



GREATER
MANCHESTER
**LOCAL ENERGY
MARKET**

DOING THINGS DIFFERENTLY FOR THE ENVIRONMENT

Work Package 5 Survey Report

Paying a premium for local renewable energy

June 2022

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Introduction

Carbon Co-op asked their membership and social media followers to complete an online survey so that they could better understand how 'early adopters' and highly engaged citizens felt about paying a £20 per year premium for local, renewable energy. The results from this survey will be used to inform the development of the Greater Manchester Local Energy Market.

Approach

Method

Google Forms survey shared on the Carbon Co-op membership forum and on social media with three £100 prize draw incentives. The survey was shared alongside a blog post which shared the benefits and challenges to consider with a local energy market.

Timeline

Survey was shared from 20th - 30th June 2022.

Number of respondents

40

Findings and Discussion Points

Data Caveat

- It's worth noting that the data we collected is not representative of people in Greater Manchester and is not statistically significant.
- The following findings are drawn from the 40 people across the UK who responded to the survey.
- The questions in this survey were based on a concept of a local energy market rather than an actual working model.

Findings

- Most early adopters and highly engaged citizens that we spoke to said that they are likely to pay more to support the local economy and protect the environment.
- Respondents who wouldn't pay a premium didn't believe that local energy should mean a more expensive energy bill.
- When considering a premium, affordability wasn't a key issue for respondents.

Most early adopters and highly engaged citizens that we spoke to said that they are likely to pay more to support the local economy and protect the environment.

31 out of the 40 respondents said that they would pay a £20 per year premium for local renewable energy.

The most frequently noted reasons behind being willing to pay a premium were related to supporting the local economy, followed by protecting the environment.

These reasons suggest that paying a premium in this case is more about supporting an initiative that has a good ethos, rather than being motivated by individual benefit.

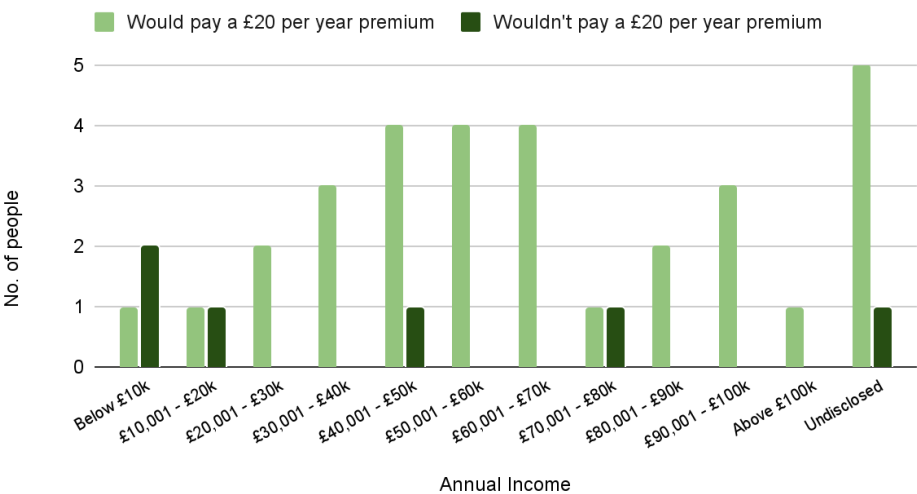
Respondents who wouldn't pay a premium didn't believe that local energy should mean a more expensive energy bill.

Out of the 6 people who said that they would not pay a £20 per year premium for local renewable energy, 5 did not think a premium was justified.

