Sonoma County Water Agency

Community Choice Aggregation Commercial Market Survey

Gauging Commercial/Business Interest in a Sonoma County Clean Energy Program

Summary Analysis 3-8-2012

Prepared for

The Sonoma County Board of Supervisors

by

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Executive Summary

Though there is some indication of stronger support in District 5 and, to some extent, District 2, survey responses were fairly similar across all five supervisorial districts, and indicate that overall a majority of businesses are at least moderately* supportive of a renewable energy and a locally controlled electricity program (see graphical depictions of data by District, beginning on page 7). Specifically:

- 86% of businesses believe it is at least moderately important that electricity rates remain stable from year to year.
- 77% think it is at least moderately important to reduce greenhouse gas emissions.
- 75% are at least moderately supportive of their company having a choice in how their electricity is generated.
- 69% are at least moderately supportive of having electricity produced locally if they knew the revenues would be reinvested back into the local economy.
- 67% think it is at least moderately important to their company that their "electricity comes from clean sources like solar and wind as opposed to fuels like nuclear and natural gas."
- 65% are at least moderately supportive of having a local and renewable electricity source owned by the community.

**On a scale of Very supportive/Very important, Moderately supportive/Moderately important, Slightly supportive/Slightly important, and Not at all supportive/Not at all important.*

While 65% of Sonoma County businesses are at least moderately supportive of the creation of a Community Choice Aggregation (CCA) program that provides a greater mix of electricity generated from renewable sources like solar and wind, only 25% would be willing to pay even somewhat more for clean and green power; 34% say they would not pay much more; and 32% are unwilling to pay any more at all. Thus, while this survey indicates support for the creation of a CCA program in Sonoma County in the business community, this support hinges on the program's ability to provide electricity at rates that remain stable and competitive with the incumbent electric utility.

Additionally, while the above list shows the combined percentages of those who answered either "very" or "moderately" supportive/important, there were anywhere from 10% to 18% (depending on the concept) of respondents who said they were only "slightly" supportive of the concept or that the concept was only "slightly" important to their company. A slimmer percentage simply did not know.

This could indicate the need for a commercial outreach/education effort to answer questions, resolve concerns and strengthen knowledge and support of the program. Such an effort is likely to be far more successful if it can be shown that, in addition to being "green", the proposed CCA can maintain stable electricity rates from year to year and that the costs to ratepayers would be competitive with current rates.

Background

This study was coordinated and conducted by Data Instincts, with assistance from Petaluma based Creative Research Systems, to gauge initial perceptions among commercial ratepayers about electricity rates and renewable energy in Sonoma County. Specifically, the study sought to better understand and assess the level of potential interest and possible support among local businesses for the formation of Sonoma Clean Power, a Community Choice Aggregation program that would create a locally controlled electricity portfolio in Sonoma County.

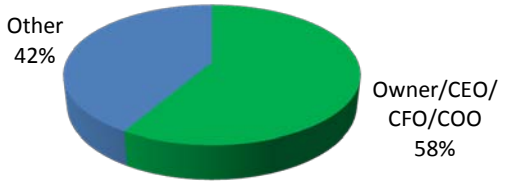
The primary objective of Sonoma Clean Power is to provide ratepayers with a choice of electricity providers, with a focus on generating and procuring a higher mix of electricity from renewable sources than that which is offered by the current electric utility that serves most of Sonoma County. In addition to greater investment in renewables, other ancillary benefits of the Sonoma Clean Power program would potentially include the creation of more local careers, enhanced economic development through the reinvestment of program rates back into the community, and increased electricity rate stability.

A short, 12-question web survey was developed and deemed the most appropriate methodology for reaching a broad cross section of business/commercial ratepayers in all five supervisorial districts in Sonoma County in a cost effective manner. To foster participation in the survey, an email invitation was sent from Supervisor Shirlee Zane, Chairwoman, County Board of Supervisors. The invitation explained the purpose of the survey, including a description of the proposed CCA program, and a link to the online survey.

