

Prepared by:

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Social Permission in a Time of Outrage



Prepared for:

THE ONTARIO ENERGY NETWORK

You need support to build things people don't like and pay more for something we take for granted

- As publicly regulated utilities, energy companies require social permission to operate.
- Most major energy company projects fall into the category of LULU's – Locally Unwanted Land Uses.
 - No one buys a house and hopes that someone will build a pipeline in the backyard, a substation across the fence or a generating station down the road.
 - In these circumstances, directly affected people are quick to actively oppose a project and the broader public can easily and quickly identify with those who will be impacted.
 - This can result in an environment which creates expensive delays in constructions, a loss of reputational capital and invites intervention by government.
- Policy challenge is no difference.
 - No one WANTS to pay more for electricity, but they can be convinced it is necessary.

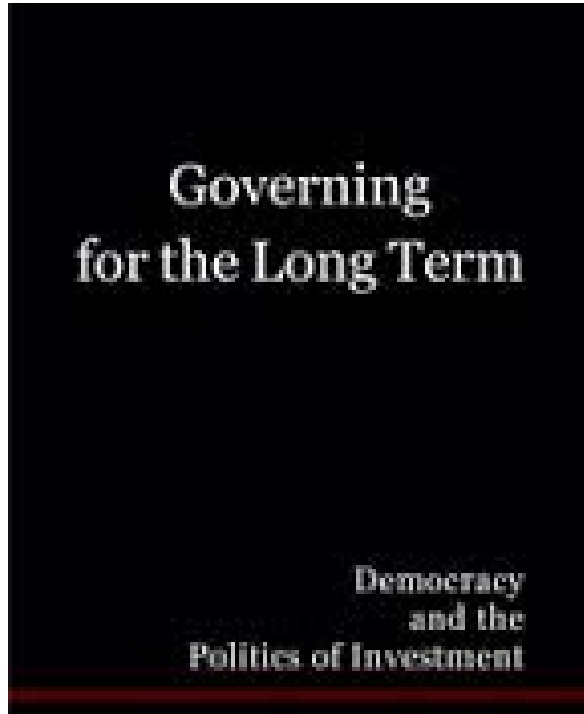
Public Opinion Matters Because Politicians Care

Government's issue permits ...

... but the public gives permission



Government Can Think in the Long Term



Alan M. Jacobs

Three Necessary Conditions

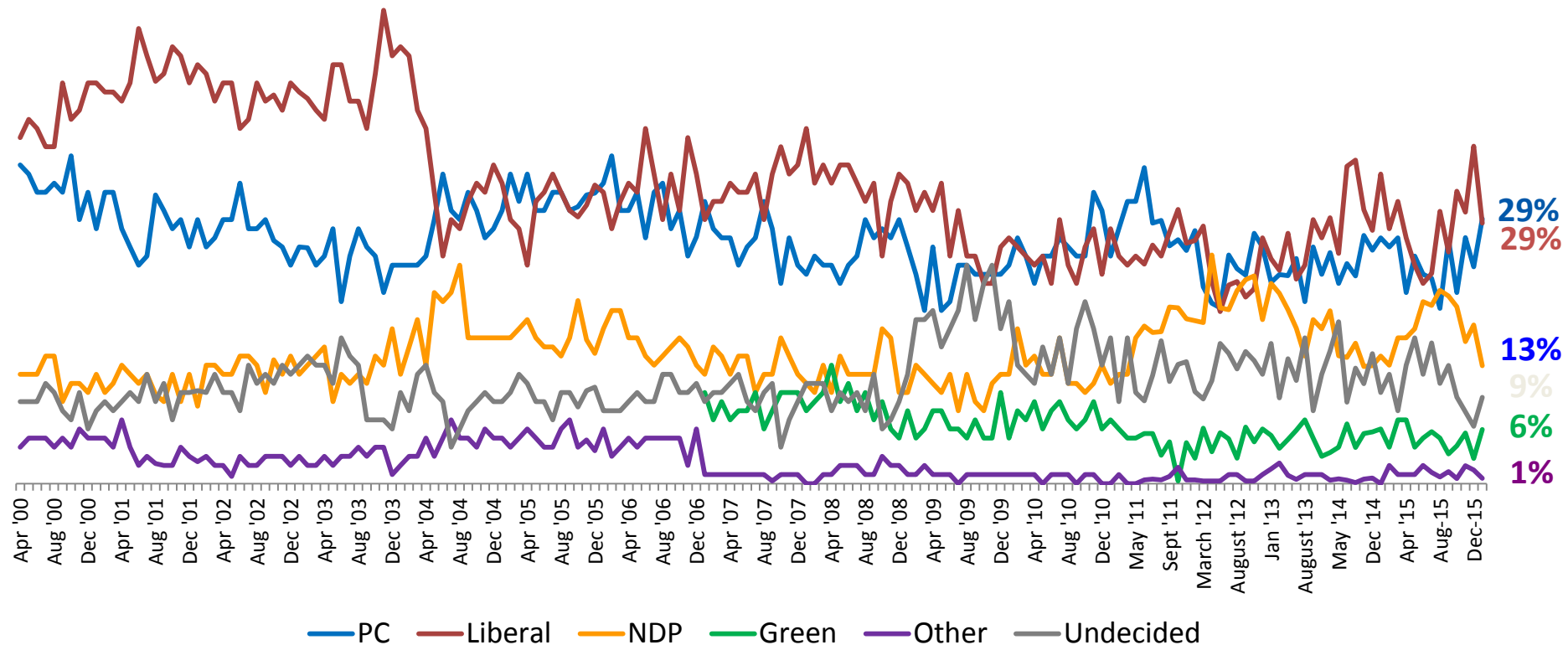
1. Electoral Safety
2. Expected Long-term Social Returns
3. Institutional Capacity

Provincial Vote Tracking: PCs neck-and-neck with Liberals, NDP drop to distant third



If a provincial election were held today, which party would you vote for: the Progressive Conservative Party, the Liberal Party, the New Democratic Party, the Green Party or another party?

... In that case, which party's candidate do you lean toward slightly? [**Vote + Lean**] (Jan 2016)



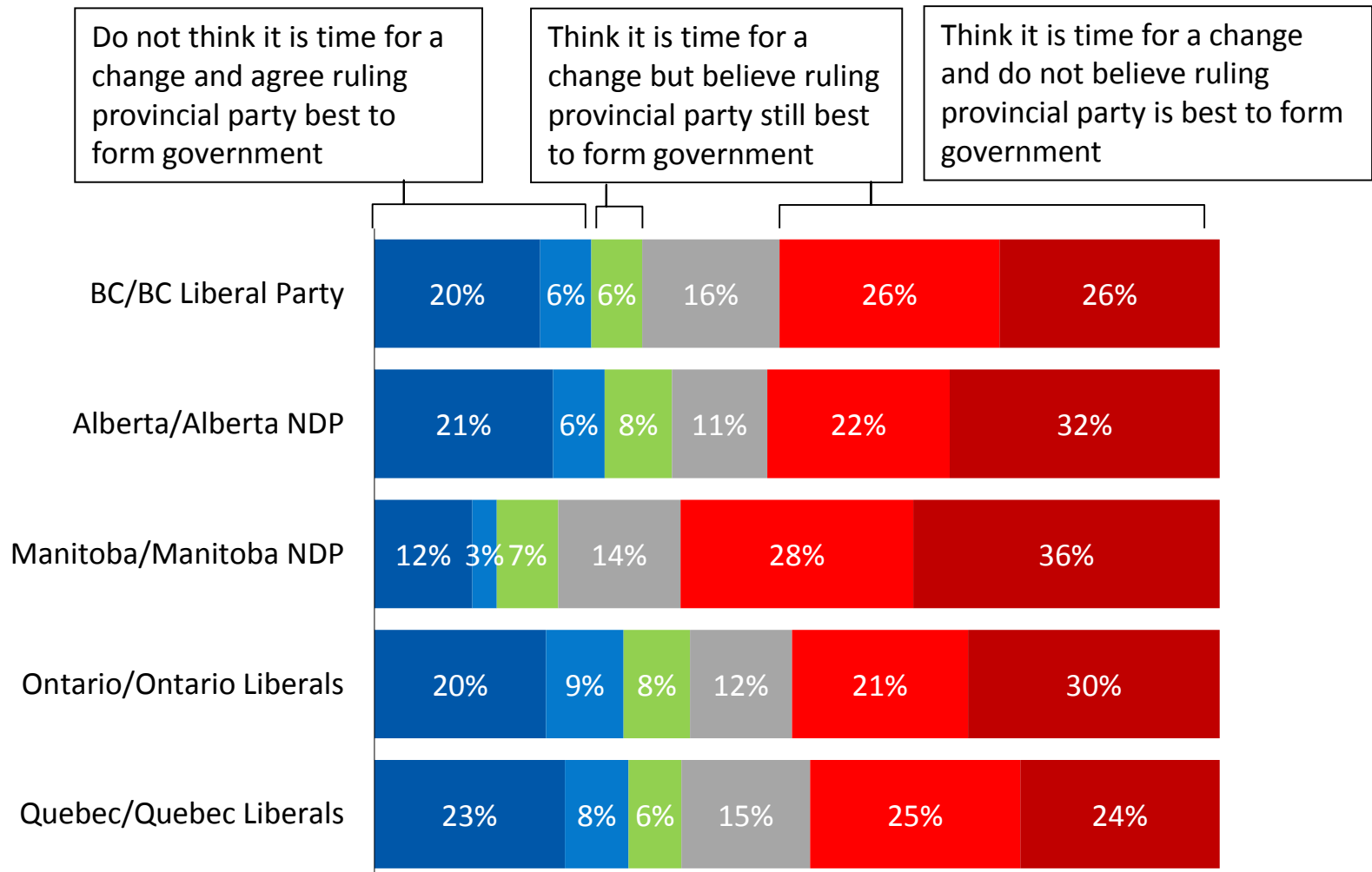
(Current data: January 2016)

