The Regulatory Assistance Project

INFORMATION CONSUMERS WANT IN ELECTRICITY CHOICE: SUMMARY OF FOCUS GROUP RESEARCH

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The National Council on Competition and the Electric Industry
Consumer Information Disclosure Project

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About the Author

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Edward Holt is an energy consultant based in Harpswell, Maine. He specializes in strategic planning and marketing, policy research and customer choice issues in competitive electricity markets.

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Foreword

The National Council and Its Research Agenda

In November 1996, The National Council on Competition and the Electric Industry initiated its Consumer Information Disclosure Project to assist state regulators and legislators address consumer information needs in a competitive electricity environment. This effort followed on the heels of The National Association of Regulatory Utility Commissioners' November 1996 resolution calling for enforceable, uniform standards that would allow retail consumers to easily compare price, price variability, resource mix, and the environmental characteristics of their electricity purchases.

To implement this resolution, the National Council has initiated a multi-part research agenda. The research agenda is designed to identify and provide state regulators and legislators with technical information, consumer research and policy options. The tasks currently being undertaken are described below. A report, describing the result of the research, will be prepared for each of the tasks. Copies will be made available on the National Council's website as they become available.

Task 1. Full Environmental Disclosure for Electricity: Tracking and Reporting Key Information.

This report identifies mechanisms to trace transactions from generators through sellers, aggregators or marketers to retail buyers to provide consumers with full resource mix and environmental characteristics disclosure. (Available 6/1/97)

Task 2. Disclosure of Fuel Mix and Emissions by Retail Electric Service Providers: Issues of Confidentiality versus the Public Right to Know.

This report identifies the legal and policy considerations involving supplier's requests to keep information confidential versus the public interest in having the information publicly available to consumers and others. (Available 6/1/97)

Task 3. Price and Service Disclosure.

This report will present standard options for comparing price information, risk, important contract terms and conditions, and consumer protection information in an uniform fashion.

Task 4. Consumer Preferences from Focus Groups.

The current draft report summarizes the results from consumer focus groups conducted with participants in New Hampshire and Massachusetts retail competition pilot programs. Separate focus group reports will summarize interviews with consumers in California, Washington and Colorado.(Available 6/1/97)

Task 5. Baseline Tracking Survey.

This report will describe a survey instrument to gather consumer information, knowledge, attitudes and practices relevant to retail electricity purchasing practices. The report will also summarize the initial, or baseline, data on these issues.

Task 6. Disclosure Testing.

This report will summarize the results of disclosure testing conducted to measure consumer acceptance, ease of use, comprehensibility and task performance.

Task 7. Research Synthesis.

This final report will summarize all of the disclosure related research and make final recommendations including model state statutes and regulations.

Task 8. New England Disclosure Project.

This report summarizes the results of a seven month effort working with New England regulators and stakeholders to design uniform disclosure standards for the six state region. The report makes recommendations and includes proposed model rules.

Executive Summary

Fats Waller, the great American songwriter and piano player, might have been an outstanding market research director. His 1929 tune, “Find out what they like, and how they like it...and give it to them just that way!” is a slightly ribald statement of what this research project is all about.

This report documents the results of focus group research evaluating the perceived information needs of electricity consumers. These results are based on 19 focus groups performed as part of the overall study. The focus groups were performed in four sets: New England, West Coast, Rocky Mountain West, and Midwest.

A total of 19 focus groups were conducted on this topic between January and September 1997. Each group consisted of about 10 people. Because attitudes may vary within regions and states, the specific sites (and number) of the focus groups are listed below:

•New Hampshire: Concord (2) and Londonderry (2)

•Massachusetts: Worcester (2)

•California: Fresno (2) and Santa Clara (2)

•Washington: Tacoma (2)

•Colorado: Denver (2)

•Ohio: One each in Toledo, Columbus, Cincinnati, Cleveland and Athens

Recruiting participants for the focus groups was done by telephone. The New Hampshire focus group participants were selected at random from among the list of customers eligible to participate in the pilot program. (They may or may not have actively participated in the pilot program.) The Massachusetts focus group participants were selected at random from the list of pilot program participants. In the other states, participants were recruited at random from the general population of electric utility customers, with one exception. Although Tacoma participants were also called from the general population, they were screened to include consumers with environmental interest. This was to obtain an environmental perspective on issues and information relating to environmental impacts of electricity generation and use.

The objectives of the research were to:

•Learn what information consumers want to evaluate and select a supplier.

•Understand how they want the information to be presented.

•Determine the variation in perceptions and attitudes among different parts of the country regarding important factors in their decisions and information presentation formats.