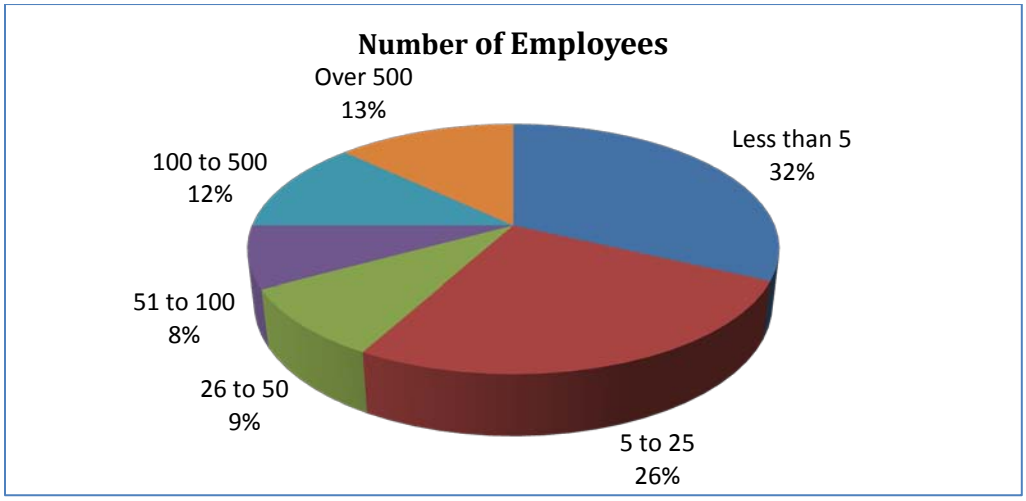
Several Chambers of Commerce and a local winegrowers association participated by sending the email to their members; additional email addresses came from a purchased list that was comprised of a broad cross-section of Sonoma County businesses, large to small, within all five supervisorial districts. While every effort was made to reach owners and senior level executives, such as CEOs, CFOs and COOs, it is likely that some respondents occupied mid-level management or support staff positions.

Although, 1,209 respondents clicked on the survey link and answered at least some of the 12 questions, this analysis includes only the 990 who completed the entire survey. Characteristics of the final sample include:

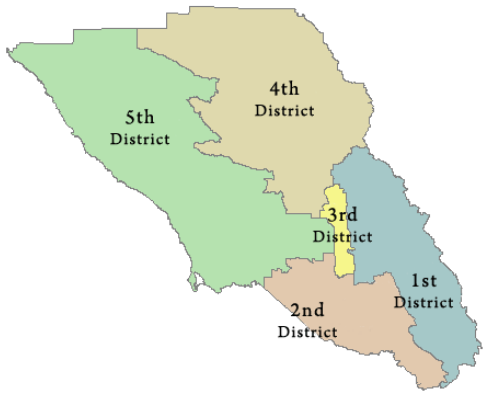
Respondent Role in Company



Business Classification	%
Professional & Business Services	24
Education & Health Services	21
Manufacturing	8
Construction	7
Retail	7
Leisure & Hospitality	6
Information Technology	5
Financial Activities	4
Agriculture	4
Other	14



The Commercial Market Survey focuses on Supervisorial Districts as opposed to individual municipalities within the county. It is a companion to the residential telephone survey conducted on February 7, 2012, the results of which are contained in a separate report.



1st District: The City of Santa Rosa (Bennett Valley, Rincon Valley and the community of Oakmont), City of Sonoma and the adjacent unincorporated communities of Kenwood, Agua Caliente, Glen Ellen, El Verano, Boyes Hot Springs, Schellville and Vineburg.

2nd District: The City of Petaluma, City of Cotati, a portion of Rohnert Park and the unincorporated communities of Penngrove, Two Rock and Bloomfield.

3rd District: Most of central Santa Rosa and the City of Rohnert Park (east of Highway 101).

5th District: Northwest Santa Rosa (Fulton and Larkfield-Wikiup area), Town of Windsor, City of Healdsburg, community of Geyserville and the City of Cloverdale.

5th District: Sonoma County coast, lower Russian River area, Sebastopol and the west and southwest Santa Rosa areas (extending into Highway 101).

Purpose & Objectives

The purpose of this survey is to better understand the level of public support among businesses in all five supervisorial districts for the formation of a Community Choice Aggregation program, which would create a locally controlled electricity portfolio in Sonoma County. The specific areas of interest were:

- Reduction of greenhouse gas emissions
- Electricity derived from renewable sources
- Community ownership of electricity sources
- Local economic reinvestment
- Cost sensitivity

Methodology

On February 27, 2012 an email invitation was sent to over 14,000 Sonoma County businesses, with the intention of reaching senior level executives as well as business owners from a variety of businesses representing a broad cross section of businesses in the county. The invitation included a "cover letter" from Supervisor Shirlee Zane, Chairwoman, Sonoma County Board of Supervisors. The letter offered a high level description of the proposed CCA program and a link to the 12 question online survey. Respondents were given five working days to complete the survey.