Note: 'Refused/Would not vote' not shown

Competitive Politics Creates Policy Challenges



Provincial Time for a Change Segmentation



■ Core incumbent

■ Soft incumbent

■ Time-for-change incumbent

■ Uncertain

■ Soft anti-incumbent

■ Hostile

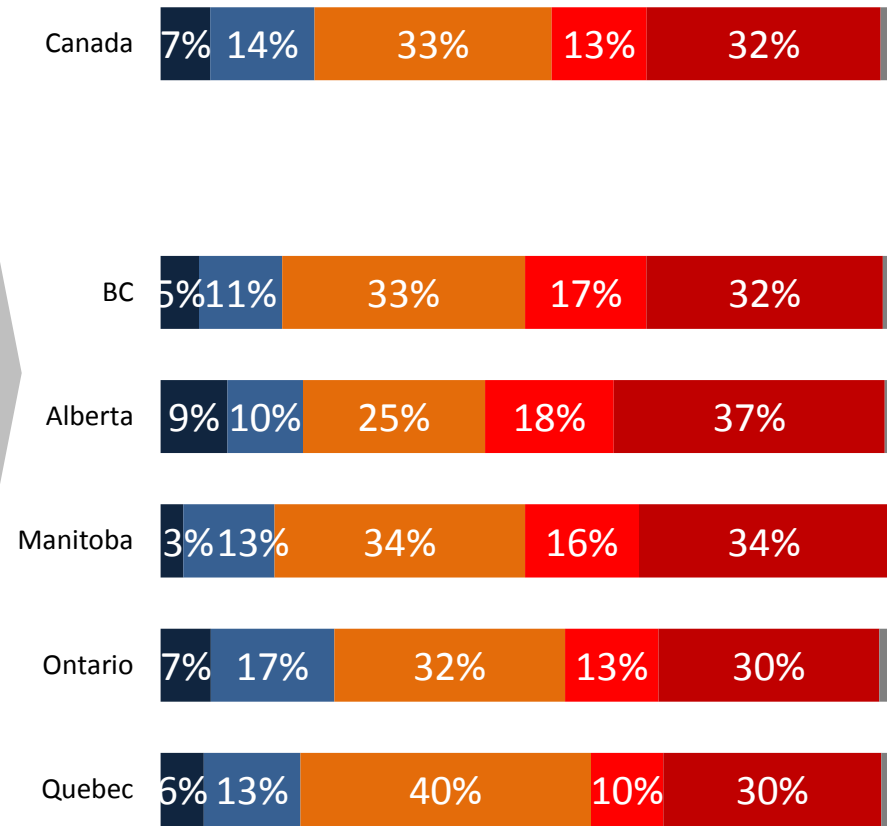
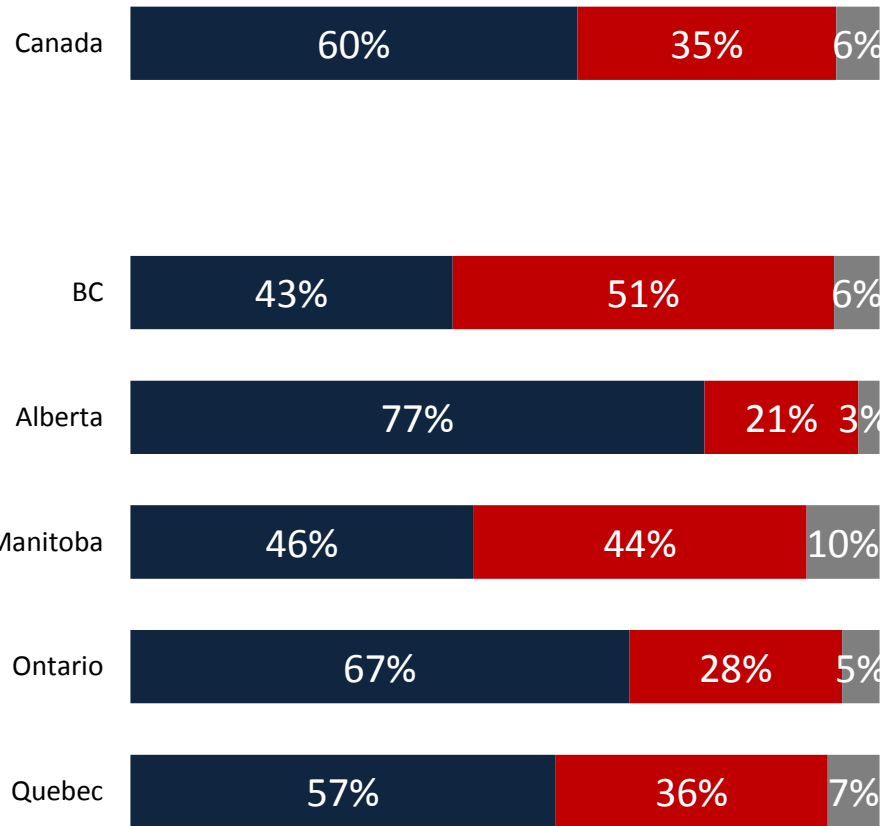
Read, seen, heard: more awareness of events in AB, ON, and QC than BC or MB; AB most negative



Have you read, seen or heard anything about [INSERT PROV/Premier] in the last few days?
[all respondents, n=2,000]



Did what you read, saw or heard leave you feeling a lot more favourable, somewhat more favourable, somewhat less favourable or a lot less favourable towards [INSERT PROV / Premier]? [respondents who have RSH, n=1193]



Yes
 No
 Don't know
 A lot more favourable
 Somewhat more favourable
 Made no difference
 Somewhat less favourable
 A lot less favourable
 Don't know

RSH in Ontario: Ontarians are talking about energy, and they don't like what they are hearing

Q

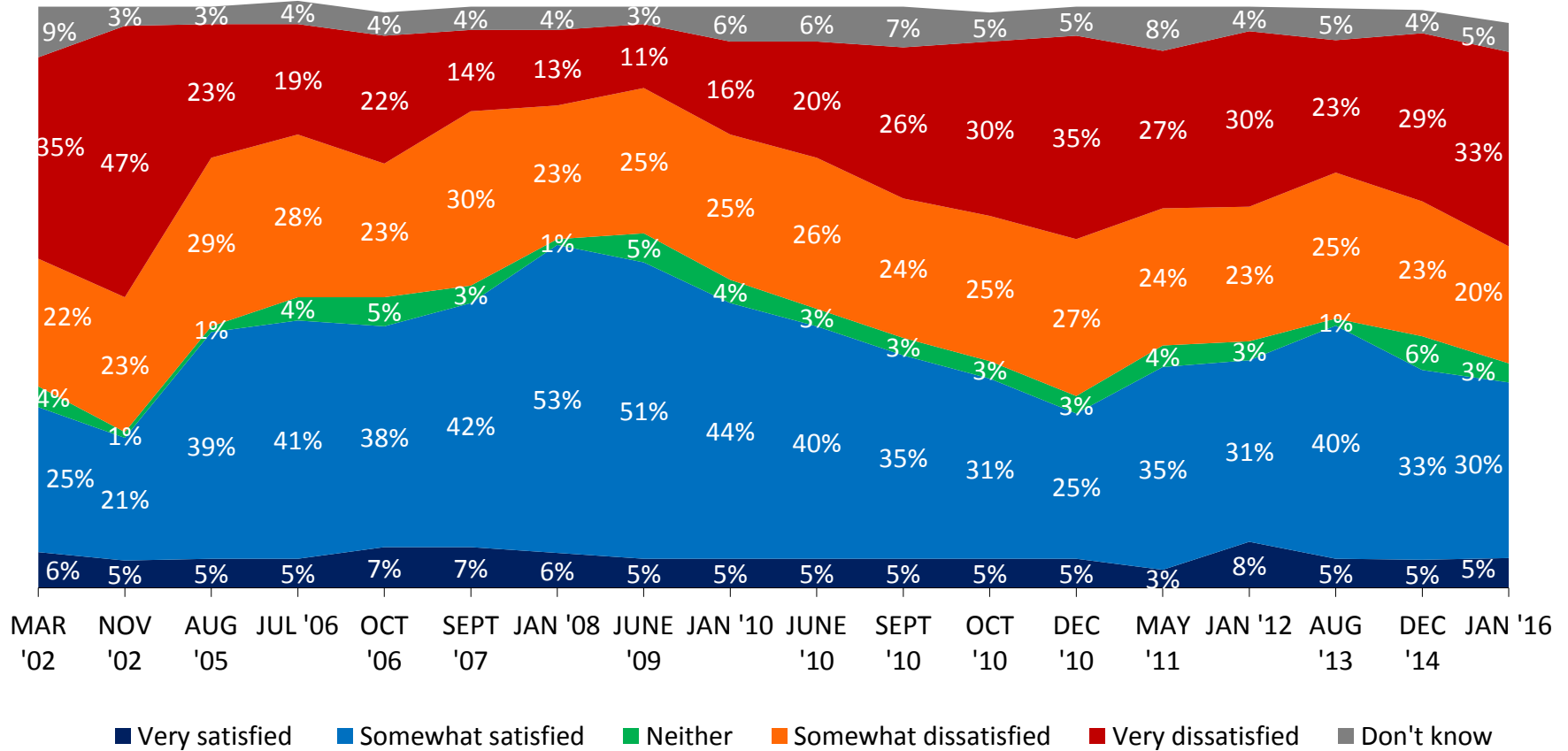
And what have you read, seen or heard about [INSERT PROV/Premier] in the last few days? Please be specific. (Dec 2015)

Impact by RSH

		Less fav.	More fav.	NET
Welcoming Syrian refugees at Pearson	24%	15%	32%	17%
Beer sales in grocery stores/Wynne buying beer	13%	36%	29%	-8%
AG Report on Electricity/Green energy failures	9%	93%		-93%
Wynne saying LCBO should sell marijuana	8%	33%	18%	-15%
Environment/climate change/climate summit	6%	30%	30%	0%
Sale/privatization of Hydro One	6%	91%		-91%
Syrian refugees/bringing 10,000 to Toronto	4%	35%	30%	-5%
Government/premier - negative - general	4%	70%	10%	-60%
Reaction to AG report - defending spending/rates	2%	75%	8%	-67%
Marijuana legalization	2%	36%	36%	0%
Raising hydro rates	2%	89%	11%	-78%
Photo ops	2%	71%		-71%
High occupancy toll lanes	1%	67%		-67%
Social issues - healthcare/education/pensions	1%	86%	14%	-71%
Cap and trade/Carbon tax	1%	60%	20%	-40%
Other	10%			
Don't Know	1%			

Satisfaction with provincial government's handling of electricity declining

Q How satisfied are you with the job that the provincial government is doing to manage the electricity system? Would you say you are very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



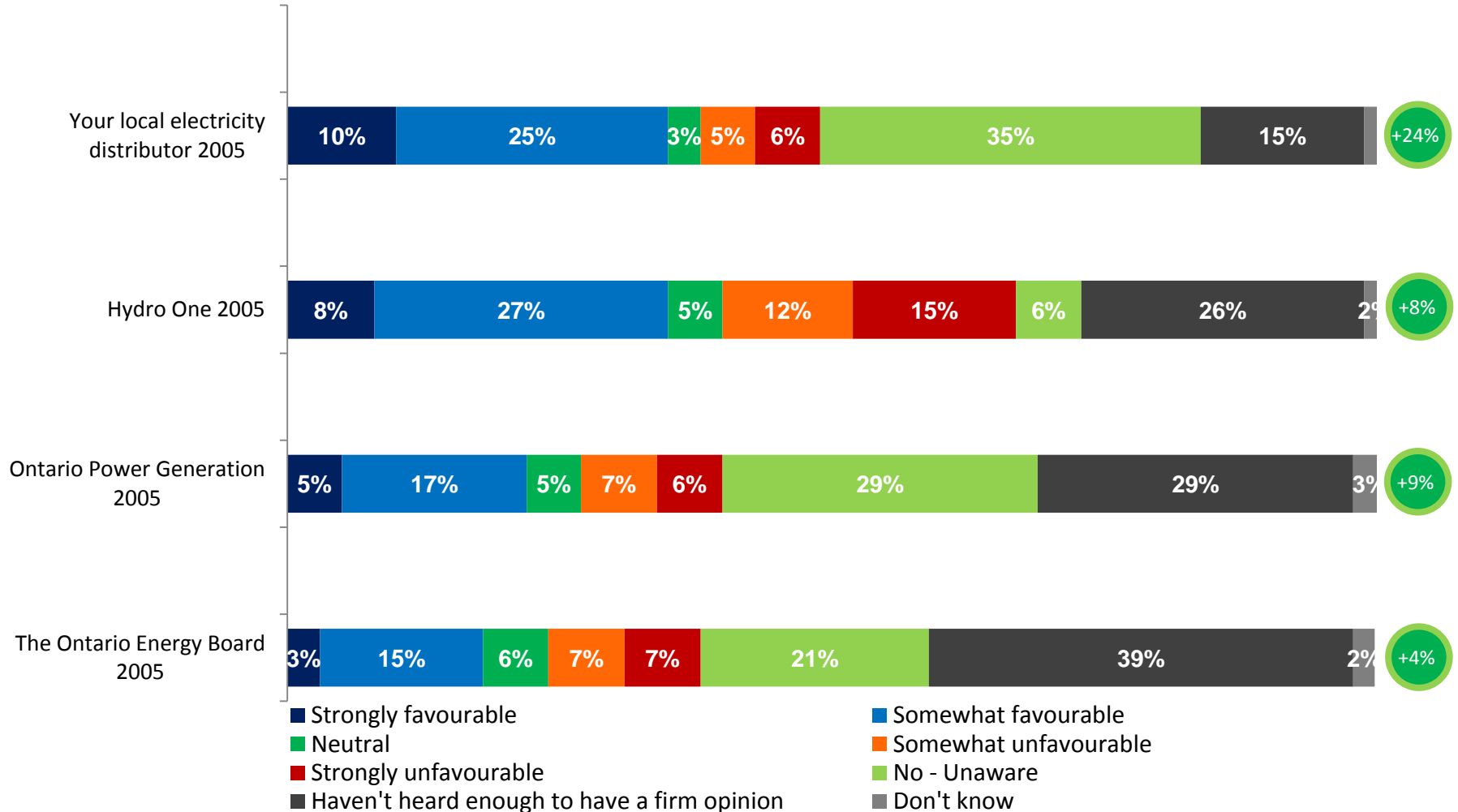
Note: "Refused" not shown. The question in Mar '02 and Nov '02 is asked differently, "Do you strongly agree, somewhat agree, somewhat disagree or strongly disagree that the Ontario government is doing a good job managing the electricity generation and distribution sector?"