At the time this research project began, The New Hampshire Public Utilities Commission had already begun a state-wide pilot program to learn about restructuring and retail access, and the Massachusetts Electric Company had initiated a pilot program called *Choice: New England* for some of its customers. The research project began with consumers who were participating in these two pilot programs because it was felt that experienced consumers would have the greatest insights regarding the choice of a supplier. Subsequently, the research was extended to other states to confirm or revise these experienced consumer perceptions.

Conclusions

Given that these were diverse participants in 19 focus groups from different parts of the country, perhaps the most general and important conclusion is that most agreed on the big issues surrounding the provision of information to consumers in competitive electricity markets. The big issues, and the preferences expressed, are as follows:

•Most participants wanted a *variety of information* on which to base their choice of a supplier. Although much of the original policy interest in information disclosure focused on environmental issues, these focus groups make clear that information disclosure is a much broader consumer protection issue.

•Focus groups were quite *consistent in the factors important to participants* in choosing a supplier. The most important of these factors were price, service reliability, company track record, environmental record, customer service record, and contract terms.

•The groups were also consistent in their desire for *standardized information displays* to enable them to make apples-to-apples comparisons. Participants in the New Hampshire pilot program were frustrated by their inability to make meaningful comparisons, and criedout for standardization, but even the less experienced focus group participants articulated their preference for uniform statements about the factors important in their choice decision.

•Most participants felt that standard information should be *required of all suppliers*. They did not believe it would be satisfactory if some companies made standard information available and others did not. They also felt that the requirement should be overseen by an independent entity, often mentioning the state utility regulators.

•Of all the factors in their decisions, *price was usually the most important*. Even though suppliers might use different pricing structures for different products, participants wanted to be able to compare price in average cents per kWh like unit pricing in grocery stores.

•*Fuel or resource mix and emissions information are critical environmental attributes*. When presented with both, participants recognize that they do not represent the same thing, and they want to see both pieces of information. Some were willing to trade off price for better environmental attributes, while others said it would make a difference, other things being equal.

•To receive the desired information, *most participants prefer direct mail* from each supplier, but they recognize that multiple sources of information can be important to meet different needs and interests.

•When asked, most participants agreed that the *information was worth at least 2-4 cents a month*, and some would be willing to pay significantly more. Most participants expect to pay for this information as part of the price per kWh, like any overhead cost.

A few participants might be found to disagree with these majority views, but these would be individuals rather than groups. Only a few of these issues reflected more than a small minority, but still a minority view:

•Although participants wanted information to be required of competitive suppliers, they were ambivalent whether government is the best institution mandate and oversee it. However, no one came up with a better idea that others generally accepted.

•Perhaps three groups out of the 19 seemed to feel that competition in electricity choice would not make much of a difference in their lives, and consequently they assigned less importance to the information. Generally these groups seemed less informed about electricity production and use. Nevertheless, their answers to the questions largely reflected agreement on the big issues described above.

•In a few groups, interest in environmental impacts was weak. This seemed to reflect a perception of low relevance to their lives, or a feeling that their preferences will not make a difference.

Overall, these 19 focus groups showed remarkable consistency in their preferences for information. Legislators and regulators should take these preferences into account when setting restructuring policies, because lacking this type of information, many consumers may not be sufficiently motivated to participate in competitive markets.

I. Background and Objectives

Almost every state in the United States is considering restructuring of the electricity industry. While there are many aspects to restructuring, one that is getting much attention is the introduction of competition for retail customers. As competition (or retail access) is introduced to the electric utility industry, end-users of electricity will have, for the first time, the opportunity to choose their supplier of electricity. They will still pay their local utility for transmitting and distributing electricity and for other fixed costs, which will continue to be regulated by state utility commissions, but they will be able to choose the company that generates, or supplies, their electricity.

When states allow this kind of competition, policy makers must be concerned about consumer protection, and must think about how to encourage efficient markets. It is well known that for competition to be effective, consumers must have accurate information by which to differentiate competing offers.

The National Council on Competition and the Electric Industry, an organization comprised of the National Association of Regulatory Utility Commissioners and the National Conference of State Legislatures and supported by the United States Department of Energy, undertook the Electricity Information Disclosure Project to address the needs of consumers in competitive electricity markets. One of the tasks of this project is a series of consumer focus groups and is the subject of this report. The focus group research was overseen by The Regulatory Assistance Project and advised by staff of the Consumers Studies Branch of the United States Food and Drug Administration.