Several Chambers of Commerce and a local winegrowers association participated by sending the email invitation to their members; other email addresses came from a purchased list.

Number of emails sent from…	
Participating Organizations*	3,744
Purchased List	10,470
TOTAL	14,214

**Participating Organizations — United Wine Growers and the following Chambers of Commerce: Cloverdale, Sebastopol, Windsor, Petaluma, Cotati, Sonoma, Hispanic.*

Although, 1,209 respondents clicked on the survey link and answered at least some of the 12 questions, this analysis includes only the 990 who completed the entire survey. The number of surveys completed in each Supervisorial District and the associated confidence interval* (or margin of error) is:

Supervisorial District	**Completed Responses**	**Conf. Intvl. +/-**
District 1	175	7.41
District 2	147	8.08
District 3	261	6.07
District 4	185	7.21
District 5	186	7.19
DK/Refused	135	8.43
TOTAL SAMPLE	***990***	***3.11***

** A confidence interval is an estimate of a population parameter; it is used to indicate the reliability of an estimate. In this case, relative to the total sample of 990, it can be said that we are 95% certain that if we asked the question of the entire relevant population, the results would be the same within +/- 3.11 percentage points.*

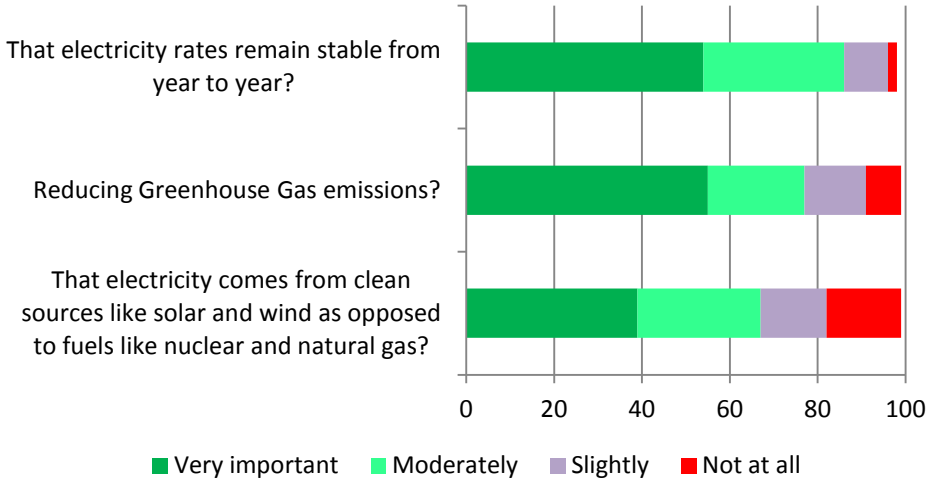
Core Findings

Fifty-four percent of Sonoma County businesses consider stable electricity rates to be very important and 32% say stable rates are moderately important, for a combined total of 86%. Only 2% think it is not important at all and 10% say it is only slightly important.

Similarly, 55% believe it is very important to reduce Greenhouse Gas emissions and 22% believe it is only moderately important, for a combined total of 77%. Eight percent believe it is not important at all and 14% say it is only slightly important.

Importance scores drop when asked how important it is to their business that electricity comes from clean sources like solar and wind as opposed to fuels like nuclear and natural gas, with only 39% of businesses reporting that it is very important and 28% moderately important, for a combined total of 67%. Seventeen percent said it is not important at all and 15% that it is only slightly important.

Figure 1: How important to your business is each of the following? (Base = total sample)
(in all bar charts, the space between end/top of bar and 100% is "Don't know" response)



Fifty-two percent of Sonoma County business people would be very supportive of their company having a choice in how their electricity is generated and 23% moderately supportive, for a combined total of 75%. Seven percent are not supportive at all and 12% are slightly supportive. Seven percent are unsure.