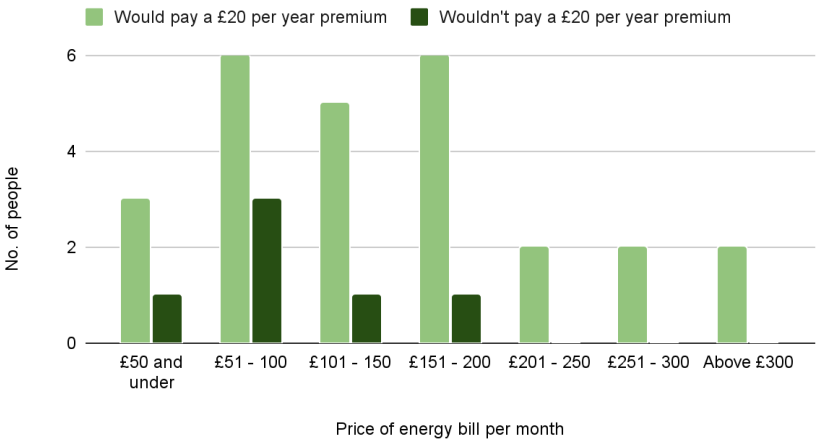
When considering a premium, affordability wasn't a key issue for respondents.

The data collected does not show a relationship between household income or current energy bill prices and willingness to pay a premium which further suggests that local economic benefit and protecting the environment are more important than affordability to the majority of respondents.

Respondents' household annual income



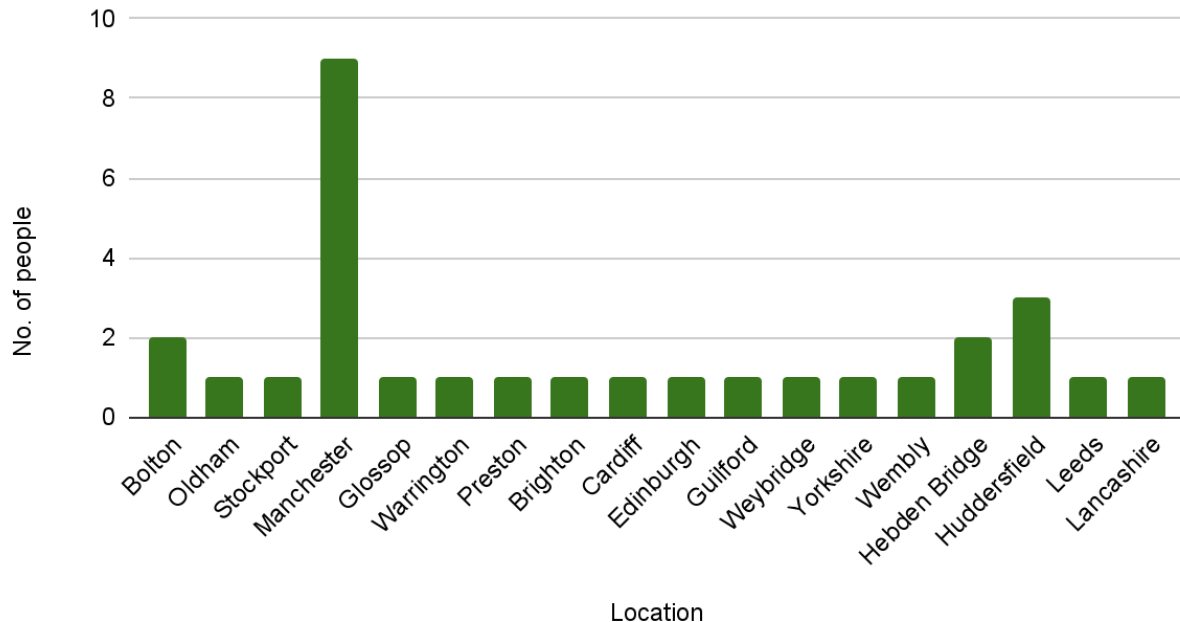
What respondents are currently paying for energy



Results In Detail

Respondents who would pay a premium

Where respondents were based



Out of the 40 respondents who completed the survey 31 said that they would pay a premium of £20 per year for local, renewable energy. 2 respondents said “maybe” and 1 said “probably.”

25 of the 31 respondents who said that they would pay, were already on a Green Energy Tariff.

10 respondents had invested in a community renewable energy scheme and 3 had invested in a private renewable energy scheme. 17 respondents said that they had not invested in a renewable energy scheme.