This report documents the results of focus group research evaluating the perceived information needs of electricity consumers. These results are based on 19 focus groups performed as part of the overall study. The focus groups were performed in four sets: New England, West Coast, Rocky Mountain West, and Midwest.[1]

Focus Group research is qualitative rather than quantitative. This type of research is used to identify and understand issues of concern to specific or general populations. The small size and format of focus gorups means the results should not be interpreted as a statistical reflection of the population. The objectives of the research were to:

•Learn what information consumers want to evaluate and select a supplier.

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At the time this research project began, The New Hampshire Public Utilities Commission had already begun a state-wide pilot program to learn about restructuring and retail access, and the Massachusetts Electric Company had initiated a pilot program called *Choice: New England* for some of its customers. The research project began with consumers who were participating in these two pilot programs because it was felt that experienced consumers would have the greatest insights regarding the choice of a supplier. Subsequently, the research was extended to other states to confirm or revise these experienced consumer perceptions.

II. Methods

A. Number, location and segmentation of groups

A total of 19 focus groups were conducted on this topic between January and September 1997. Each group consisted of about 10 people. Because attitudes may vary within regions and states, the specific sites (and number) of the focus groups are listed below:

•New Hampshire: Concord (2) and Londonderry (2)

•Massachusetts: Worcester (2)

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In all cases, focus group participants were screened to obtain as much diversity of race, age and gender as possible, and to eliminate consumers who are employed by a utility or electric power provider, a market research company, or an advertising company. Most focus groups included customers of more than one electric utility, although this was not always possible.

All of the focus groups were audio-taped except for one in which the recording malfunctioned. Audio tapes were transcribed to provide a written record for summary purposes.

B. Discussion topics and props used

Each group was guided by a professional moderator using a written guide agreed upon in advance with the focus group sponsors and research managers. The major topics discussed were the same for each group, but each also included some narrower questions that varied from group to group. These narrower questions sometimes addressed issues that arose in previous focus groups, or which arose in policy forums outside the research effort.

The method used to generate discussion varied somewhat across the focus groups, and evolved as we learned how to address efficiently the issues of greatest interest. The New England groups relied on the participants' knowledge of and experience with competitive electricity markets to initiate the conversation. Participants were asked about their experience in the pilot programs, and were quick to share stories about how they chose their electricity supplier.

The first part of the New England discussions stimulated participants to think about: what they liked and disliked about their marketing experience, what factors were important in making their supplier decision, whether they had enough information about the suppliers to make their decision, what information they felt was missing, and whether the competing offers could be easily compared.

After this general discussion, several displays or props were presented to participants for their reactions to the amount, type and format of information. These displays included both abbreviated and detailed information about monthly cost, price, contract terms, and environmental attributes of fictitious power offers. For the environmental attributes, participants were shown a certification statement and logo, fuel mix and air emissions information.

Discussion of these alternative displays covered several questions:

•Is the information understandable, hard to understand or confusing?

•Is the information important, unimportant or irrelevant?

•Do the displays contain enough information to choose a supplier?

•Is the information sufficient to choose a supplier, or is it too detailed?

•Is there any missing information?

The West Coast and Rocky Mountain West participants had not been exposed to electricity choice, so these focus groups started with a presentation about electricity restructuring, using a visual aid that identified generation as the area of choice and reassured participants that transmission and distribution (the wires) would remain regulated and would not be multiplied by consumer choice. This approach anticipated questions (raised in previous groups) about the feasibility of customer choice of electricity, and helped participants focus on that part of electricity competition that they could affect by personal preference. For these focus groups, there was no question about whether participants wanted competition and choice, or whether they thought it was a good thing, although opinions were sometimes expressed. The moderator tried to keepthem focused on the principal topics of what information they would need to choose a supplier, how they would get that information and how they wanted it presented.

These focus groups also probed participants' knowledge of how their electricity is currently produced, whether they had heard about competition and deregulation in electricity supply, and what they thought the implications might be. They were also asked about the importance and display preferences of:

•Price information

•Energy efficiency services (Washington only)

•Generation resources mix or "fuel facts"

•Emissions to the air from electricity generation

•Environmental certification or seal of approval (California only)

The West Coast and Rocky Mountain West focus groups were also tested to see whether, or to what extent, the fuel mix information was being used by participants as a proxy for environmental impacts. To do this, a prop was displayed that showed the fuel mixes for two different products. Participants were told to assume both products were the same price and were then asked to indicate to the moderator which product they preferred and the reasons for that preference. Once this section of the discussion was complete, emissions information was added to the fuel mixes so that the preferred fuel mix purposefully was matched to higher emissions. Again participants were asked to indicate their preferred product and the reasons behind their preference. In one group, two fuel mix pie charts and one "Emissions Facts" display were shown as though they represented three different products, and participants were asked how they would compare and choose among the three products. In both groups, participants were asked which type of information, fuel mix or emissions, they preferred.

