



Follow-up Survey on Renewable Electricity of Large Mexican Electricity Consumers

7 February 2003

Background

- October of 2001, the CEC in collaboration with CONAE commissioned a survey from Gallup Mexico.
- It surveyed 100 of the largest electricity consumers in Mexico (based on maximum load).
- The survey included iron, steel, cement, paper, mining, automotive and chemical companies.
- With annual sales \$110 billion US, employing 600,000 people.

Background - II

Wanted to find out:

1. Company knowledge about environmental effects of electricity production
2. What companies knew about renewable electricity
3. Whether they would be interested in purchasing it
4. Whether they would be interested in paying extra for renewable energy

Results of the First Survey

- 94% wanted to buy more electricity from renewable sources
- 90% would accept government action requiring the purchase of renewable energy
- over half the companies would pay a premium, averaging about 10 per cent, for greener power.

Purpose of the Follow-up Survey - I

- Current survey sponsored by the CEC and CONAE, and undertaken by Gallup México
- Current survey intended to follow-up from the initial survey and asks:
 - Whether companies still interested in renewable electricity?
 - Whether they have ever tried to purchase or develop renewable electricity?

Purpose of the Follow-up Survey - II

- If they haven't ever tried, why not?
- What would need to be done, externally (e.g. by gov't) or internally (in their companies), for them to purchase or develop renewable electricity?

Follow-up Survey - Sample

Sample:

- Companies that in the first survey responded that they would be interested in purchasing renewables if they were available
- 64 responded
- Responses came from administrators, managers and directors, responsible for decisions about electricity consumption

Follow-up Survey - Sample

- Mainly from three sectors: manufacturing, commerce/retail and services (83% in manufacturing sector)
- 97% of them used electricity as their primary source of energy
- Around one quarter have their own generating plants

Interest in Purchasing Renewable Electricity

- 92 % of the respondents said their companies would still be interested in purchasing renewables if they were available
- 13% of the companies had tried to purchase renewable electricity
- 25% of those who responded said that they had considered purchasing

Barriers to Purchasing Renewables

- Companies that tried but did not purchase renewable electricity did not because:
 - It was too expensive (2 of 8)
 - It was unavailable (5 of 8)
 - It was too complicated internally.

Barriers to Purchasing RE

- Companies that considered buying electricity, but did not succeed in purchasing it did not because it was:
 - Too expensive (9 of 14)
 - Not reliable enough (4 of 14)
 - Impossible to buy (11 of 14)
 - Too complicated internally (5 of 14)

Interest in Producing Renewable Electricity

- 5% of those that responded had tried to produce renewable electricity.
- 18% of those that responded had considered producing renewable electricity.

Barriers to Producing Renewable Electricity

The reasons for not producing RE by those who had tried were that it was:

- Too expensive (1 of 3)
- Not reliable enough (1 of 3)
- Too complicated internally (1 of 3)

Barriers to Producing Renewable Electricity

The reasons for not producing RE by those who had considered producing it were that it was:

- Too expensive (8 of 11)
- Not reliable enough (4 of 11)
- Too complicated internally (4 of 11)

External Factors to Increase Renewables Purchasing

When asked what external factors would need to change for their companies to purchase RE:

- 94% answered wider availability
- 91% lower prices would be needed
- 95% better reliability of RE would be needed
- 75% said certainty of RE origin
- 41% answered increased pressure from customers
- 38% answered increased public pressure

Internal Factors to Increase Renewables Purchasing

When asked what internal factors would need to change for their companies to purchase RE:

- 31% answered company procurement policies
- 20% answered the removal on internal constraints
- 35% answered training and capacity building of purchasers

External Factors to Increase Renewables Production

When asked what external factors would need to change for their companies to produce RE:

- 63% answered gov't supply side policies (e.g. RPS)
- 66% answered R&D for RE
- 58% answered market based mechanisms like TRCs
- 55% answered production subsidies

Internal Factors to Increase Renewables Production

When asked what external factors would need to change for their companies to produce RE:

- 53% answered company procurement policies
- 36% answered increased access to production technologies
- 23% answered the removal of internal constraints