Forty-four percent of businesses are very supportive of having electricity produced locally if they know the revenues would be reinvested back into the local economy, and 25% are moderately

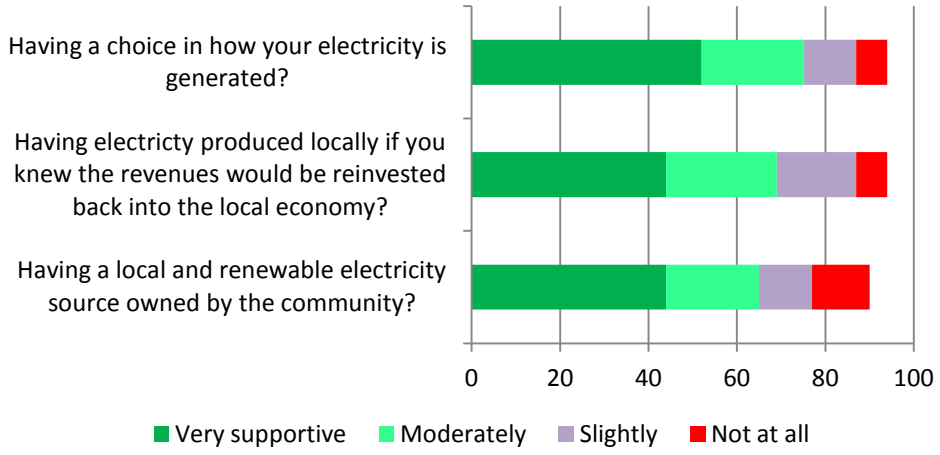
supportive, for a combined total of 69%. Seven percent are not supportive at all, 18% are slightly supportive and 5% don't know.

Respondents were presented with the following statement then asked how supportive their company is of having a local and renewable electricity source owned by the community.

"Sonoma County is currently considering implementing an energy program called Sonoma Clean Power. The primary objective of this program is to provide a choice of electricity providers. Sonoma Clean Power will aim to derive electricity from a greater mix of renewable energy sources. Because programs like Sonoma Clean Power are funded by ratepayers, there is minimal risk to city or county general funds."

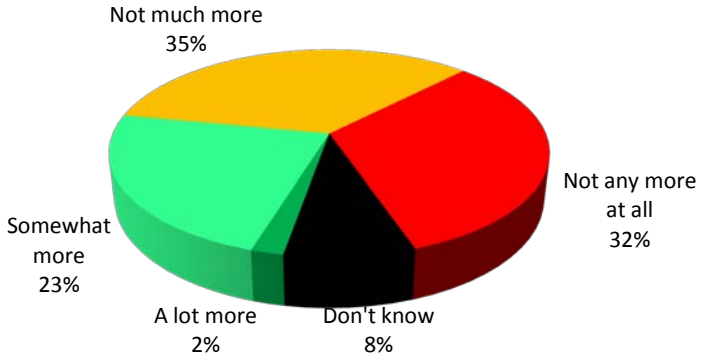
Forty-four percent said they are very supportive, 21% moderately supportive, for a combined score of 65%. Thirteen percent are not supportive at all, 12% slightly supportive and 10% don't know.

Figure 2: How supportive is your company of the following? (Base = total sample)



However, it is important to note that 35% of businesses are unwilling to pay much more than their current energy expenses for clean and green power. Thirty-two percent are not willing to pay any more at all, 23% would pay somewhat more and only 2% would pay a lot more. Eight percent don't know.

Figure 3: Compared to your current energy expenses, how much more is your company willing to pay for clean and green power?



Results by District

Figure 4: How important is it to your company that electricity rates remain stable?

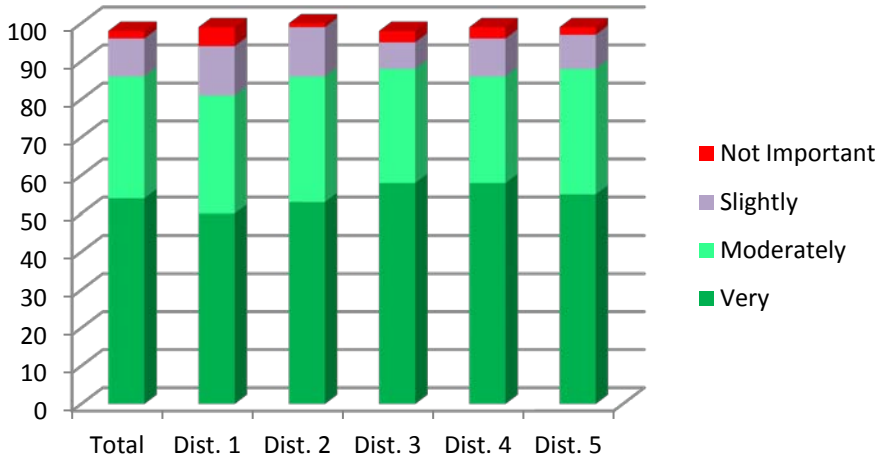


Figure 5: How important is it to your company that electricity comes from clean sources like solar and wind as opposed to fuels like nuclear and natural gas?