Organization favourability: In 2005, electricity sector organizations had generally favourable reputations



Have you ever heard of [ORGANIZATION NAME]? [IF YES] And do you have a strongly favourable, somewhat favourable, neutral, somewhat unfavourable or strongly unfavourable impression of [ORGANIZATION NAME], or would you say you haven't really heard enough about it to have a firm impression?

Net

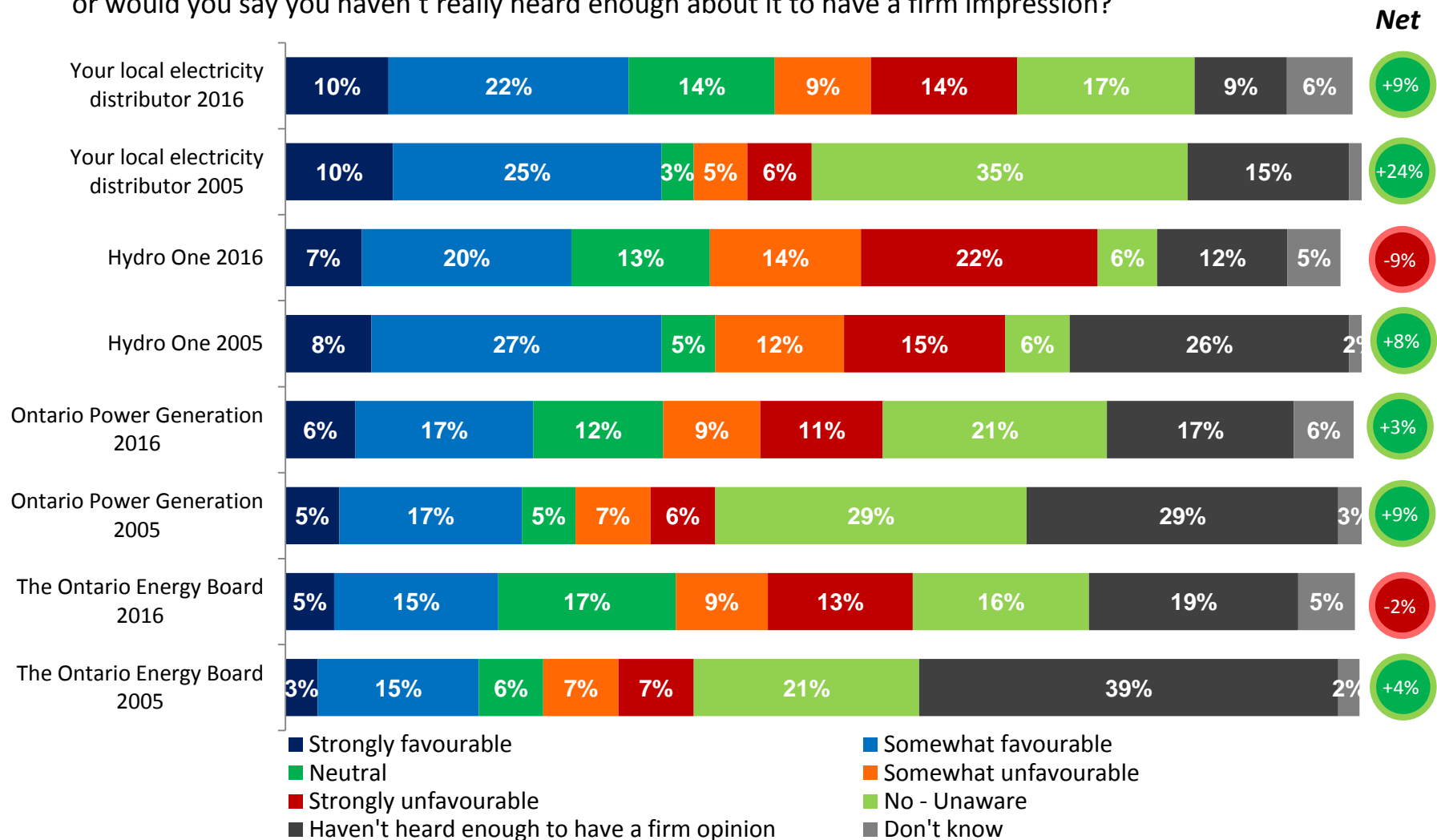


Note: "Refused" not shown.

Organization favourability: Now, all sector reputations are down, some are now negative



Have you ever heard of [ORGANIZATION NAME]? [IF YES] And do you have a strongly favourable, somewhat favourable, neutral, somewhat unfavourable or strongly unfavourable impression of [ORGANIZATION NAME], or would you say you haven't really heard enough about it to have a firm impression?



Note: "Refused" not shown.

Corporate Reputation Critical to Social License: Twice the support for power lines when companies viewed favourably

Q Would you support or oppose a proposal to build each of the following near your community ...
High Voltage Transmission Lines BY Attitudes Towards major Power Line Companies

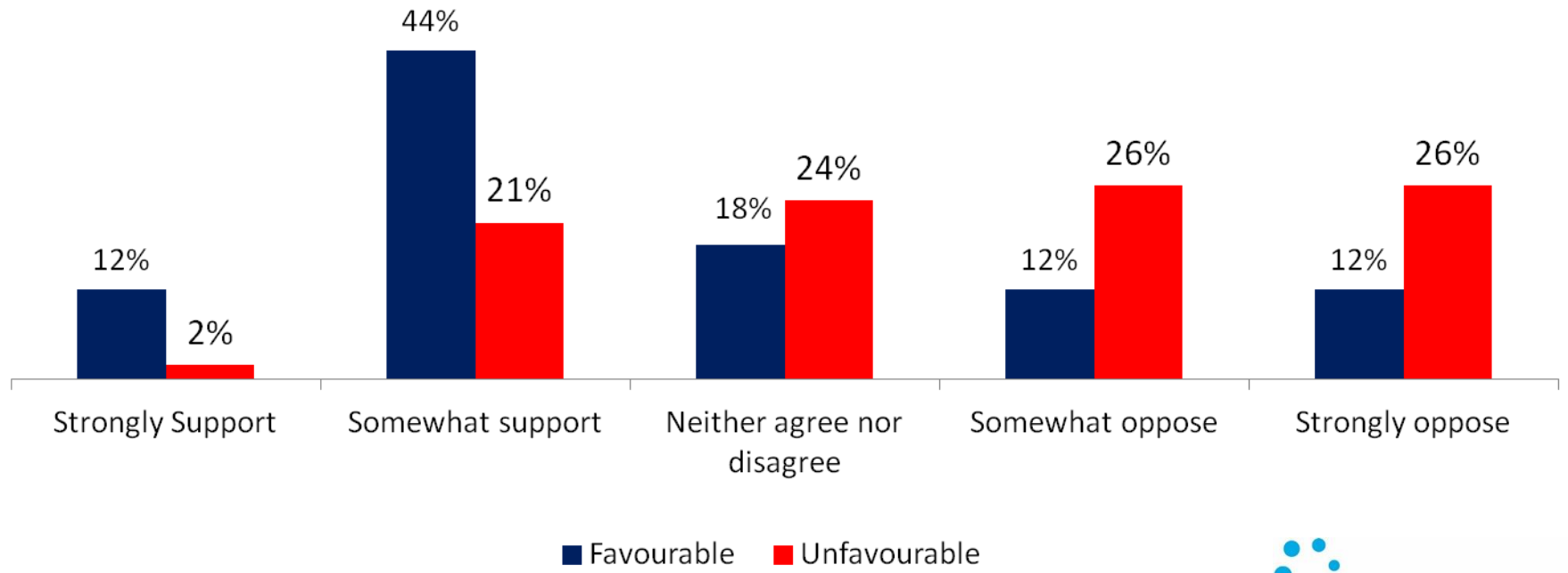
If stakeholder trusted:



If stakeholder NOT trusted:

Support: 56%
Opposition: 24%

Support: 23%
Opposition: 52%



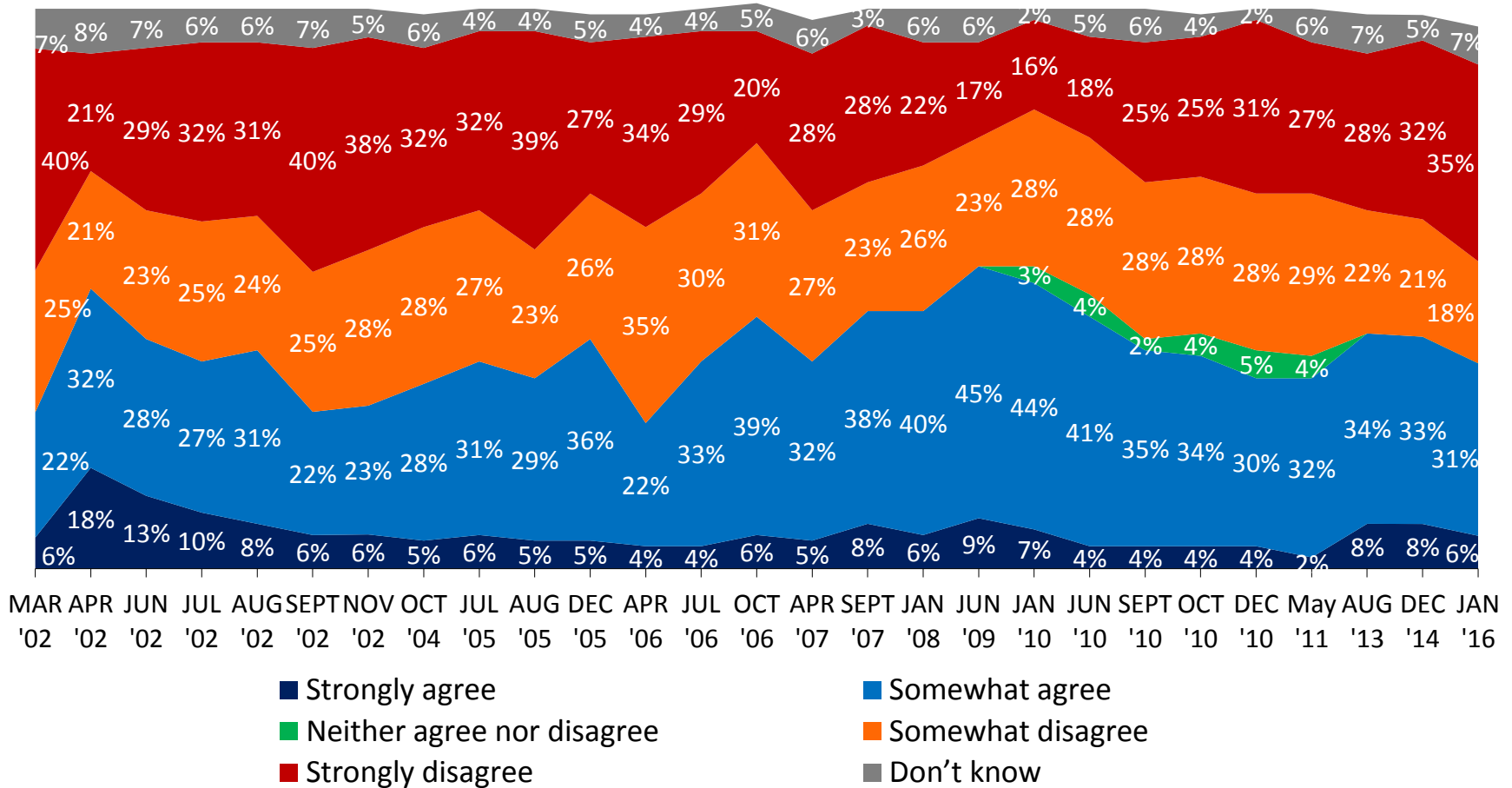
Note: 'Don't know' not shown

The Electricity Mood

Consumers' sense of being well protected has been on a gradual decline since June '09



Would you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statement? **Consumers are well-protected with respect to prices and the reliability and quality of electricity service in Ontario**

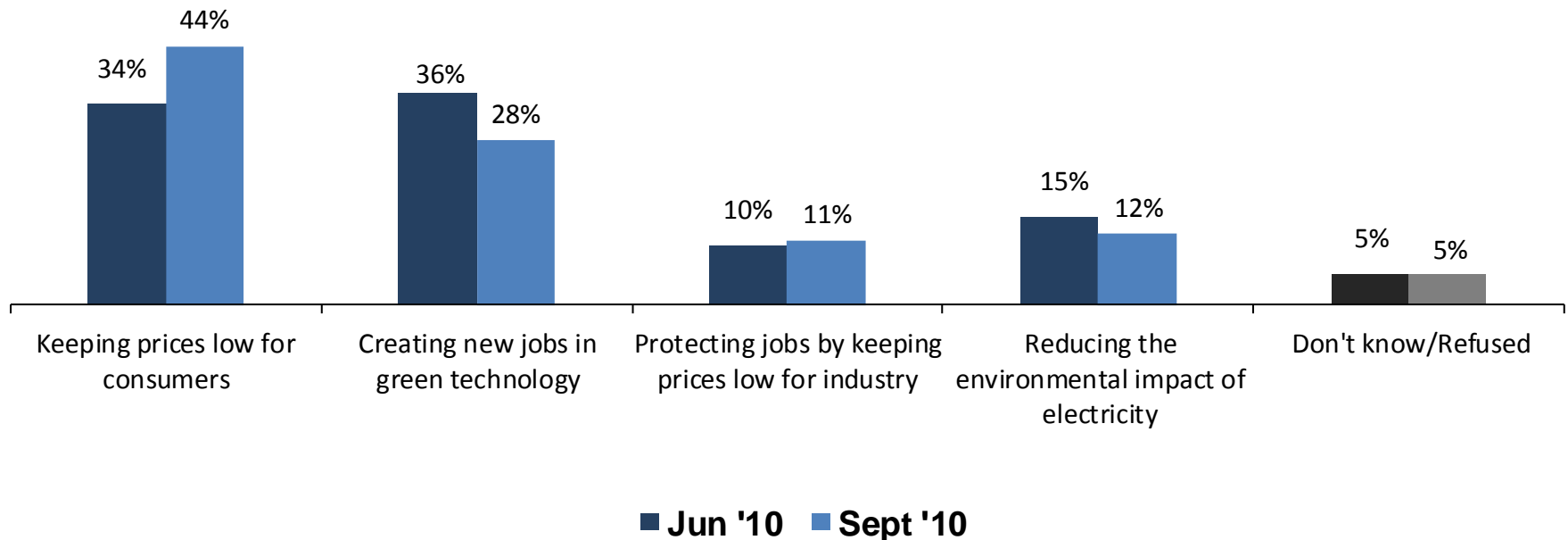


Note: "Refused" not shown. The question in Nov '02 is asked differently, "Do you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statement. Consumers are well protected with respect to prices and the reliability and quality of electricity service in Ontario."

Keeping prices low for consumers has been a consumer priority for years



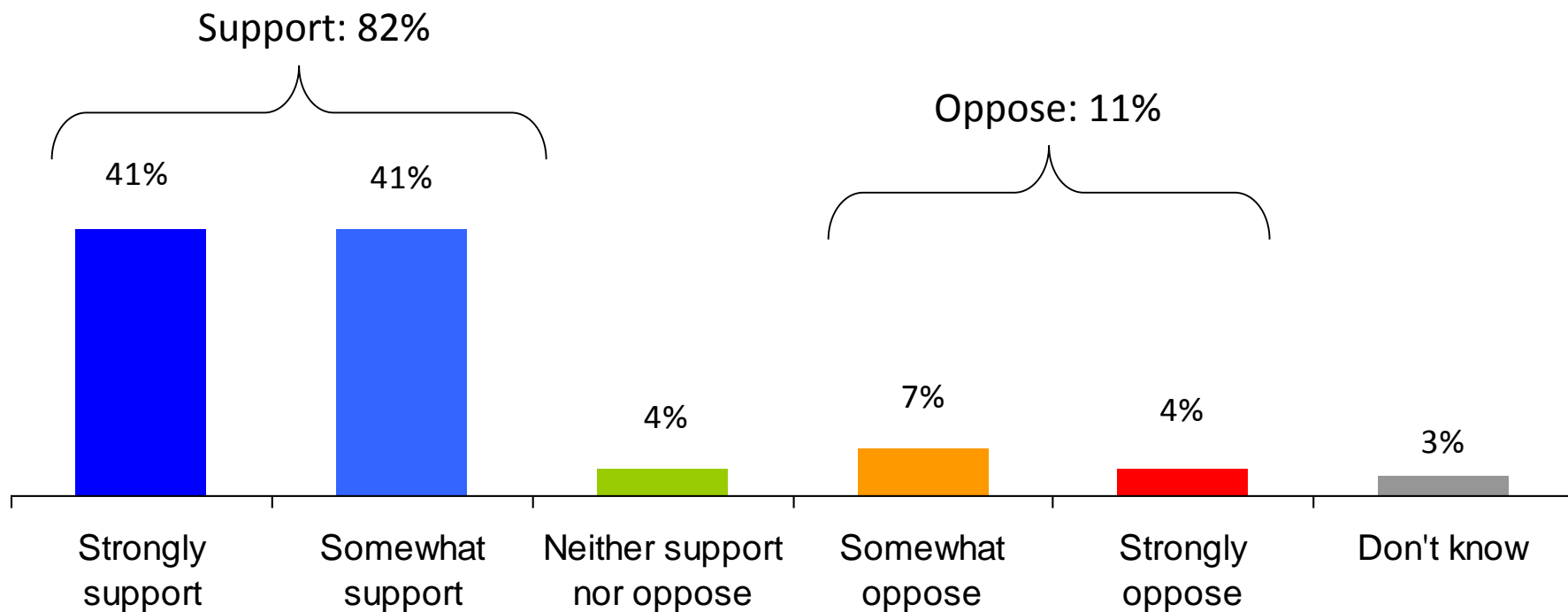
Of the four policy options just discussed, which is most important to you?



Over 80% liked the idea of the Government's Green Energy Plan ...

Q

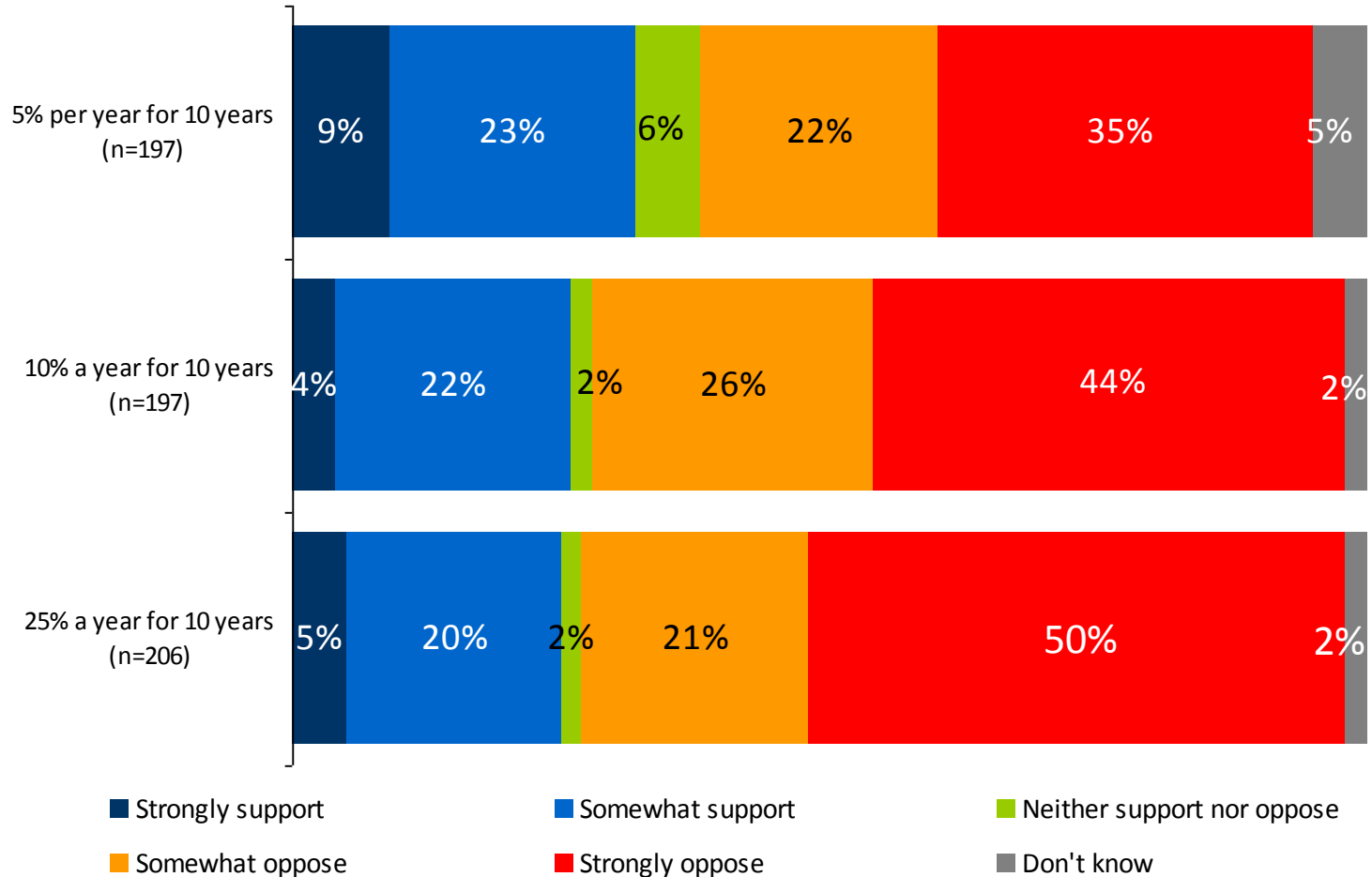
The government is developing a plan that will encourage conservation, meets new demand, replaces aging infrastructure and shifts Ontario electricity generation to more environmentally friendly types of electricity generation. Do you support or oppose the government adopting a plan that will focus on encouraging conservation, meeting new demand, replacing aging infrastructure and making Ontario electricity generation to more environmentally friendly? (Nov 2010)



