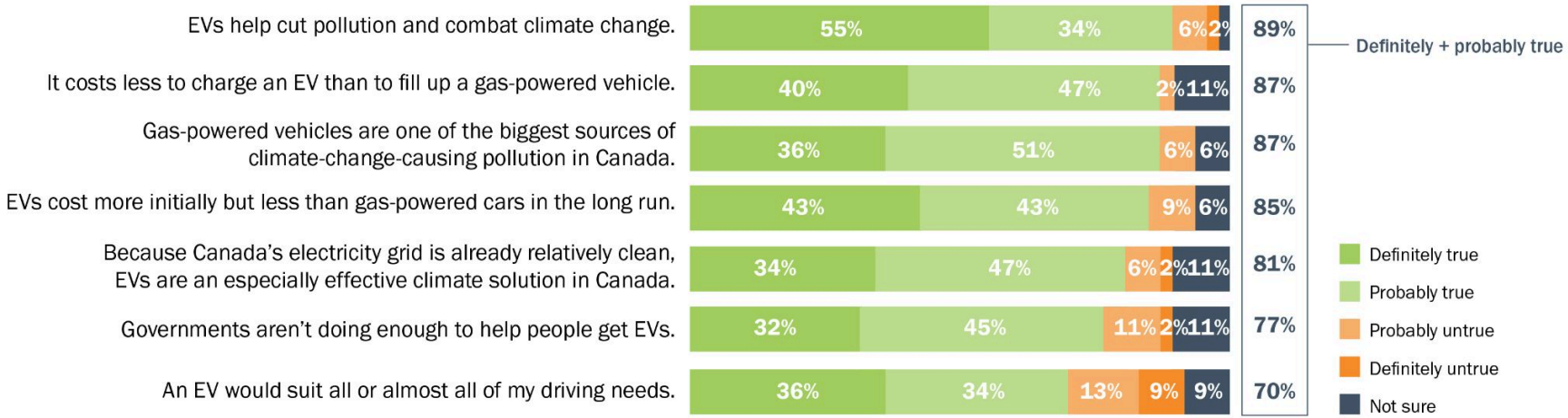
Awareness of clean energy opportunities

A number of clean energy opportunities are currently receiving investment and attention in Ontario. First, tell us how aware you are of each of the following economic opportunities.



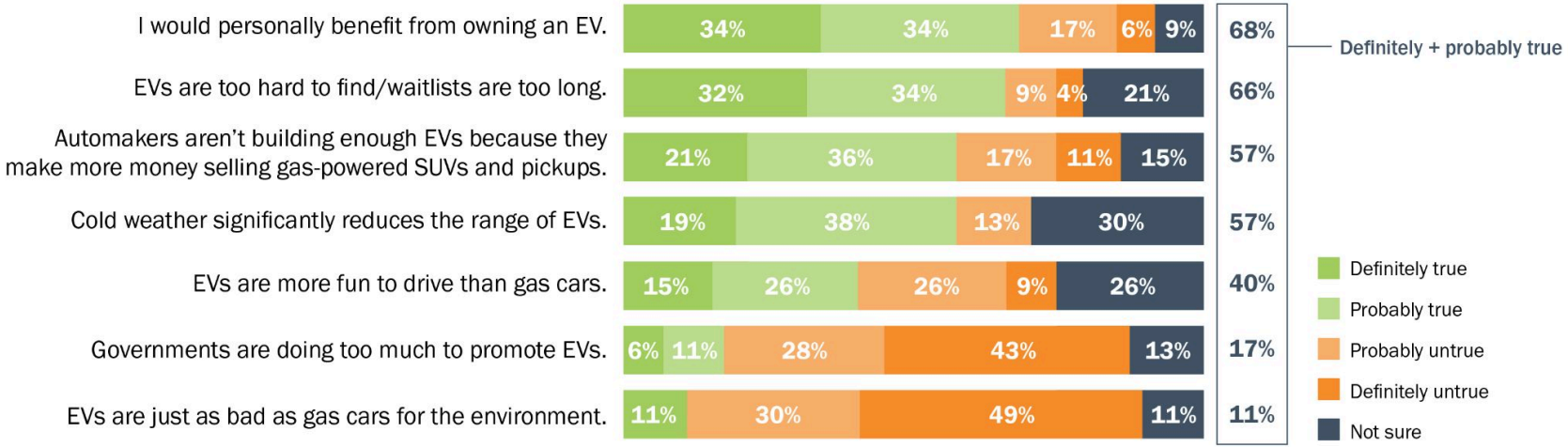
Most believable statements about EVs

Below are some statements about EVs. Please select whether you feel each statement is definitely true, probably true, probably untrue, definitely untrue, not sure.