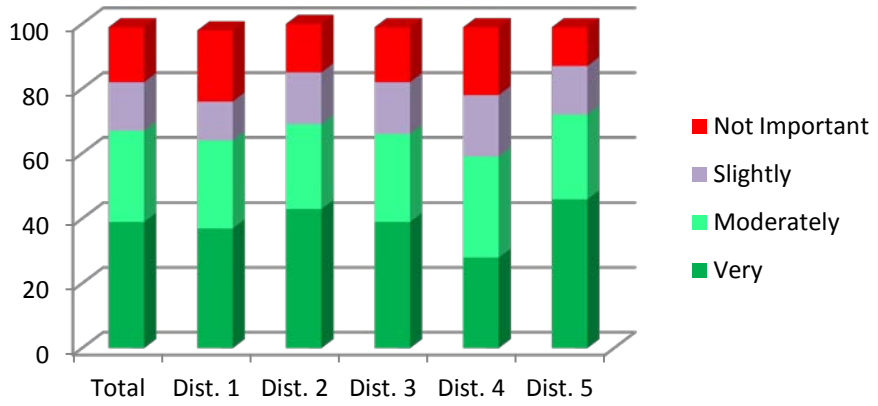


Figure 6: How important is reducing Greenhouse Gas emissions?

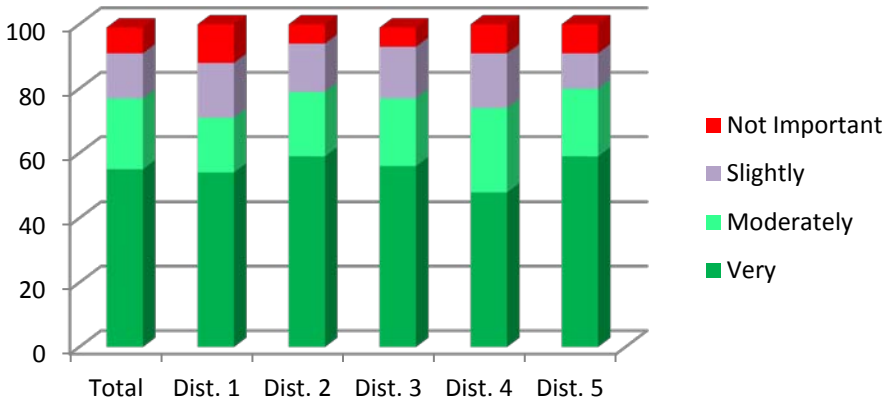


Figure 7: How supportive would your company be of having a choice in how your electricity is generated?

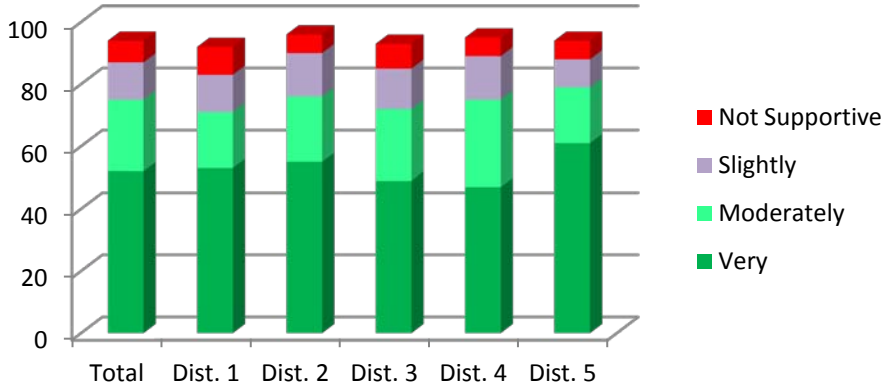


Figure 8: How supportive is your company of having a local and renewable electricity source owned by the community?