Although the next topics varied from one group to another, the focus group moderator further probed regarding:

•What difference participants would expect to make by choosing environmentally-preferred energy sources.

•Whether environmental information about electricity supply offers should relate to the product offered or to the company supplying the power.

•Preferences for historical or projected data, especially for fuel mix and emissions.

•Whether participants would prefer electricity from new versus existing power generation facilities.

•Who should provide information about electricity choices and how consumers prefer to receive it.

•The role of government in providing information about consumer electricity products.

•The cost of providing the desired information and how it should be paid for.

The Ohio focus groups adopted a different approach. Sponsored by the Public Utility Commissionof Ohio, these focus groups had a broader set of objectives, which were to:

•Assess whether utility issues are among the top issues of concern to Ohio residents.

•Assess consumer attitudes towards utilities and towards competition in traditionally regulated industries, particularly electricity.

•Understand which factors are most important to consumers in choosing an electricity supplier.

•Learn consumer preferences for information and information sources to aid in consumer choice.

•Assess consumer awareness and understanding of electric industry terms.

•Assess consumer attitudes towards the PUCO.

To accomplish these objectives, the Ohio moderator brought the focus groups gradually to the topic of electricity choice, but the discussion still covered the same essential topics. More attention was given to general attitudes and awareness and less attention was paid to environmental information and information format than in the previous groups.

In support of the third and fourth objectives listed above, Ohio participants were asked to discuss how they would decide among competing suppliers, and what factors would matter in their choices. Specifically, they were asked to discuss:

•The types of information they would need.

•How they would expect to get that information.

•How they would prefer to get that information.

•What sources would be most credible.

C. Strengths and limitations of qualitative research

The primary strength of qualitative research is that it can identify issues of concern to specific populations, and it can be used to frame questions that can be developed further to derive quantitative data about a topic. As the results of this study will indicate, focus groups often identify issues that researchers may not have considered previously, or they may suggest framing questions differently.

It is important to note that results from focus groups and other qualitative research methods cannot be generalized to a given population because a focus group is not a statistical representation of the population. Focus group participants are selected from the population being studied, but the group is too small for statistical significance. It is therefore important that the interpretation of qualitative data not be misrepresented in quantitative terms. For example, a statement that "six of the ten participants in the focus group agreed on a particular point" should not be interpreted as "60 percent of the population agrees on that point."

III. Findings

A. Awareness of Electricity Issues and Restructuring

As might be expected, most focus group participants thought about electricity in economic terms, when they thought about it at all. When they were asked about electricity or their electric utilities, they often voiced opinions about their monthly cost, or rate increases. Participants in New Hampshire and in some Ohio cities linked high costs or rate increases to utility investments in specific nuclear power plants. Other issues relating to electric utilities stemmed from customer-utility interactions: dissatisfaction with estimated bills, calculation of budget payment plans, and access to indoor meters. There was some awareness of the role of regulators in setting rates. Ohio participants seemed to have the most general awareness of the state utilities commission.

Most participants were unfamiliar with the electric supply system (generation, transmission and distribution), misinformed about the energy resources used to generate electricity, and uninformed about the prospect of competition in electric services.

When asked how their electricity is now generated, most California participants thought (incorrectly) that the source is primarily hydropower. Washington participants also mentioned hydropower (a significant resource in the Northwest), but most ignored or denied the contributions made by coal, nuclear and natural gas. Most of the Colorado participants were unaware that their electricity is generated predominantly from coal. One person observed, *"You know why we don't know? Because we don't have a choice."*

Nearly every group had some participants who voiced concern for the environmental impacts of electricity generation and preferred cleaner resources. However, an Ohio participant expressed the opinion there is little environmental difference among hydro, nuclear and coal *"because it's all regulated,"* and a Colorado participant said he had no concerns about environmental impacts *"because they're, you know, regulated by the government. Use low sulfur coal and the plants have to have different things. So I think it's no different from any other."*

Awareness of electricity supply choice was low in the states yet to test competition. This was somewhat surprising in California given the significant media coverage over regulatory and legislative restructuring actions. One California participant explained his ignorance by saying, *"Well, I think we didn't worry about it too much because we didn't have a choice. There's only one supplier and that's it."*

However, participants could readily identify with deregulation in other markets. Two of the Ohio focus group cities had recently introduced retail gas competition, and most participants across the country understood the analogy with choosing long distance telephone service, although it was easier for them to understand multiple companies using the same telephone wires than multiple companies using the same power lines.