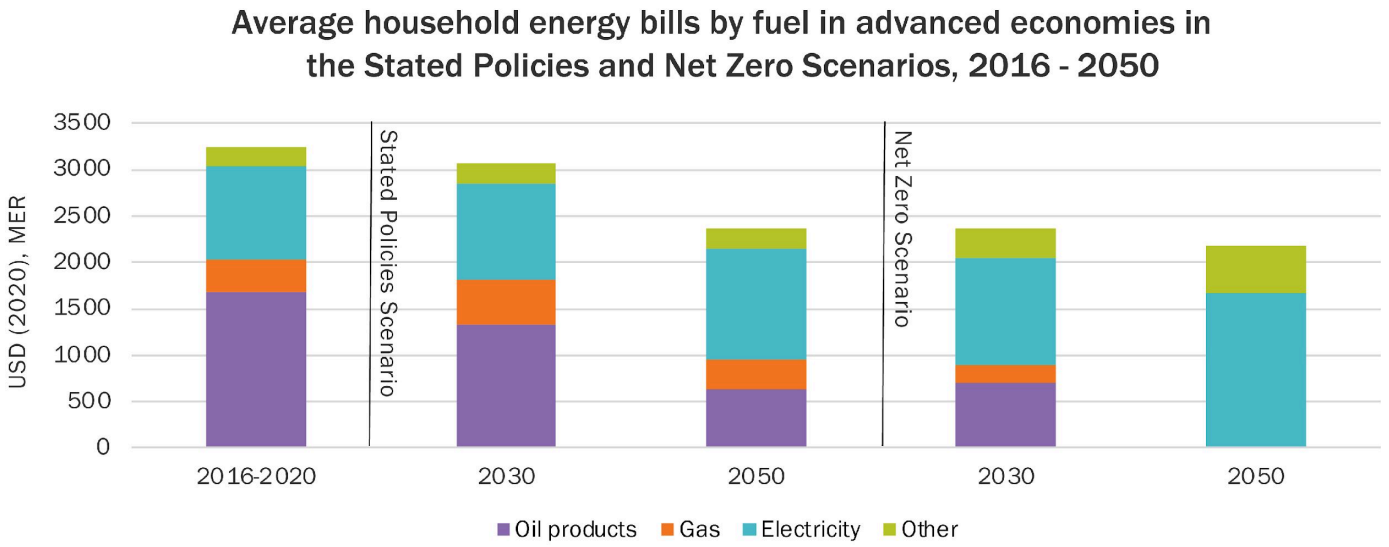


Least believable statements about EVs

Below are some statements about EVs. Please select whether you feel each statement is definitely true, probably true, probably untrue, definitely untrue, not sure.



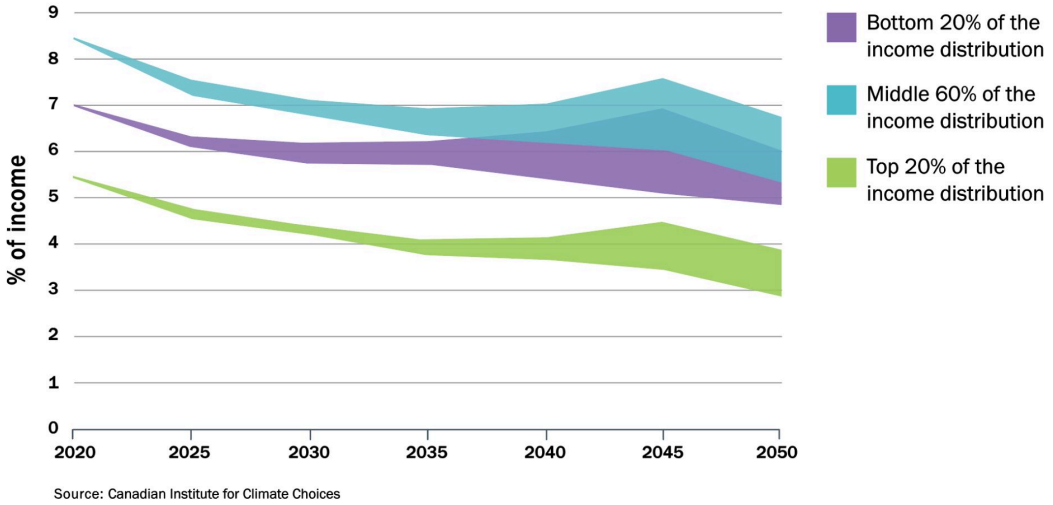
What the research shows



Source: International Energy Agency, World Energy Outlook 2021. MER = Market Exchance Rate

