

SRP customers say they support solar, alternative energy

by [Ryan Randazzo](#) - Mar. 22, 2011 07:12 PM
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Salt River Project customers overwhelmingly support alternative energy, especially solar, but most don't want to pay more than about \$57 a year for it, according to a recent survey.

The utility surveyed 423 customers last month to gauge their support for renewable energy and energy efficiency.

SRP also is allowing stakeholders to share their input. On Monday, representatives of grocery stores, factories and farms said they endorse the utility's use of renewable energy but are concerned about costs.

The survey of residential customers indicated that most believe climate change is a serious or potentially serious issue that warrants action now and that most would pay a slight increase in utility bills to address it.

"The customers want to do something, that came out loud and clear," said Glenn Iwata, executive vice president of WestGroup Research, which SRP hired to conduct the survey.

WestGroup solicited SRP customers for the survey by phone and required them to drive to offices in the east, west and central portion of SRP territory to participate.

They were given some basic information

about energy resources and operations and were paid \$50 for participating.

The researchers ensured there was representation from various ages, ethnicities and socioeconomic backgrounds to reflect the makeup of SRP customers, company officials said.

They then were given four scenarios, from SRP doing nothing to address greenhouse-gas emissions linked to climate change, to SRP taking aggressive steps to address emissions.

The costs ranged from zero for the first option, to \$57, \$160 and \$391 a year by 2020 for SRP taking various degrees of action with renewable energy.

The average SRP household bill now averages about \$133 a month, and the fee SRP charges to support environmental programs like solar and energy efficiency averages about \$4.50 a month on those bills.

Eighty percent of the respondents said they were either very likely or somewhat likely to pay a 3 percent bill increase, or about \$57 a

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year by 2020, to reduce greenhouse-gas emissions from their electricity.

Fifty-one percent said they were very unlikely to choose an option in which SRP takes no action.

Seventy-one percent of customers said that climate change is either a serious problem or potentially serious problem that warrants action now.

"Most customers by far want some action," Iwata said. "Only 17 percent are unlikely to do something."

Fifty-five percent were very likely or somewhat likely to pay a 9 percent increase that would be about \$160 more a year, and 28 percent were very or somewhat likely to pay a 21 percent increase that would be about \$391 more per year.

"Some people feel that 9 percent is within their range, there is no question about it," Iwata said. "There is a customer group out there that is willing to pay that."

The survey also ranked customer attitudes about various power sources, from coal and nuclear to solar and geothermal.

"There is this expectation in place from customers and the public that you better be doing something on solar here in Phoenix," Iwata said.

SRP officials said they have two goals in their review of environmental programs: to manage their emissions and control their costs. They said they were surprised by the survey results.

"Given the economy, I thought more customers would choose the zero-percent

option," said Debbie Kimberly, manager of energy efficiency and policy analysis for SRP. "Customers have said that at the 5 percent-a-year price-increase level, that is really tough to handle, especially in this economy," she said.

Several large commercial customers at the Monday meeting shared similar sentiments as the residential customers in the survey. They support alternative energy but worry about rising prices.

"Our competitors are located in various areas around the world, and our cost to produce our product is reflected in our pricing structure," said Amy Belger, environmental-health and safety manager for Freescale Semiconductor Inc. in Chandler, adding that electricity is about half of the operating cost of some factories.

She and others mentioned that Arizona could miss out on new factories and economic-development opportunities if the price of electricity is too high.

"When there is an expansion opportunity, and they may site (a new facility) in Austin or Phoenix, it is very cut and dry," said Gary

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Mirich, representing Arizonans for Electric Choice and Competition.

"They don't ask how green is the power in Arizona. They ask what is the cost."

Several environmental groups and solar-energy company representatives also spoke at the meeting, pushing for SRP to maintain its support of the industry and develop more stringent goals for alternative energy.

Unlike investor-owned utilities like Arizona Public Service Co. and Tucson Electric Power Co., which are regulated by the Arizona Corporation Commission, SRP is a division of state government and run by an elected board of directors that sets its policies.

Those policies on renewable energy and efficiency are similar, yet less stringent than those faced by investor-owned utilities regulated by the Corporation Commission.

Mark Holohan, solar-division manager of Wilson Electric, warned SRP officials that lagging the rest of the state in solar energy could hurt the utility's image.

"Can you imagine if Realtors begin reporting that buyers would rather move to APS rather than SRP school districts because all the schools have solar and have more money for other programs?" he said, referencing SRP's reluctance to let schools arrange special financing deals for solar panels.

Holohan also questioned whether the SRP customer survey was pointed enough making the connection between alternative energy and the threat of global climate change.

He said that carbon-dioxide emissions from coal-fired power plants are increasing the

acidity of the world's oceans.

"What if SRP did a different survey and asked customers this: To ensure we can continue to count on the ocean for a food supply for the next couple of generations, would you be willing to pay \$10 a month (to support solar energy)?" he said. "You might have gotten different answers."

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