n=600

... but even at 5% annual increase, a majority opposed paying for it

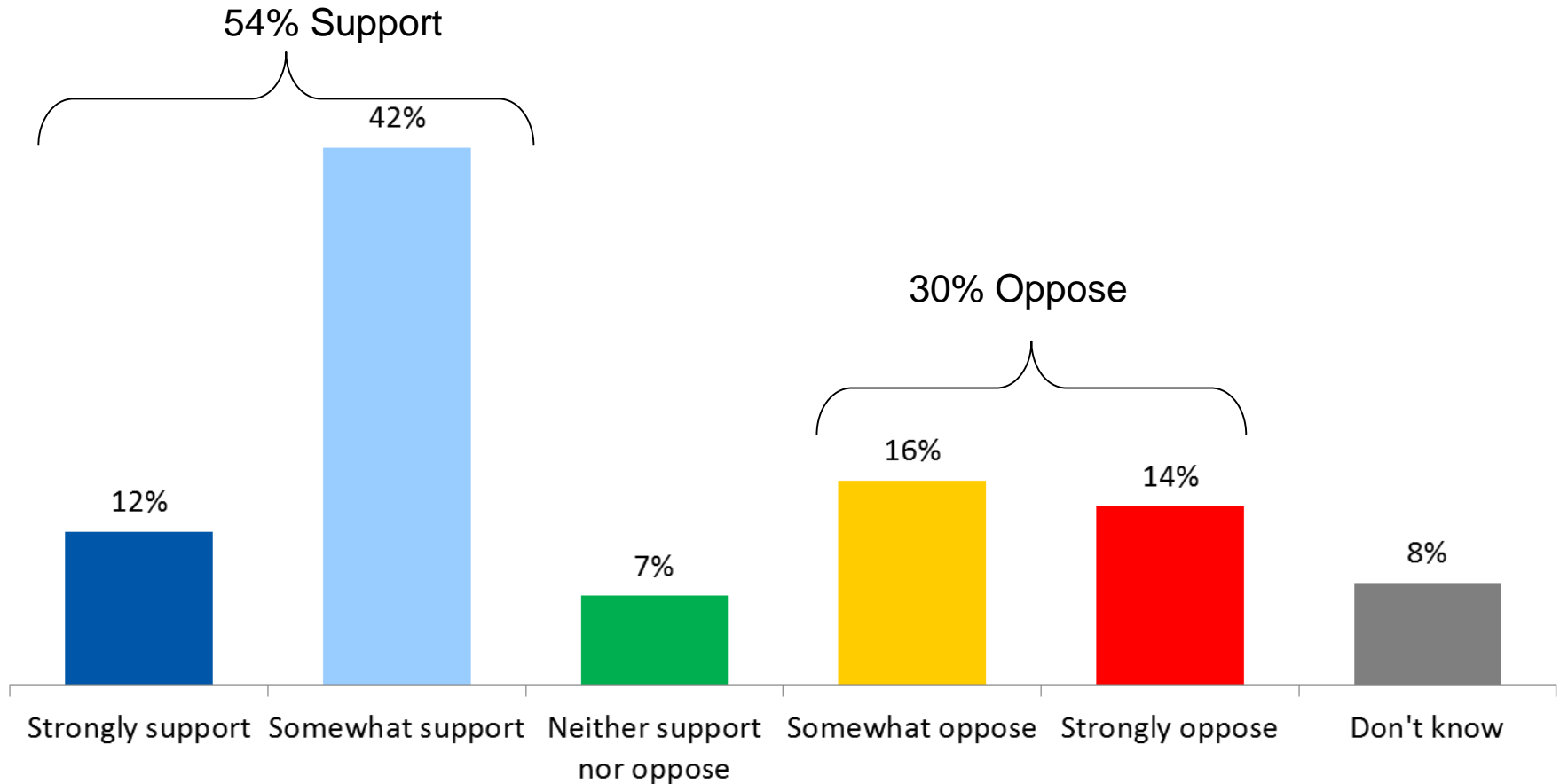
Q Electricity prices will have to rise to pay for that plan. The more we pay, the more quickly we can implement the plan. Would you support or oppose implementing that plan if your electricity bill will grow by ... (Sample split into 3) (Nov 2010)



After hearing details of the LTEP plan, over half support it ...



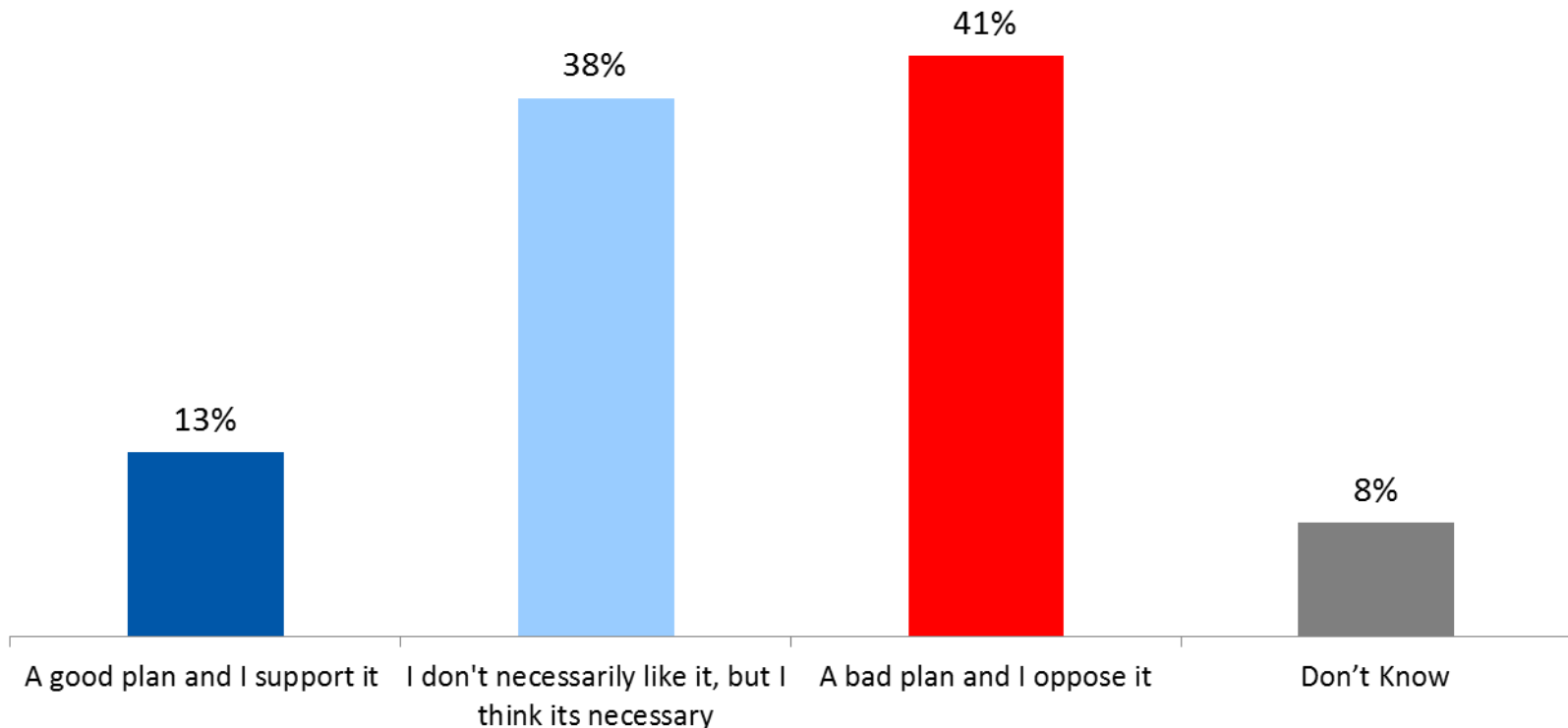
Now you have heard about some of the elements in Ontario's Long-Term Energy Plan, do you support or oppose the government adopting that plan?(IF SUPPORT OR OPPOSE; Is that strongly support/oppose or just somewhat support/oppose?) (Dec 2010)



... but when told what they will have to pay for the plan, over 40% oppose it

Q

Electricity prices will have to rise to pay for that plan. The Ontario long term energy plan predicts a price increase of 3.5% a year for the next 20 years. Given that impact on prices, which of the following statements is closest to your point of view? (Dec 2010)