B. Important Factors in Choosing a Supplier

The focus group participants were relatively consistent in their information desires. The most important, or frequently mentioned, factors in choosing a supplier included:

•Cost (price or the bottom line)

•Reliability of service (frequency and duration of outages)

•Company track record (name recognition and performance)

•Environmental record (how the power is generated, impacts on the environment)

•Customer service record (local and human contacts to resolve problems, meter reading and billing, and again, frequency and duration of outages)

•Contract terms (term of contract, ease of changing suppliers, fees and penalties for switching)

Price was very important to everyone in the focus groups. Most participants, even those with an appreciation for non-price attributes, felt that the bottom line was the most important to them, although every group had exceptions to this priority.

Environmental attributes of power supply was volunteered as an important piece of information in most focus groups. Participants mentioned concerns about pollution, human health, resource depletion, and support for new and cleaner technologies.

A Toledo participant asserted, *"If it produced cheap energy but it polluted the air it wouldn't be worth having it."* Another participant said he would choose a supplier with *"a commitment to explore other choices, like solar...Sooner or later we're going to run* *out of coal."* Still another commented, *"Some of it affects us now. Where I work I see kids who may have emphysema because of the environment."*

There was a strong desire for information about the supplier company history or reputation. Massachusetts participants asked for information such as where the companies are located and how long they have been in business. A Washington participant said, *"How are we going to make an educated decision when we don't know anything about these companies? We don't know what they're doing out there, really."* A California participant was more specific. *"I don't want a little fly-by-night that I'm going to have trouble with six months and be going through it again. I'd want to know, financially, how stable they are; how many people they're serving, whether they're just a broker for the power or they're actually generating it."* These sentiments were echoed in Colorado and Ohio.

Several Ohio participants recognized that their emphasis on a company's track record might limit their choices. A Cleveland participant put it this way. *"You're not going to know the track record of a new company. It may be half a cent cheaper but if they aren't reliable..."* One Columbus participant indicated that he would only choose a company with *"name recognition."*

Customer service was mentioned in all focus groups as an important factor in choosing a supplier. *"I want to know about the service, who do I call, are they local. Cost would be my second consideration."* An Ohio participant said he would judge service performance based on *"How long outages last. How often I have to call and complain. I've had problems with meters misread."*

Being able to reach a real person on the telephone was a defining element of service for another participant.

Other factors were mentioned, but less frequently. For example, the quantity and quality of information provided by the competing suppliers was an issue for some in Ohio. *"I want information and lingo that I can understand,"* said one participant. Another recognized she needed to be educated because *"I couldn't tell you anything about this stuff."*

Beginning with Massachusetts and continuing with California, Washington and Colorado, focus group participants were asked to consider a list of other factors, some of them admittedly narrow and specific, and to indicate items of interest or importance. This was done to stimulate additional thinking and ensure that nothing of importance had been overlooked in discussions. Participant interest generally reinforced the categories already mentioned, falling into the categories of additional information about price (fixed or variable), customer satisfaction and complaints, environmental factors (waste disposal sites, environmental fines or violations, NRC "watch list"), contract terms and consumer protection.

C. Preferences for General Information

The experienced New England focus group participants were the most vocal about their need for help in comparing competing offers, but without exception, all the groups across the country felt strongly about their desire to see information presented in a standard format. Some participants, however, expressed different views about the likelihood of this happening.

The New Hampshire pilot program provided no systematic, standardized information on competing suppliers to participants, while the Massachusetts Electric Company pilot program sent to all eligible participants a booklet explaining the structure of electricity costs and containing a comparative table or matrix which included price and other standardized information about each of the products offered by the suppliers.

The New Hampshire participants expressed almost universal frustration with their experience because they had to spend a lot of time and effort trying to compare the different products. Many stated that the marketing literature forced them to make comparisons between apples and oranges although they wanted to compare apples with apples.

"I first read about our choice in the paper and I was very excited because I was very unhappy with the company that I was with," began one participant whose experience was similar to that ofmany others in the New Hampshire groups. *"And so I called in, because it was a toll-free number, and I called in and said, yes, I'd be very much interested in being part of this pilot program and it was maybe a month later that I was notified that I'd been selected. And then I received tons of information. And it was just like being back in college and doing a research paper, because my dining room table was covered with all these pamphlets, with all these rates, and I was trying to figure out who to go with.*

And it took me months -- months -- to go through the information, to put it down in some kind of organized form so that I could look at it and make some kind of sense out of it......And it was a lot of work. A lot of work."

Ultimately, many of the New Hampshire participants stated that they could not make an informed decision. *"Well, the information that everybody sent me I thought was very confusing... Somebody I work with did a lot of the calculations, you know, per kilowatt hours versus this one and that one, and the one I chose is guaranteed for two years,"* said one person.