What the research shows

Household expenditure on energy services as share of income



Source: Canadian Institute for Climate Choices

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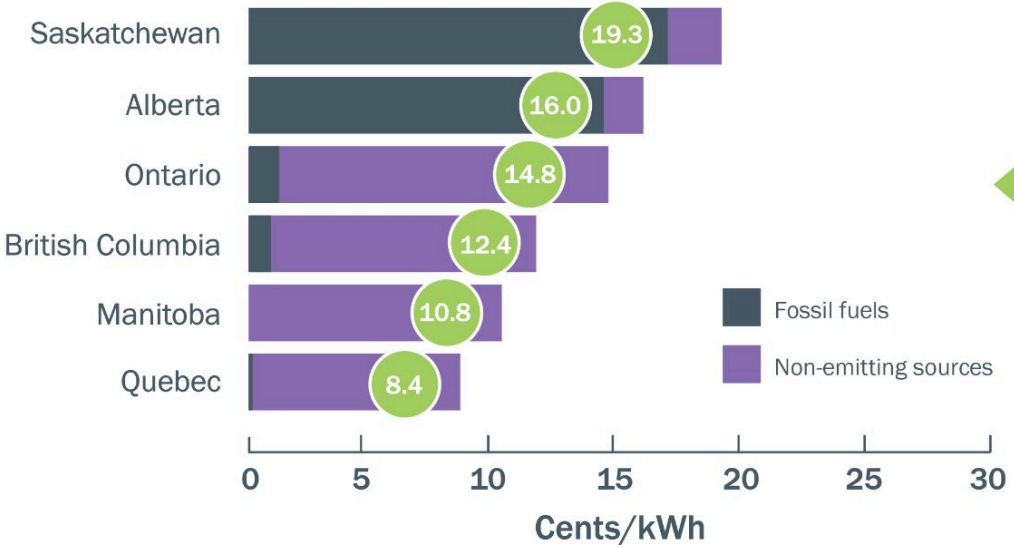
What the research shows

Household electricity prices by selected provinces (2019)



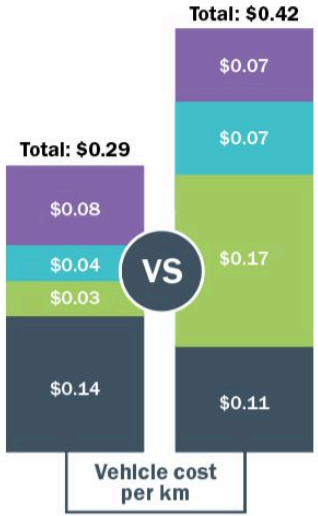
Canada's residential electricity rates are the cheapest in the G7. Provinces with **cleaner grids tend to have the lowest rates.**

Notes: Provincial data based on major cities and for a monthly consumption of 1,000 kWh. Data for territories not available. Prices include taxes. Exchange rate from Bank of Canada. Data sources: International Energy Agency (2020),Hydro-Québec (2019), Statistics Canada (2020).

What the research shows

ELECTRIC

2022 Chevrolet Bolt
Retail price: **$38,198**
Battery range: 416 kilometres
Eligible for rebates: yes
Total ownership cost: $45,509



GAS

2022 Toyota Corolla Hatchback
Retail price: **$21,450**
Total ownership cost: $67,380

$ **48%** more expensive for the gas vehicle

- Cost of car (depreciation)
- Fuel
- Maintenance and repairs
- Taxes, insurance, and other costs