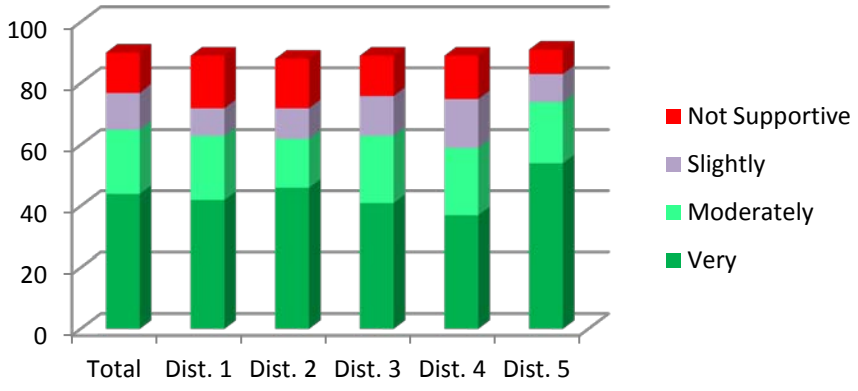


Figure 9: How supportive is your company of having electricity produced locally if you knew the revenues would be reinvested back in the local economy?

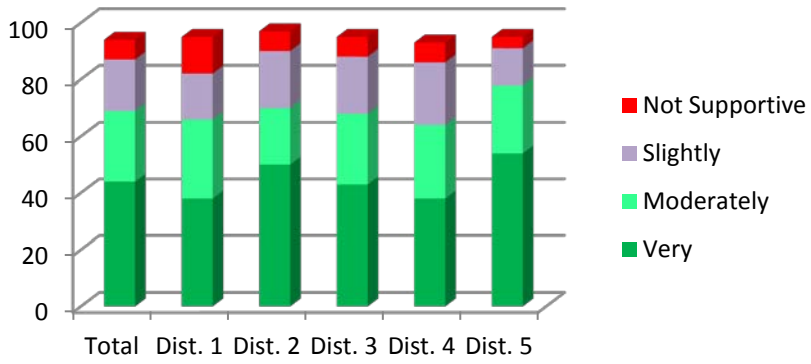
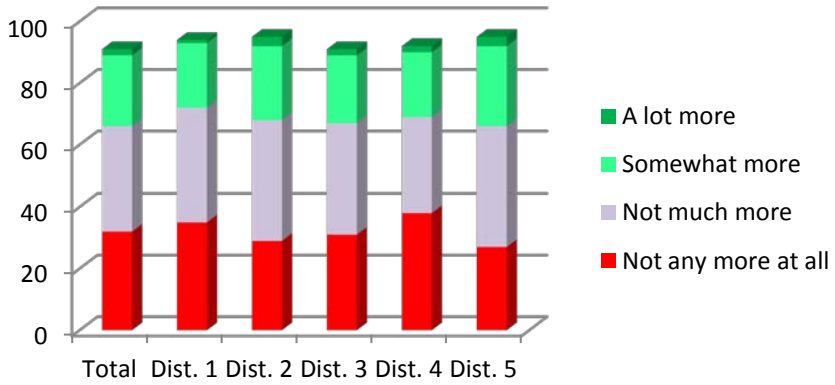


Figure 10: Compared to your current energy expenses, how much more is your company willing to pay for clean and green power?



Data Set

Sonoma Clean Power Survey -- February 2012

Table 1: Which sector classification best describes your business?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Professional & Business Services	235 24%	45 26%	39 27%	63 24%	33 18%	43 23%	31 23%
Education & Health Services	210 21%	33 19%	22 15%	85 33%	36 19%	39 21%	18 13%
Manufacturing (Durable & Nondurable)	83 8%	12 7%	22 15%	17 7%	13 7%	18 10%	12 9%
Construction	67 7%	9 5%	13 9%	12 5%	12 6%	15 8%	12 9%
Retail Trade	65 7%	15 9%	12 8%	10 4%	14 8%	9 5%	16 12%
Leisure & Hospitality	56 6%	14 8%	3 2%	14 5%	12 6%	9 5%	5 4%
Information Technology	51 5%	6 3%	9 6%	10 4%	6 3%	4 2%	16 12%
Financial Activities	44 4%	13 7%	5 3%	14 5%	6 3%	6 3%	7 5%
Agricultural	41 4%	6 3%	7 5%	1 0%	17 9%	11 6%	- -
Other	133 13%	21 12%	15 10%	35 13%	36 19%	31 17%	15 11%
Don't know	5 1%	1 1%	- -	- -	- -	1 1%	3 2%