"But I found it confusing, so I eventually turned it over to my son because he's a chemical engineer and that's math (inaudible)," said another woman. *"Because I thought it was confusing, even to, you know, it wasn't apples and apples, it was apples and oranges. And it was really hard to figure out what the bottom line would be."*

"I haven't selected a company because I was so overwhelmed by all of the information I received and all of the telephone calls that I couldn't make a decision about which was best for me," said another participant.

Before being presented with any discussion props, the New Hampshire participants stressed that standardized information would have made their decision making much easier, and most participants advocated some mandatory standardization. *"If it was uniform, it would make it more concise,"* suggested one person. *"It's like going to the supermarket where you look up for Cheerios, different size boxes, you know, $1 per pound, $1.50 per pound. Well, you buy the $1 per pound box."*

Said a participant in another group, *"And they should establish the format as to the information that's provided by the supplier so that everybody is looking at exactly the same thing."*

However, one of the four New Hampshire groups expressed reservations about the ability of government to regulate standardized information, even if this is a desirable goal. *"And the only way you're going to standardize it is if you have some kind of legislation. And keep in mind, it's government that gave us this public service monopoly..."*

In contrast to the New Hampshire groups, the Massachusetts participants indicated that they had little problem in making their supplier choice. Some could not remember where they got their information, but those who did lauded the pilot program's informational brochure. One participantsaid, *"[It] must have been through Mass Electric when I called about the pilot program. I think that's the only contact I had with them. And I don't know where or who sent it to me, but it was on a flat sheet. We pulled it out.....But it listed all the companies, the rates, the source. To me that was easier. It was all on one sheet."*

Participants in both Colorado groups also wanted standard or uniform information to help them make choices. The thought of competition was daunting for many participants. *"When this all happens are we going to get barraged by all those companies? Because its going to be very hard for me to compare. That's going to be mind-boggling. I want a similar format from all suppliers. I'll be trying to compare apples to oranges if one company shows me Display A and another shows me Display B."*

A few participants in one of the Colorado groups worried that standardizing information might constrain how suppliers market their products. Santa Clara participants, however, argued the same question and concluded that although companies have the right to advertise any way they want, someone should still be responsible for providing standardized information displays so they could easily compare offers.

Washington participants wanted not only standardized information, but also the information on all companies packaged in one location. They were accustomed to having a voter's pamphlet mailed to them before each election. *"When this deregulation comes, have [the information]...sent out to us in a pamphlet form or a booklet form...and, after that, maintain these things....Keep those up to date. But send the initial one to us and* *make the ones that come up or every subsequent one after that -- make it available, someplace that is available."* Another Washington participant compared the information summary to a catalogue of college courses received before each school term.

A Fresno participant was also supportive of a summary. *"I'm picturing sort of a sample ballot, even more condensed, but have all of the suppliers on one sheet; not getting stuff at different times in the mail from different people."*

Ohio participants for the most part also supported standardized information. This view was strongest in the two cities that have recently been initiated into gas competition. The Public Utilities Commission of Ohio had prepared and published a comparison table of the offers available. A Toledo participant said, *"The PUCO should do another grid on each one, saying this is a flat rate or whatever."* When asked if they needed apples to apples comparisons, Toledo participants responded, *"Absolutely."*

D. Price Format Preferences

Focus groups generally wanted price information to be presented as an average price shown in cents per kilowatt-hour. In the New England focus groups, various presentations were tested extensively, including average monthly cost (or bill), comparative cost including the value of sign-up bonuses or gifts, and complete and detailed rate structures. Participants stressed the desirability of a unit price per kilowatt-hour, so that a simple multiplication, based on their own level of use, could determine their cost. *"Cost per unit. Cost per kilowatt-hour...You need a base common denominator,"* said one participant.

Although one of the displays presented a unit price based on average customer use of 500 kWh, participants were concerned that this did not reflect their level of use. The fact that different levels of use could result in different unit prices led two groups to suggest a display of the price per kWh for several levels of use (e.g., 500, 750, 1000 and 1500 kWh per month) either in a table or as a graph. In general they did not trust information based on an average customer unless it can be made meaningful to them. In particular they expressed no interest in a display of average monthly cost. *"The average monthly cost is a loser because who knows what's average?"* said one man.

Because the New England participants for the most part self-selected into the pilot programs, they might have been anomalous in this view. There was a concern that other, less motivated consumers might prefer the average monthly bill or some other format that required less effort to estimate or calculate their bill.