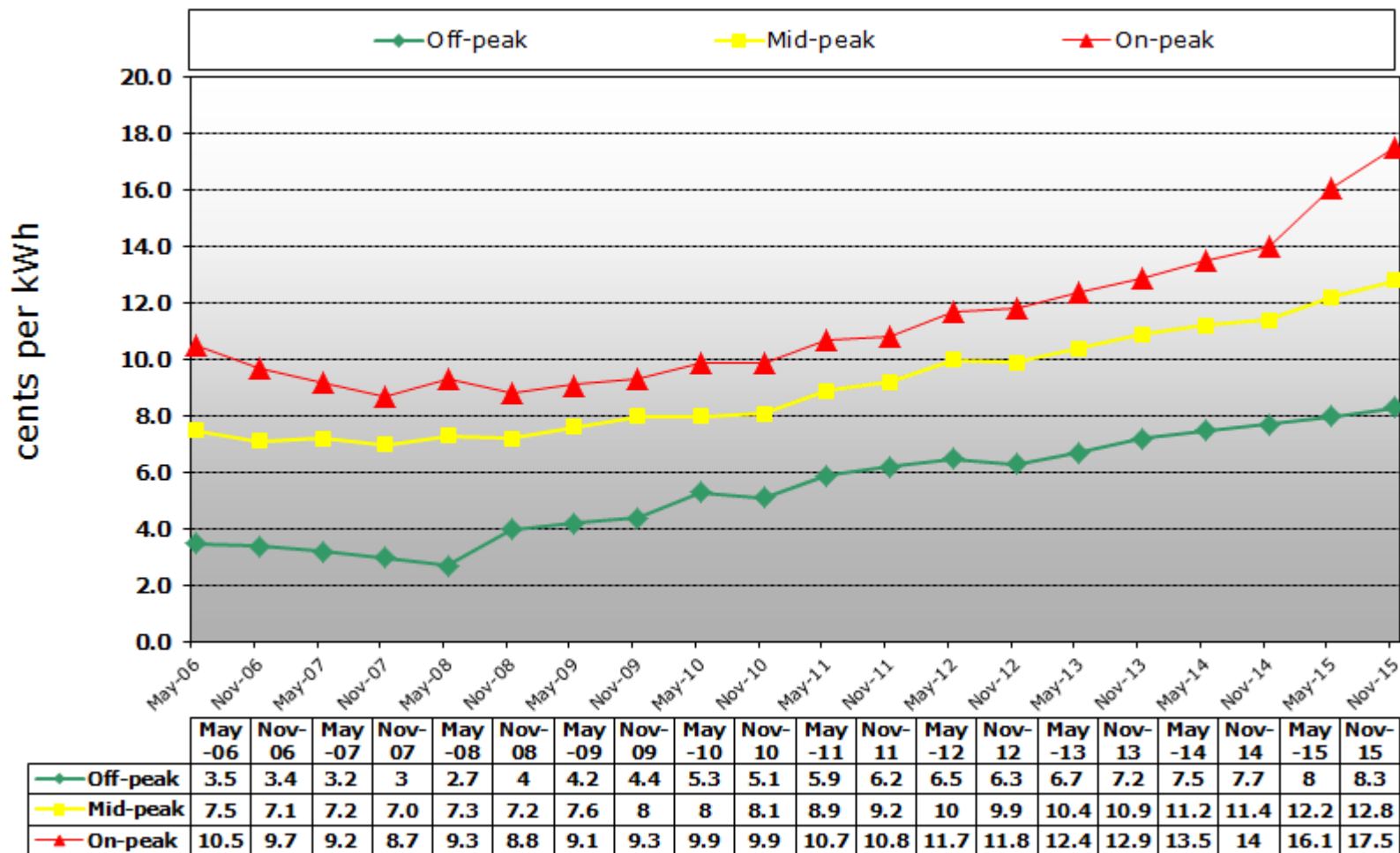


n=600

In fact, electricity prices have risen by much more than initially indicated

Time-of-use electricity prices since 2006. OEB

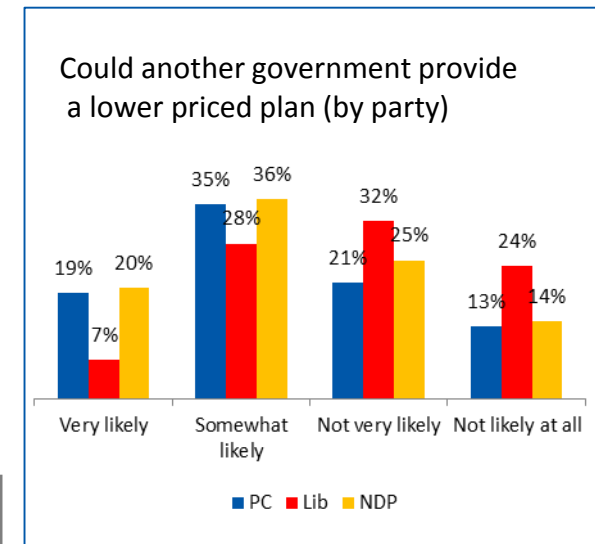
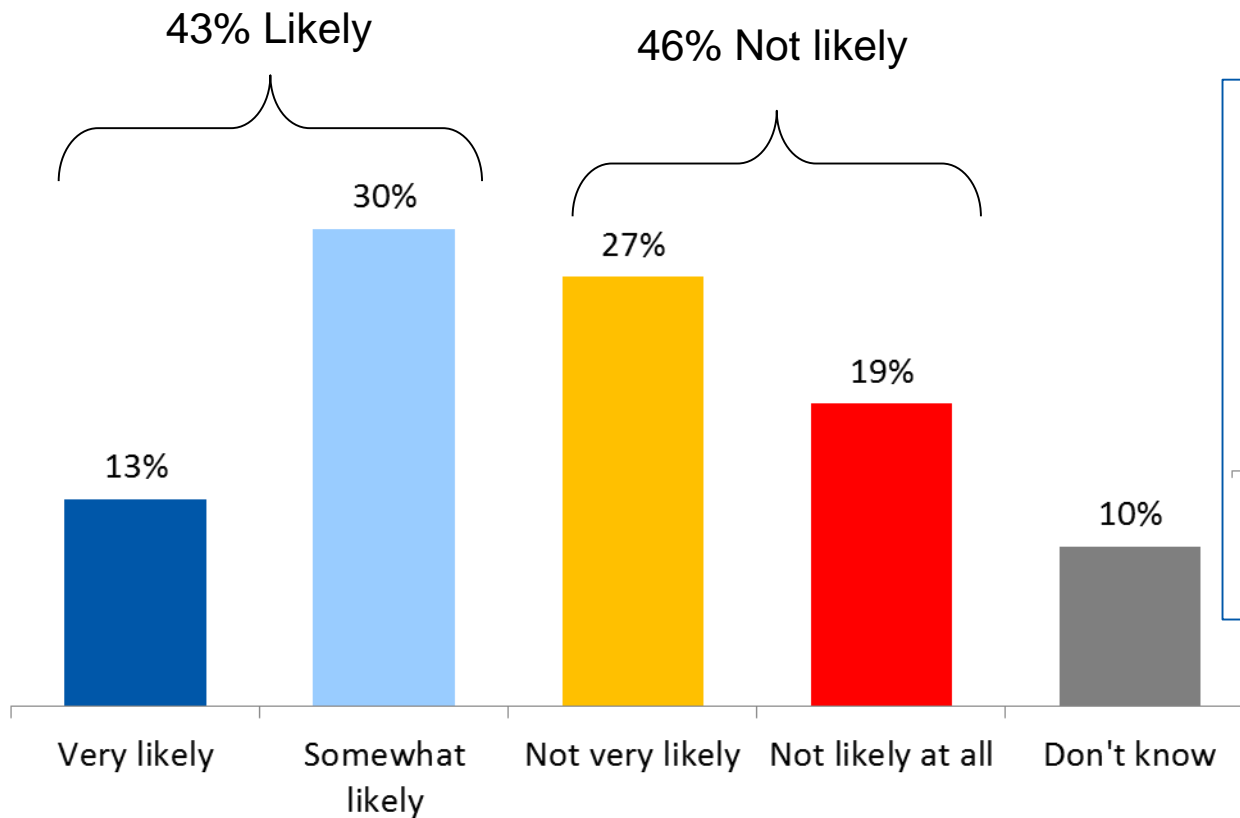
<http://www.ontarioenergyboard.ca/OEB/Consumers/Electricity/Electricity+Prices/Historical+Electricity+Prices>



Ontarians have been divided on whether another party could come up with a better plan

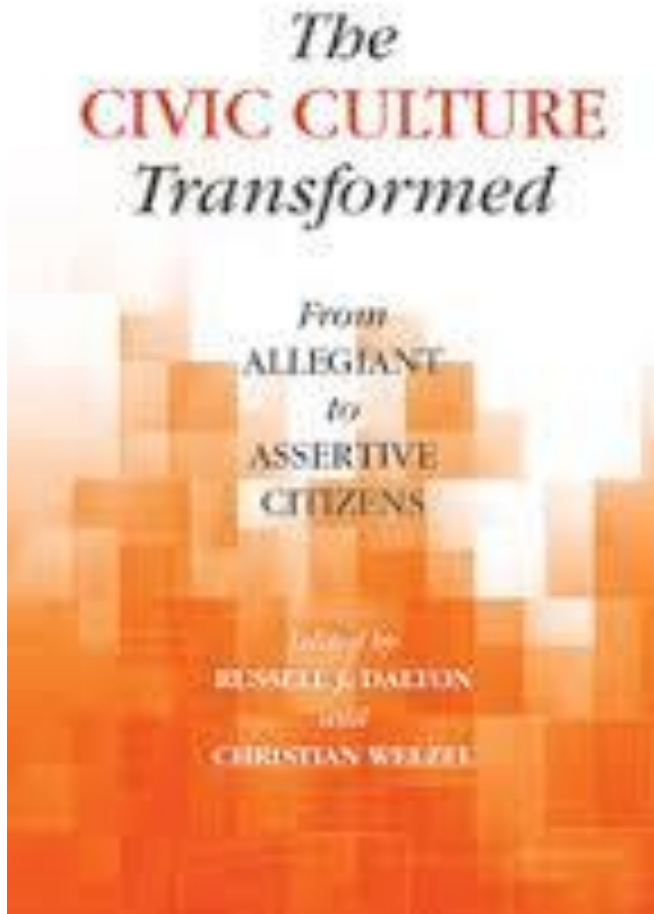


How likely do you think it is that another government could develop a plan that would provide a lower price increase while meeting Ontario's electricity demands and investing in the necessary infrastructure? (Dec 2010)



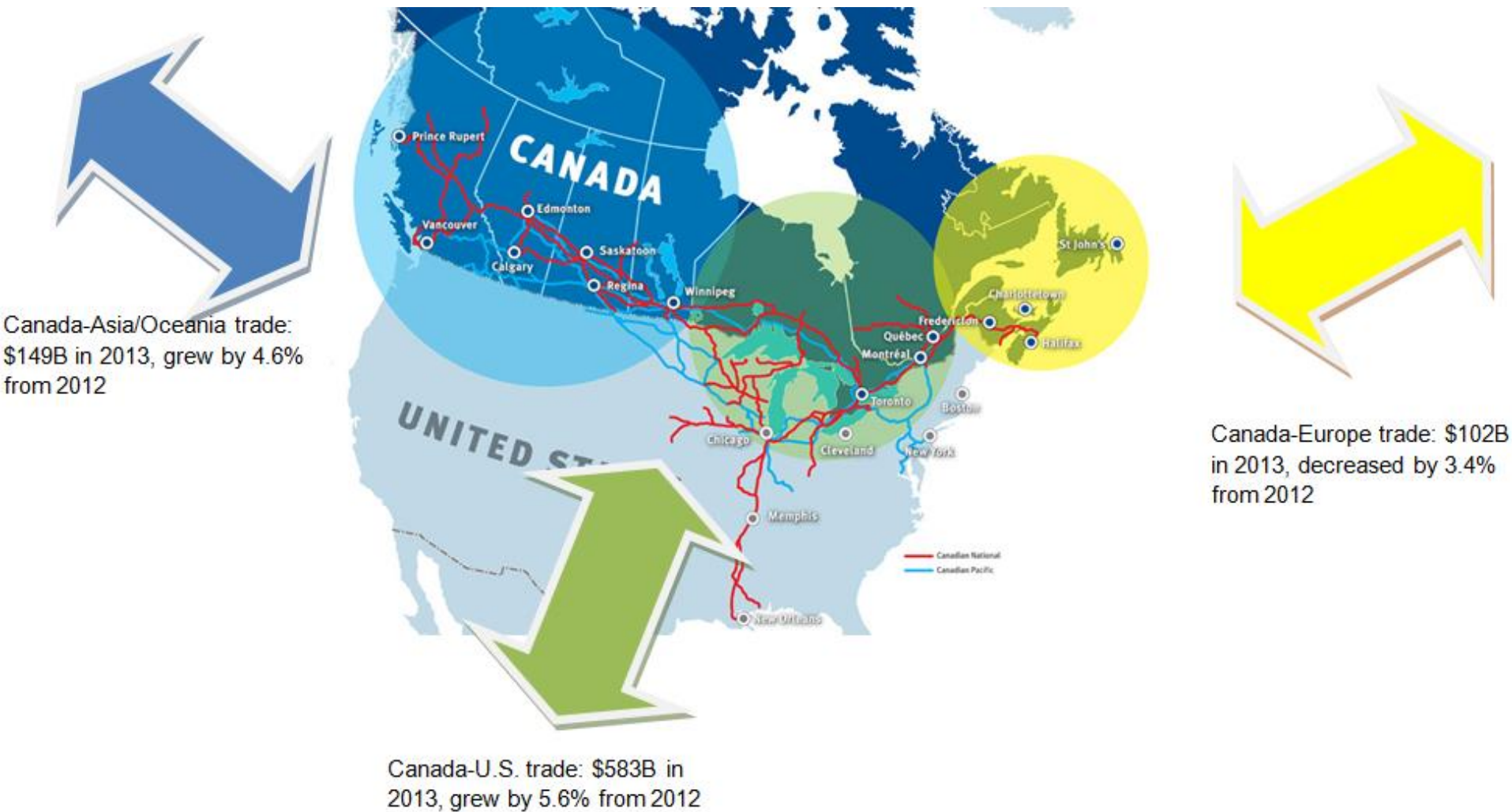
How Do You Build Permission Given Where We Start?