Table 2: How important to your company is each of the following concepts? (Weighting: Very/Moderately=1; Slightly/Not/DK=0)

Shows combined scores for Very Important and Moderately Important

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
That electricity rates remain stable from year to year	86	81	86	88	86	88	88
That electricity comes from clean sources like solar and wind as opposed to fuels like nuclear and natural gas	67	64	69	66	59	72	76
Reducing Greenhouse Gas emissions	77	70	79	77	74	80	80

Table 3: How important is it to your company that electricity rates remain stable from year to year?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Very important	539 54%	88 50%	78 53%	151 58%	108 58%	102 55%	77 57%
Moderately important	315 32%	54 31%	48 33%	78 30%	52 28%	62 33%	42 31%
Slightly important	102 10%	22 13%	19 13%	19 7%	18 10%	17 9%	14 10%
Not important at all	23 2%	8 5%	1 1%	9 3%	6 3%	3 2%	1 1%
Don't know	11 1%	3 2%	1 1%	4 2%	1 1%	2 1%	1 1%

Table 4: How important is it to your company that electricity comes from clean sources like solar and wind as opposed to fuels like nuclear and natural gas?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Very important	389 39%	64 37%	63 43%	101 39%	52 28%	85 46%	60 44%
Moderately important	274 28%	48 27%	38 26%	70 27%	57 31%	48 26%	43 32%
Slightly important	145 15%	21 12%	23 16%	42 16%	36 19%	28 15%	13 10%
Not important at all	170 17%	39 22%	22 15%	44 17%	38 21%	22 12%	19 14%
Don't know	12 1%	3 2%	1 1%	4 2%	2 1%	3 2%	- -

Table 5: How important is reducing Greenhouse Gas emissions?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Very important	542 55%	94 54%	86 59%	147 56%	89 48%	109 59%	78 58%
Moderately important	219 22%	29 17%	30 20%	55 21%	48 26%	39 21%	30 22%
Slightly important	138 14%	29 17%	22 15%	43 16%	32 17%	21 11%	10 7%
Not important at all	81 8%	21 12%	9 6%	16 6%	16 9%	16 9%	10 7%
Don't know	10 1%	2 1%	- -	- -	- -	1 1%	7 5%

Table 6: How supportive would your company be of the following concepts? (Weighting: Very/Moderately=1; Slightly/Not/DK=0)

Shows combined scores for Very Supportive and Moderately Supportive

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Having a choice in how your electricity is generated	75	71	76	73	75	80	76
Having a local and renewable electricity source owned by the community	65	63	62	63	59	74	70
Having electricity produced locally if you knew the revenues would be reinvested back into the local economy	69	66	69	68	64	78	75

Table 7: How supportive would your company be of having a choice in how your electricity is generated?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Very supportive	517 52%	92 53%	81 55%	129 49%	87 47%	114 61%	72 53%
Moderately supportive	225 23%	32 18%	31 21%	61 23%	51 28%	34 18%	31 23%
Slightly supportive	117 12%	21 12%	20 14%	33 13%	26 14%	17 9%	10 7%
Not supportive at all	66 7%	16 9%	9 6%	21 8%	12 6%	11 6%	6 4%
Don't know	65 7%	14 8%	6 4%	17 7%	9 5%	10 5%	16 12%

Table 9: How supportive is your company of having a local and renewable electricity source owned by the community?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Very supportive	438 44%	74 42%	68 46%	106 41%	69 37%	101 54%	66 49%
Moderately supportive	204 21%	37 21%	23 16%	58 22%	41 22%	37 20%	28 21%
Slightly supportive	118 12%	16 9%	15 10%	33 13%	30 16%	16 9%	17 13%
Not supportive at all	127 13%	30 17%	24 16%	33 13%	25 14%	14 8%	8 6%
Don't know	103 10%	18 10%	17 12%	31 12%	20 11%	18 10%	16 12%