The West Coast and Rocky Mountain West focus groups therefore continued to ask the question, with pretty much the same answer. Perhaps with long distance telephone pricing in mind, participants were fairly insistent that price information be standardized in terms of unit price (price per kWh). *"So long as they're all the same,"* said a participant from the Fresno groups. *"I don't have any examples. But they have a way of phrasing things or telling you things in a different way. I mean, like it's such and such* *cents per kilowatt-hour and everybody's the same. Instead of offering -- like, you'll get so much in a week -- per week or per month, keep it all the same."*

One of the Colorado groups, however, preferred to see a typical monthly bill. *"I like it because it's simple. People just want to know the bottom line."* Another said, *"I don't want to calculate it."* This group, however, was a distinct minority of opinion.

Price format was not discussed explicitly in Ohio, but *"kilowatt-hour charge"* was mentioned as a way to decide whether to stay with an established company or try a new one.

Finally, some New England participants were dissatisfied that price information only included the generation portion of the bill and did not show distribution and other charges. These participants felt that all the charges should be included even though the distribution charges would be the same regardless of which supplier they chose. *"They talked about the cost of electricity and that's all,"* complained one New Hampshire participant. *"They never mentioned all the other stuff. Electricity is the cheapest part of it."*

Massachusetts participants called these other costs the *"hidden costs."* Referring to the booklet comparing each competitive offer, one man said, "*The kicker here is that last paragraph, what will utility costs still buy. You look at the fact that since they split things up, sure, I'm gettingelectricity at something like 2.4 cents per hour or 2.2 cents.....but those other charges, when you take the bottom line,....this thing's only talking about one-third of my costs. Get serious."* Colorado focus groups reinforced this preference.

E. Reactions to the Fuel Mix Displays

Most of the focus groups reacted favorably to the presentation of fuel mix information, which is not surprising given that how the power is generated had already come up in many of the discussions about factors in choosing a supplier. It was important to many groups and of interest to others. After saying that price was the major deciding factor for him, one New Hampshire man went on to say, *"That [price] and how they provide the services, whether it's coal or wood chips or however the electricity is produced was also a factor in the way I was concerned......I mean, there are certain things in our environment that just can't handle raw materials being burned because there are by-products of these materials that are definitely causing harm, not only to the ozone, but to us as we breathe."* A Tacoma participant said, *"I think, maybe for some people, it would be important where the power comes from; if it's hydroelectric, if it's nuclear... Some folks might not like nuclear power plants. [Or] They may be salmon lovers and not like hydroelectric power."*

Colorado participants discussed the relative importance of fuel mix and price. When presented with the fuel mix display, one participant in the first group said, *"This is good, but I want more. I want to know what each costs. I didn't think about this until I had children. Can we change the percent so it's more environmentally safe?"*

The Ohio focus groups were somewhat less interested in the fuel mix information. A Toledo participant said, *"It would be info worth having. If I have two companies with the same price, that might make or break your decision."*

In terms of format, participants who discussed the fuel mix format preferred a graphic pie chart. They also preferred to see renewable power broken out and specified rather than lumped under the label "renewable."

Focus group participants did not know what "system power" meant. When it was explained to them that system power could include a mix of fuel sources that were not explicitly contracted for, participants preferred a breakout of the system power. Several participants noted that the term system power could be used to hide *"dirtier fuel sources."* As a result, participants felt that a list of the components of system power was important.

F. Reactions to Emissions Displays

While most participants had value judgments about the energy resources shown in Fuel Facts, they felt less secure in their knowledge about emissions information. For the most part, however, they agreed that the information was important.

The emissions terminology of sulfur dioxide, nitrogen oxides, particulates and carbon dioxide was seen by some as too technical. *"I think most people wouldn't know what's good, what's bad,"* said one New England participant. However, the Colorado participants quickly comprehended which of two products was better and which was worse for the environment by looking at the emissions bar charts for each, even if they did not understand fully the terminology or the specific environmental implications.

Some participants seemed more comfortable with the less technical descriptions such as greenhouse gases or acid rain. One of the West Coast participants commented, *"If you're doing emissions facts... at least explain what the sulfur dioxide and everything does to the air..."*

Most focus group participants agreed that the information was important, but some of the Ohio participants were not sure. This attitude may have stemmed from a lack of knowledge about the topic. One Columbus participant who was unsure about its value said, *"I don't really know what it means.*" Another said, *"It would not be important to me until I recognized it had to do with acid rain."* A Toledo participant first said he was not interested, but then added, *"But if ...price is the same, then this would help. Or even if it was a little bit more [expensive], I might go for the one with less emissions."*

Most focus group participants wanted help in interpreting the emissions information by showing a reference level of some kind. New England participants in particular wanted the reference level to depict a standard to be met rather than a regional average reflecting the status quo. Most participants seemed comfortable with the idea of an organization such as the Environmental Protection Agency setting a recommended reference level.