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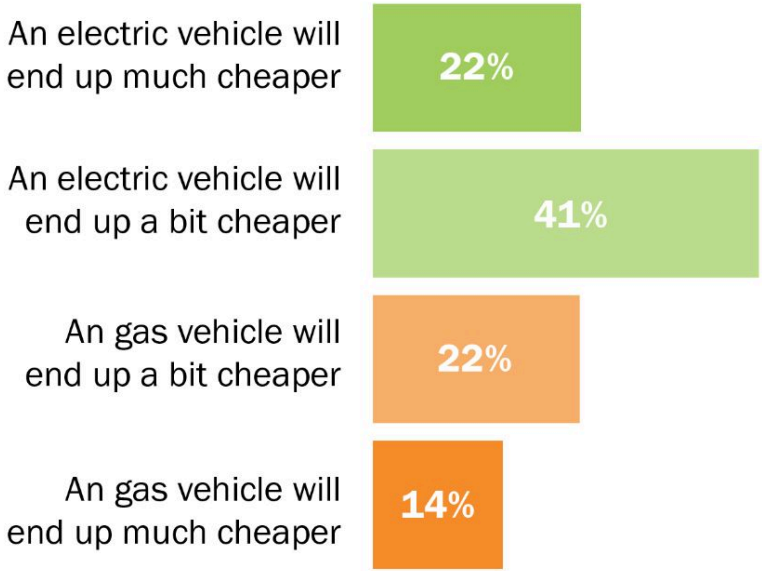
What the research shows

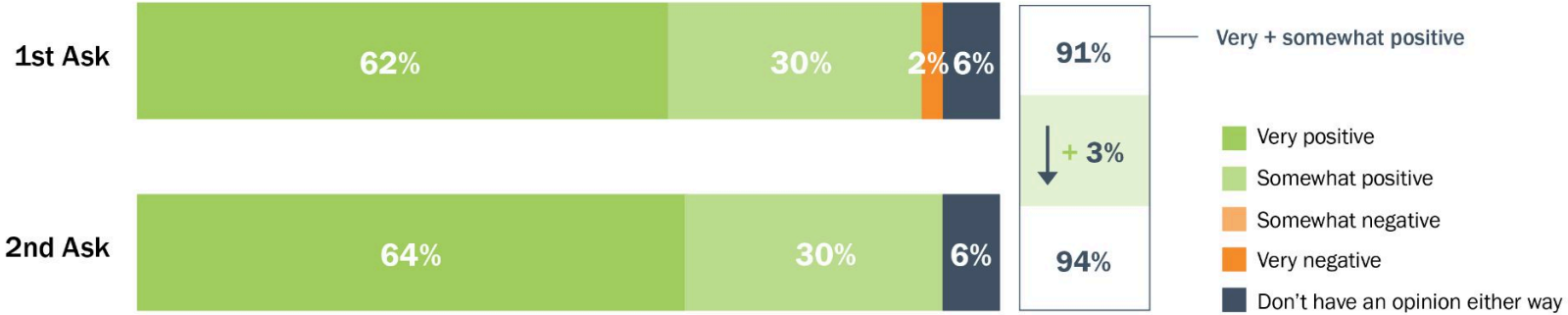


A majority (63%) of Ontarians now believe that when you look at the lifetime costs of a car (including maintenance, repairs, insurance and energy to power it) that electric vehicles are cheaper than gas vehicles.

Impressions of the clean energy transition

Overall, do you have a positive or negative impression of the clean energy transition, or do you not feel either way about it?

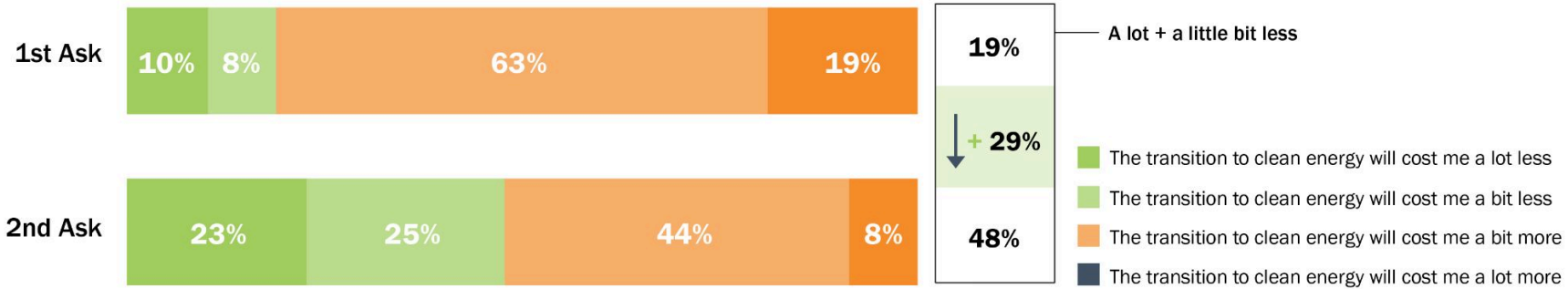
Having now explored these opportunities, we'd like to re-ask you a question we've already asked. Overall, do you have a positive or negative impression of the clean energy transition, or do you not feel either way about it?