Table 10: Compared to your current energy expenses, how much more is your company willing to pay for clean and green power? Is it?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
A lot more	23 2%	2 1%	4 3%	5 2%	4 2%	5 3%	4 3%
Somewhat more	229 23%	37 21%	35 24%	57 22%	39 21%	48 26%	31 23%
Not much more	338 34%	64 37%	58 39%	93 36%	57 31%	73 39%	43 32%
Not any more at all	320 32%	61 35%	42 29%	82 31%	70 38%	51 27%	41 30%
Don't know	80 8%	11 6%	8 5%	24 9%	15 8%	9 5%	16 12%

Table 11: How supportive is your company of having electricity produced locally if you knew the revenues would be reinvested back into the local economy?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Very supportive	440 44%	66 38%	73 50%	113 43%	70 38%	101 54%	59 44%
Moderately supportive	245 25%	49 28%	29 20%	64 25%	49 26%	45 24%	42 31%
Slightly supportive	177 18%	28 16%	29 20%	51 20%	41 22%	25 13%	16 12%
Not supportive at all	74 7%	23 13%	10 7%	18 7%	13 7%	8 4%	6 4%
Don't know/Refused	54 5%	9 5%	6 4%	15 6%	12 6%	7 4%	12 9%

Table 12: What is your role in the company?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Owner/CEO	424 43%	87 50%	72 49%	87 33%	89 48%	84 45%	49 36%
Facility manager/COO	101 10%	22 13%	12 8%	24 9%	15 8%	25 13%	14 10%
Controller/CFO	53 5%	10 6%	8 5%	9 3%	17 9%	9 5%	5 4%
Other	412 42%	56 32%	55 37%	141 54%	64 35%	68 37%	67 50%

Table 13: In which Supervisorial District(s) is your business located? Check all that apply.

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
1 - First District --- Supervisor: Valerie Brown --- Location: Southeast	175 18%	175 100%	15 10%	17 7%	17 9%	18 10%	- -
2 - Second District --- Supervisor: David Rabbitt --- Location: Southwest	147 15%	15 9%	147 100%	24 9%	16 9%	20 11%	- -
3 - Third District --- Supervisor: Shirlee Zane --- Location: Central	261 26%	17 10%	24 16%	261 100%	22 12%	28 15%	- -
4 - Fourth District --- Supervisor: Mike McGuire --- Location: Northeast	185 19%	17 10%	16 11%	22 8%	185 100%	21 11%	- -
5 - Fifth District --- Supervisor: Efren Carrillo --- Location: Northwest	186 19%	18 10%	20 14%	28 11%	21 11%	186 100%	- -
Don't Know	135 14%	- -	- -	- -	- -	- -	135 100%

Table 14: Please select the closest city in Sonoma County to your main business operation.

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Cloverdale	17 2%	- -	- -	1 0%	15 8%	1 1%	- -
Cotati	21 2%	2 1%	11 7%	5 2%	- -	3 2%	3 2%
Guerneville	16 2%	- -	- -	- -	- -	16 9%	- -
Healdsburg	50 5%	- -	1 1%	3 1%	44 24%	4 2%	2 1%
Petaluma	131 13%	6 3%	93 63%	11 4%	6 3%	6 3%	23 17%
Rohnert Park	73 7%	8 5%	11 7%	35 13%	- -	6 3%	18 13%
Santa Rosa	425 43%	63 36%	25 17%	196 75%	72 39%	78 42%	57 42%
Sebastopol	81 8%	1 1%	2 1%	3 1%	1 1%	64 34%	11 8%
Sonoma	116 12%	95 54%	4 3%	5 2%	2 1%	2 1%	13 10%
Windsor	60 6%	- -	- -	2 1%	45 24%	6 3%	8 6%

Table 15: How many full and part-time employees are based at your main location?

	Total	DISTRICT					
		1ST	2ND	3RD	4TH	5TH	DK
Base	990	175	147	261	185	186	135
Less than 5	315 32%	65 37%	57 39%	41 16%	54 29%	62 33%	46 34%
6-25	261 26%	44 25%	34 23%	70 27%	56 30%	48 26%	32 24%
26-50	90 9%	22 13%	8 5%	29 11%	17 9%	13 7%	11 8%
51-100	78 8%	13 7%	12 8%	19 7%	23 12%	17 9%	11 8%
100-500	116 12%	16 9%	27 18%	34 13%	20 11%	29 16%	17 13%
500+	130 13%	15 9%	9 6%	68 26%	15 8%	17 9%	18 13%