Decline of Deference: No Going back



1. The public has more intellectual capacity than ever before
2. The public has more access to information than ever before
3. The public can now publish
4. Our attitudes towards authority in families and workplaces have transformed.
5. Our political values are transforming as well.

Policy Challenge: Price Taking Industries



Policy Challenge: Low and Fixed Income Consumers



– Show Your Work



The Challenge of Energy Literacy




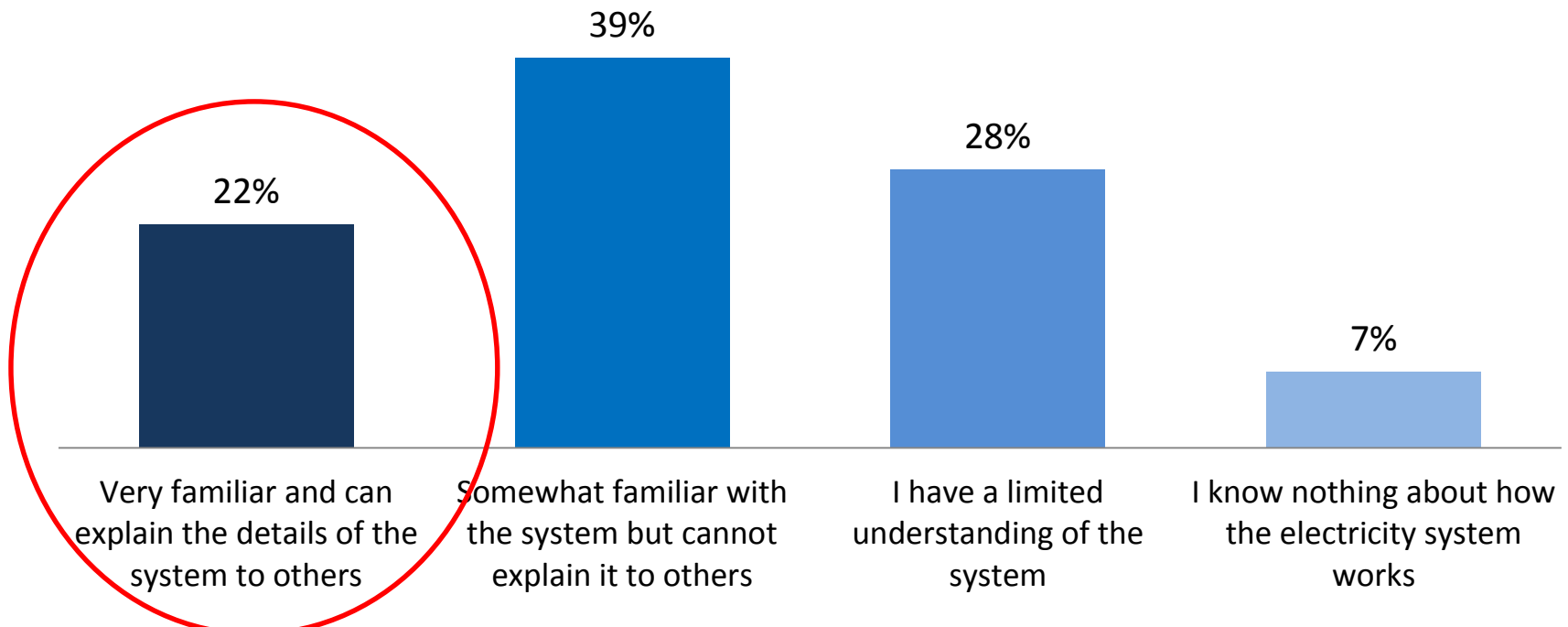
The following preamble was shared with survey respondents:

As you may know, the electricity system has three key components: **generation, transmission and distribution.**

- **Generating stations** convert various forms of energy into electric power;
- **Transmission lines** connect the power produced at generating stations to where it is needed across the province; and
- **Distribution lines** carry electricity to the homes and businesses in our communities.

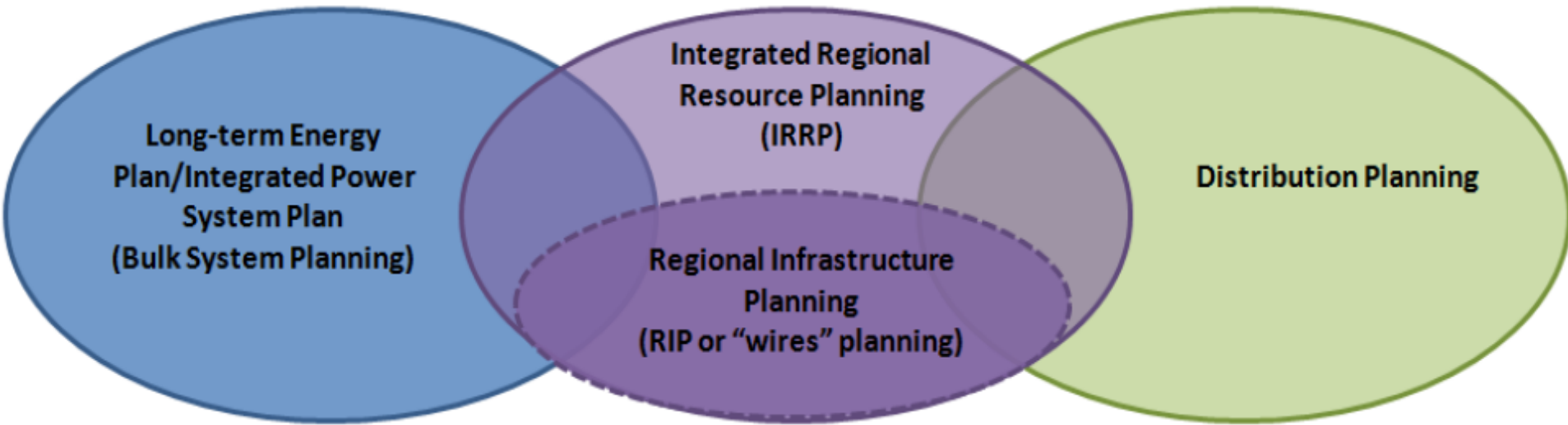
Familiarity with the electricity system: Only 1-in-5 can explain the electricity system

 How familiar are you with these different elements of the electricity system?
[asked all respondents]