Cost of the clean energy transition

Overall, do you think the transition to clean energy will cost you less or cost you more in your day-to-day life?

Having now explored these arguments, we'd like to re-ask you a question we've already asked. Overall, do you think the transition to clean energy will cost you less or cost you more in your day-to-day life?



Best arguments for why the energy transition improves affordability

1. Because clean energy is powered by electricity produced and regulated in Canada, we have more control over its price—whereas oil prices are swayed by countries like Russia and Saudi Arabia.
2. More energy-efficient building codes and household appliances will ensure less energy is wasted.
3. Clean energy means no longer being at the whims of oil companies and their shareholders.
4. Electric vehicles are significantly cheaper to fuel than gas cars.
5. The price of solar power has dropped about 90% in 10 years, while the price of wind power has dropped 70%.
6. Heat pumps can significantly lower household electricity costs, including home heating and cooling.
7. New renewable power projects are cheaper than new fossil fuel projects.

Best climate-related ideas to offset the cost of living

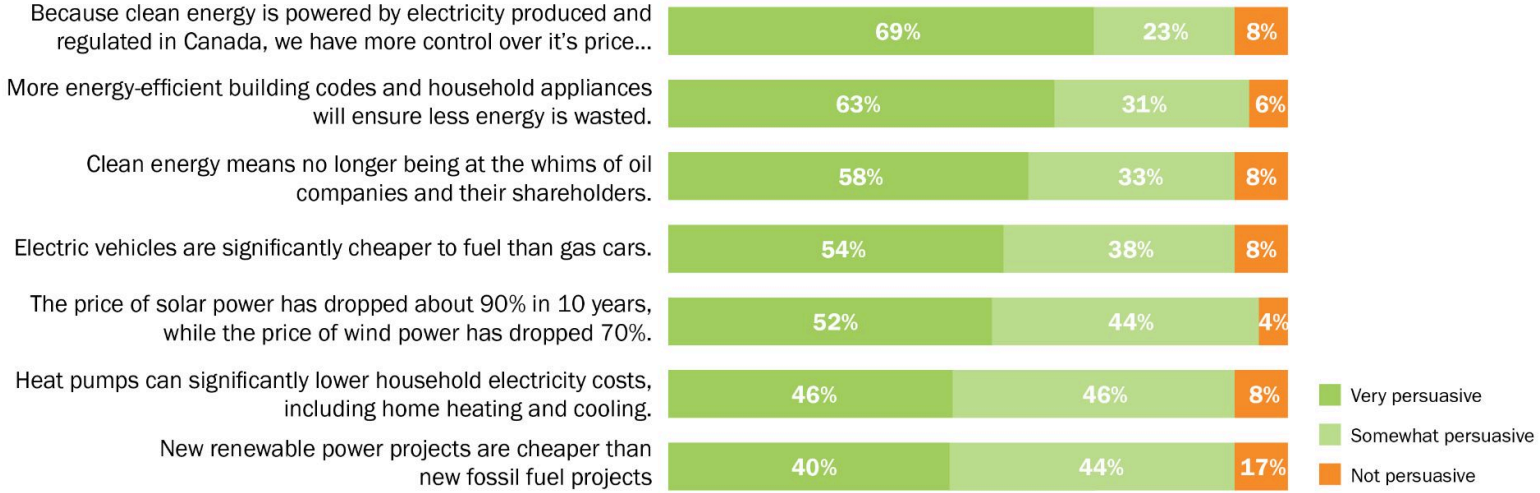
1. More public EV charging stations.
2. Requiring new homes and buildings to be highly energy efficient.
3. A shift away from fossil fuels toward 100% Canadian-produced clean electricity.
4. A provincial EV rebate that stacks with the federal rebate to make EVs even cheaper upfront.
5. Improving infrastructure for other forms of transportation.
6. Continuing the $5,000 federal tax rebate for EVs.

Messages that work

- Energy security and price consistency
- We have to transition so let's take advantage of it and seize it.

Argument testing

Below are some arguments for why the transition to clean energy is said to be cheaper, overall, than sticking with fossil fuels energy. How persuasive do you find the following arguments?



Conclusions

1. Using specific examples helps make the transition real.
2. The link between the cost of living and the clean energy transition is a threat, but it can be overcome.
3. EVs are a powerful image that represent the shift in people's minds.
4. The clean energy transition has to happen. Government, industry, and individuals can make it happen.

Questions

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