Just over half of respondents were not members or supporters of charities, campaign groups or community organisations focused on low carbon energy. 14 out of the 31 respondents were. These included:

- Stockport Hydro
- Ripple
- Pec
- Chester community energy
- Energy for all
- Burneside community energy
- Oxfam
- Carbon Co-op
- Centre for Alternative Technology Hebden Bridge & Macynellyth
- Transition Town Kingston Energy Group
- Greater Manchester Community Renewables
- High Winds
- Rainepower
- Torrs Hydro

22 people also said that they would pay a £20 per year premium to support people living in fuel poverty in their borough. 7 said that they wouldn't. The reasons they gave are listed in the table below.

Paying a £20 per year premium to support people living in fuel poverty in respondents' borough	
Would pay	Wouldn't pay
Current level of inequality is unethical & unhealthy for society.	Energy supply isn't a charity. It is either a business, or it should be nationalised. I willingly pay taxes, and they should be used by the government to alleviate poverty.
Right thing to do	State should find via taxes / support
People need the help!	I probably *am* living in fuel poverty! We still support Ecotricity even though they're more expensive than other suppliers, and we are poor, because it's important.
People shouldn't be having to live with worry over the basic necessities	Not an appropriate or adequate way to address fuel poverty
Because fuel poverty should not exist and I am in a position to help. I consider it additional tax for a good reason	Not sure that this is the right mechanism beyond the social tariffs that already exist.
As people who are able to should help people in fuel poverty as government isn't	Would rather contribute to better insulated buildings
Because I have the money to do so and like doing for others. I'd appreciate it if I needed it, so I feel it's the least I can do.	I would rather export our excess solar in a way that they benefit
Caused by capitalism!	
For community, solidarity and humanity, which is what we need to survive the crises which threaten to tear the world apart.	
Because I have enough to live on	
Because it's fair to do so. I'd like to know also that they are being helped onto a better tariff and have energy efficiency support and are not being ripped off by prepayment metres	
Because that is what community is all about	
it's important and I can	
Because of price increases and the need for better off people to support those in need	
Sometime I might be there myself	
I think it is the right thing to do if I can afford it.	

It's not much money per year and we can afford it - I'd like to be able to help people who are struggling.	
Helps create a more cohesive fairer & more collectivised community	
Distribution of wealth to help those in need	
As I'm a nice person	
To serve the community	
Working to improve equality is important to me	

The following table shows the 17 respondents who had low carbon technology at home. The table breaks down their different setups and shows this against their individual reasons as to why they would pay a premium.

	Respondent reason for paying	Solar PV	Electric Vehicle (EV)	EV Charger	Heat Pump	Battery
1	Local affinity, community benefit & sense of ownership					
2	Because that infrastructure needs to be built, and that costs money					
3	Because the energy would be more secure					
4	Because we need more renewable energy. However I'd expect renewables to become cheaper than fossil fuels when the FF price is high and the infrastructure cost of renewables falls.					
5	Clean green & environmentally sustainable					
6	To support local infrastructure, business and jobs					
7	We all need to do more to generate more, and nearer the load makes it more real and reduces transmission losses.					
8	Because its local, so more likely to be 'mine'					
9	Worth the investment for my community					
10	To help minimise climate change					
11	To contribute to local economy and community					
12	Makes sense if can be demonstrated locally					
13	Local jobs created and clean					

14	In order to help drive local renewable investments					
15	Decarbonise the grid, energy security					
16	I would be able to afford the increase of £20 and I am motivated to play my part in combating climate change. I am also keen to support local and community initiatives early on in order to help build momentum					
17	Real green alternative					