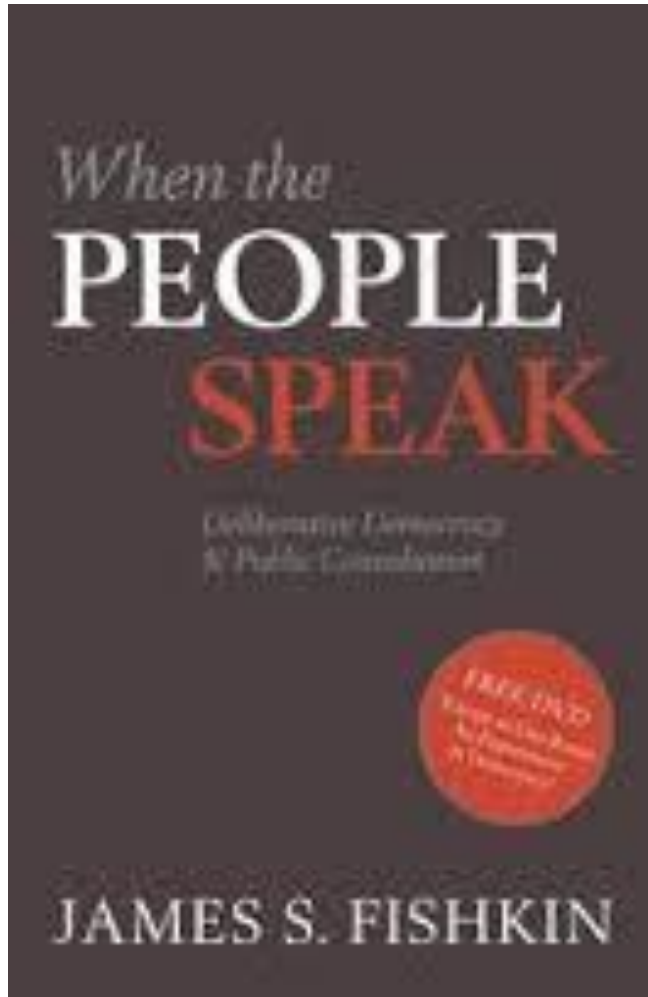


Note: 'Don't know' (4%) not shown

Ontario's System of Planning Creates a Unique Opportunity



Quality Opinion comes from Quality Discussion

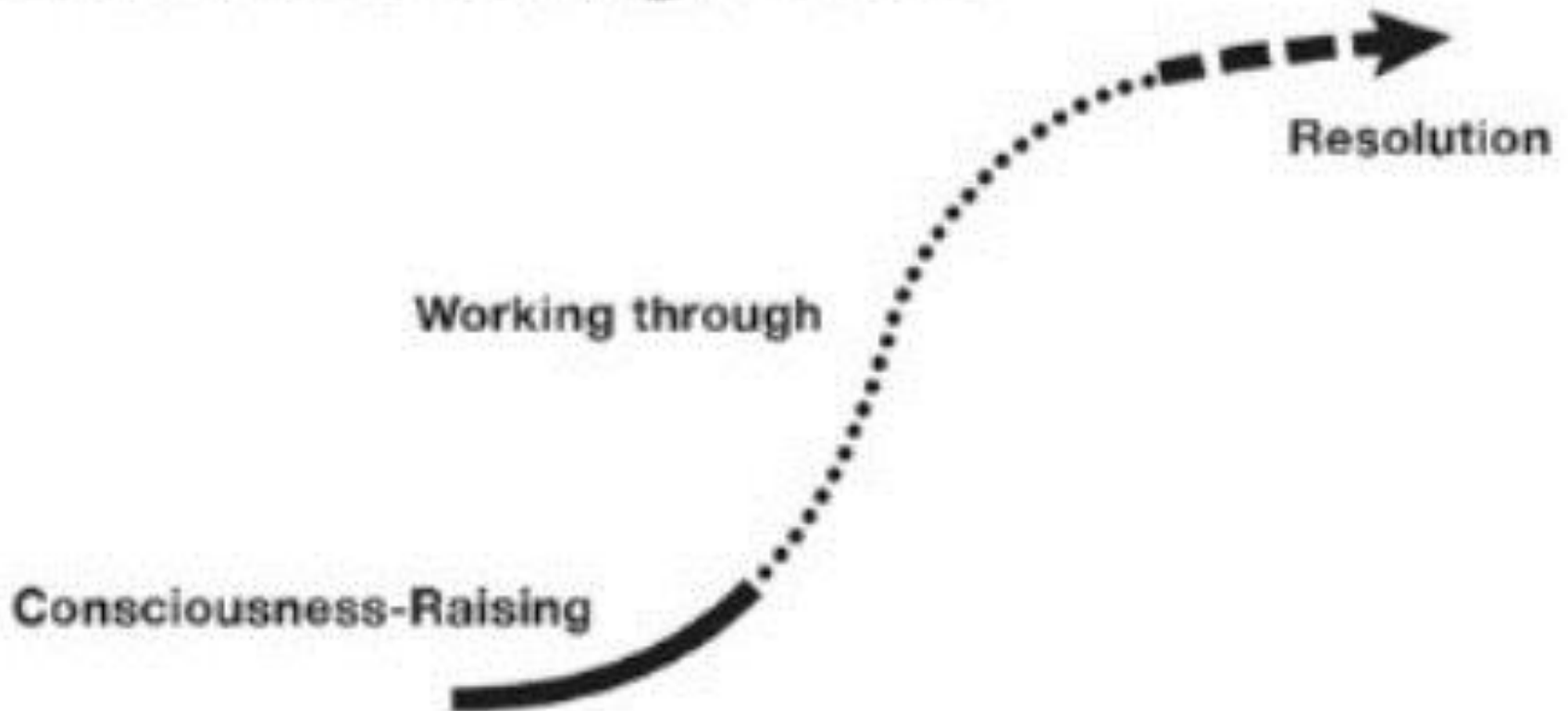


Five Key Conditions

1. Accurate, Relevant Information
2. Diversity of Views
3. Balance Between Viewpoints
4. Conscientiousness
5. Equal Consideration

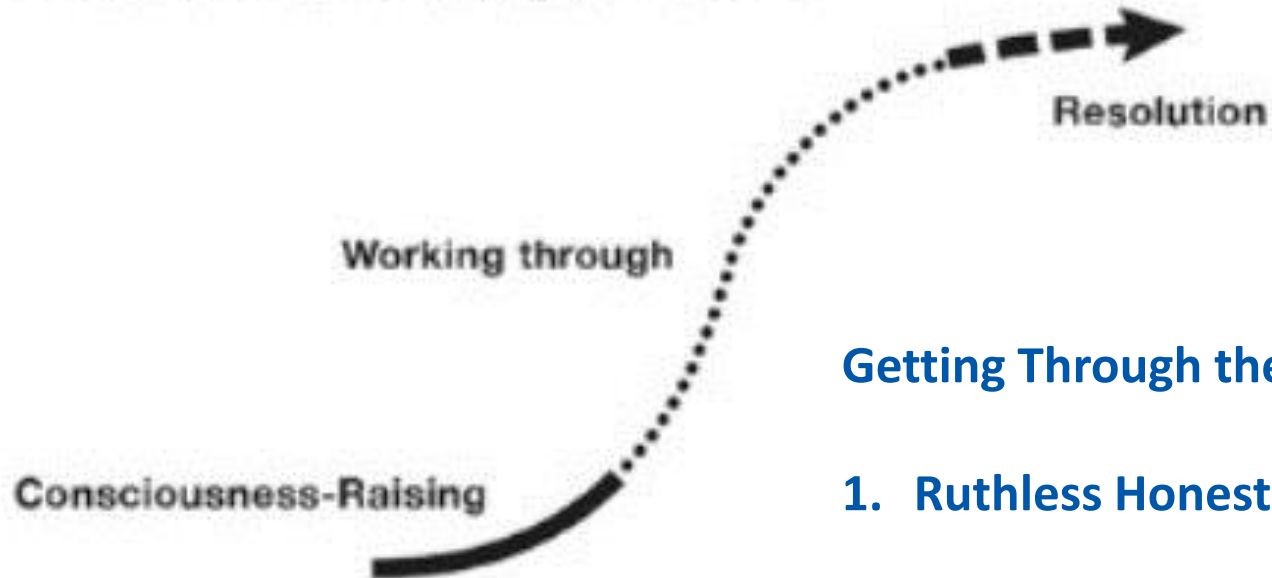
Moving from Public Opinion to Public Judgement

The Learning Curve™



Getting to Public Judgement

The Learning Curve™



Getting Through the Working Through

1. Ruthless Honesty
2. Build Credibility Through the Process
3. Demonstrate Responsiveness

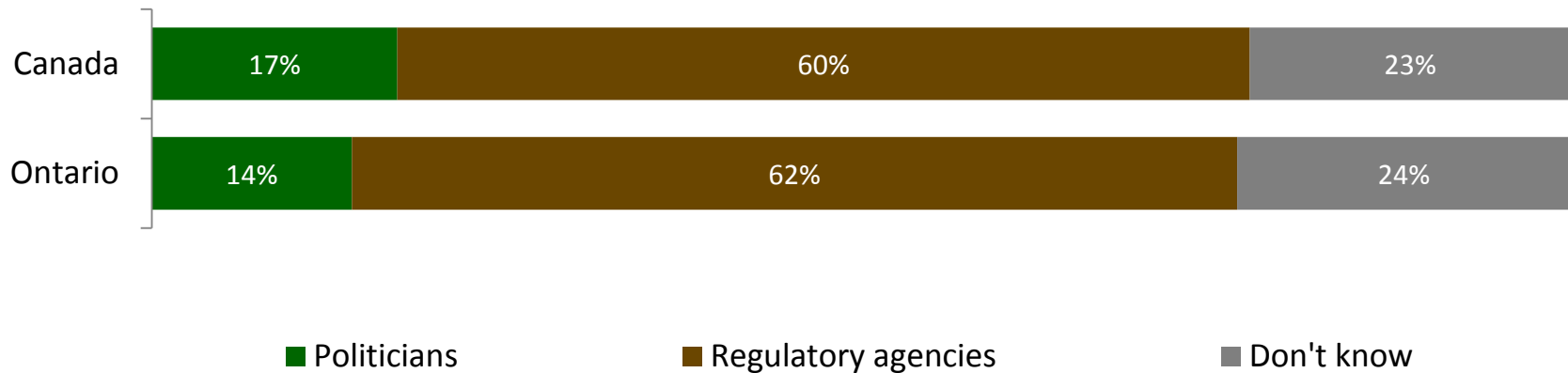
Canadians, and Ontarians overwhelmingly say regulatory agencies should have the final say on projects

Q Who should have the final say on projects, like those that have been discussed in this survey?

Politicians because that is what they are elected to do

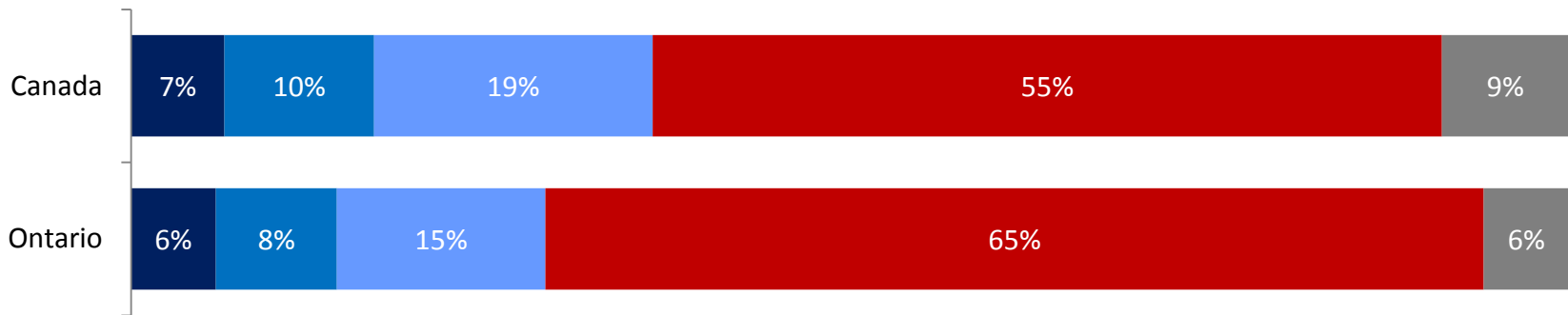
or

Regulatory agencies because they have the expertise to properly evaluate the projects



Less than 1-in-5 know anything about intervener funding

Q In regulatory processes, there is sometimes something called intervener funding. How familiar are you with the concept.



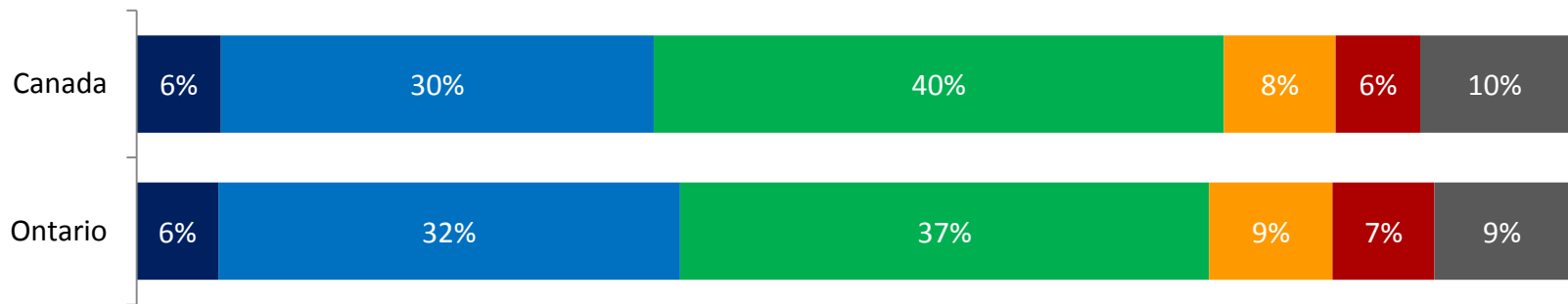
- I can explain the details.
- I have a general understanding but can't explain it to other
- I have heard of it but don't know much about it.
- I have not heard of it before this survey.

Intervener funding makes over one third more confident in the regulatory process



Intervener funding is when regulatory bodies like those discussed in this survey make money available to organizations and groups of people that could be impacted by a new project or regulatory decision. The funds allow the groups to more effectively participate in the process.

Does knowing about intervener funding make you more or less confident in regulatory processes where it is used?



■ A lot more confident

■ Somewhat more confident

■ Neither more nor less confident

■ Somewhat less confident

■ A lot less confident

■ Don't Know

Delivering Social Permission

1. Seek policy solutions to deal with internationally vulnerably firms and people on low or fixed incomes.
2. More visibly drive costs out of the system.
3. Engage customers early and often in a dialogue with good access to balanced information presented with a “tell, don’t sell” tone.
4. Make use of the intervenor process to validate your information.
5. Prove the process is real by documenting not just what you heard, but what you did in response.



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