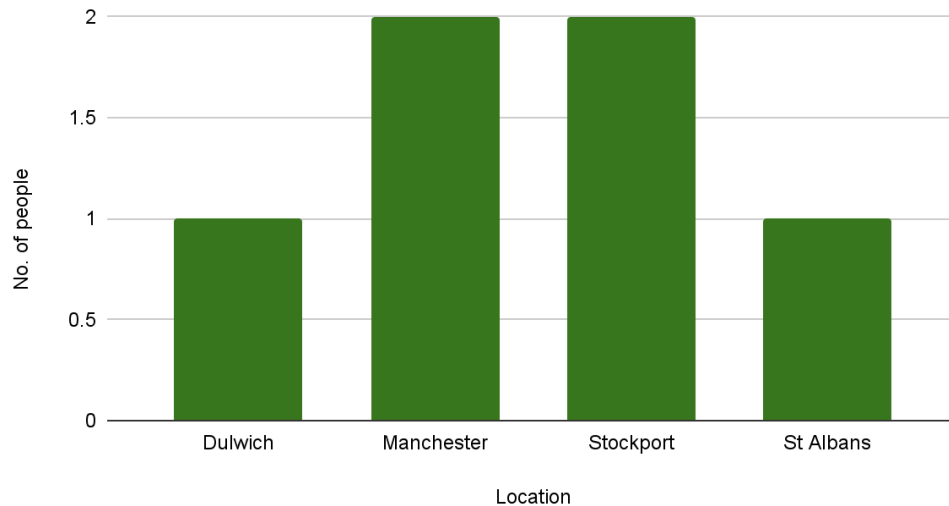
14 of the respondents who said they would pay a premium didn't have any low carbon technology or smart assets.

The table below lists all the reasons the 31 people gave as to why they would pay a £20 per year premium for local, renewable energy.

Reason	No. of people who agree
Support local economy	10
Protect the environment	9
Logical next step / needs to happen	4
Encourage more small local generation	4
To support infrastructure development	3
Future energy security	3
More accountability	2
Sick of big organisations profiteering	2
United local community, working together on a shared problem	2
It's affordable	2
Exciting and inspiring	1
It will lessen corruption	1
Local independence from grid	1
Reduce transmission losses	1
Current system is broken	1
Should be more cost effective	1
More likely to be 'mine'	1

Respondents who wouldn't pay a premium

Where respondents were based



6 out of the 40 respondents who completed the survey said that they wouldn't pay a £20 per year premium for local renewable energy.

Out of the 6 respondents who said that they wouldn't pay a premium, 4 were on a Green Energy Tariff.

All 6 had invested in a renewable energy scheme. 4 were community schemes and 2 were private.

4 people were members or supporters of charities, campaign groups and community organisations focused on low carbon energy. These include:

- Low Carbon Chilterns Coop
- Carbon Coop
- Ripple Energy
- Congleton Hydro
- Kirk Hill Co-operative
- Friends of the Earth
- Greater Manchester Community Renewables
- Oldham Community Power
- Grannell Community Energy
- Small Wind Co-op
- Chorlton Climate Action group
- Walk Ride Chorlton
- Torrs Hydro
- Awel

Half of these respondents also said that they would pay a £20 per year premium to support people living in fuel poverty in their borough. Half said that they wouldn't. The reasons they gave are listed in the following table.

Paying a £20 per year premium to support people living in fuel poverty in respondents' borough	
Would pay	Wouldn't pay
At present the system of standing charges disadvantages those who use least energy.	Should be taken out of the excess profits of the fuel companies before my pension.
Fuel poverty is a serious health issue which is not currently being addressed	This should be covered by the government and charities.
Because I am a socialist	A fixed amount seems inappropriate

3 of the 6 had solar PV on their home and 2 had an electric vehicle and home charging point. 1 respondent had no low carbon technology. The table below shows the 5 respondents who had low carbon technology at home. The table breaks down their different setups and shows this against their individual reasons as to why they wouldn't pay a premium.

	Respondent reason for not paying	Solar PV	Electric Vehicle (EV)	EV Charger	Heat Pump	Battery	Solar Thermal Heating System
1	I think renewable is important but not convinced local is						
2	Renewable energy is cheap, a premium would be a scam.						
3	I would expect a local scheme to be cheaper.						
4	Not good value for money						
5	Local economic benefits, so, why charge an additional amount?						

Conclusion

A premium of £20 per year for local renewable energy is likely to be accepted by most of the people who responded to this survey.

Our data did not show that affordability was a key concern for respondents when considering paying a premium, which suggests that £20 is a reasonable amount to put forward.

The majority of respondents believed that there would be economic and environmental benefits from supporting a local energy market by paying a premium. However there is potential to gain support from others who were sceptical as to why local energy should cost more, by making it clear what the £20 per year will pay for.