While some were content to leave that to the scientists, several participants said that they also wanted to see the reference level stated on the label, and one went further, *"Why did they set it at that particular [level] for the standard?"*

In terms of presentation, almost all focus group participants preferred the graphical representation of emissions as a bar chart.

G. Relative Importance of Fuel Mix and Emissions Information

Participants seemed to respond more positively to the fuel mix information than to the emissions information. In New England, when asked to choose between Fuel Facts and Emissions Facts, most participants said they preferred the Fuel Facts, though they said they would really rather have both sets of information. This might have been because they felt more confident in their understanding of energy resources than of air pollution. We wanted to know if participants viewed "Fuel Facts" and "Emission Facts" as two distinct sets of information, or if they were using fuel mix as a substitute for environmental impact. We also wanted to know if they truly preferred one type of information over the other.

The six West Coast and one of the Rocky Mountain West focus groups were shown side-by-side fuel facts displays (pie charts) for two different products. One contained a large proportion ofcoal, while the other contained a large proportion of natural gas; nuclear was not a part of either product. When they were asked to choose one or the other product, all seven groups chose the product with the large share of natural gas because they felt it was *"cleaner."* However, when the emissions information was added to the two products such that the worse emissions profile corresponded with the preferred fuel mix, the participants switched their choice. *"What is going out into the atmosphere is more important than the fuel mix,"* said one Denver participant.

When asked whether they would prefer the Fuel Facts or the Emission Facts, most participants wanted both. One cited the two different sets on information in food labeling. *"It's like food values on a can or a bag of groceries that tells the ingredients, which is at the top, and then the value--the protein and calories and the fat, the saturated--and stuff like that. So, I mean, they do it there; why not do it here?"* This suggests that the two types of data are not completely interchangeable and convey different information.

The Rocky Mountain group, however, preferred emissions information over fuel facts *"because there is so much pollution. We need to keep the environment clean."*

The second Rocky Mountain group was simply presented with two fuel mixes (pie charts) and one emissions display (bar chart), and told they represented three different products. Then they were asked how they would compare these products and choose. *"I wouldn't have a clue how to compare emissions and fuel mix,"* said one participant. Another added, *"You can't compare them because you don't know how the coal is burned, if it's a new plant or an updated plant or whatever."* This group agreed that the displays are totally different. *"We need them both."*

H. Expectations for Environmental Change

Because of green marketing experience in the New Hampshire and Massachusetts pilot programs, significant concerns have been raised that in competitive markets, electricity from existing renewable energy generators will be repackaged and sold for a premium without making a real difference in environmental quality. Some fear that green power will lose credibility with consumers if that their purchase of renewable energy makes no immediate difference.

The six focus groups on the West Coast were therefore asked, *"What environmental benefits do you think you would get if you buy the environmentally-preferred product?"* Most participants struggled to answer the question. One participant said, *"My one decision? Probably not a great deal. But you have to do what you can. I mean, if everybody does that..."* Another observed, *"They have to listen. They'll go out of business if nobody's choosing their power because it's something that the majority don't believe in. They'll have to change the method of operation."*

When they were asked more directly if the benefits would be immediate or might occur sometime in the future, most participants stated that they expected their preferences would be reflected in the investment decisions of suppliers in the future. They recognized that change takes a long time. *"Very few things have an impact right now,"* said one of the Santa Clara participants. *"Butthey start a trend and they start other people thinking about it."*

I. Supplier versus Product Labeling Preferences

One of the implementation issues facing policy makers is whether to label a supplier's individual products or the entire company. Price information, of course, must be for each product, but the environmental information could be provided either for the product or for the company. We wanted to find out which perspective participants preferred, and raised the issue in the New England and the California focus groups.

Participants were divided on this issue. Some understood the ability of suppliers to differentiate products; they felt that keeping track of environmental attributes was a bookkeeping matter. However, others did not understand these ideas and felt that it is technically impossible to differentiate products when all the electrons are pooled. *"The question in my mind,"* said one participant, *"is how are -- you're saying I can give electricity to Massachusetts from three different suppliers or generators, right? In Massachusetts, how is she going to get exactly what she wants and I get what I want?"*

Participants' preferences for labeling the product or the company may have followed their understanding of whether one company could offer different kinds of electricity. Some participants stated a preference for information on the product they buy. *"I'd just want to know where I'm getting it,"* said one in California. But another participant preferred information on the company's environmental performance. *"I would want to know about the company because that's -- if I'm paying the company, I'm paying [for]* *everything they're producing, whether it's going to her or whether it's going to her or whether it's going to me."*

J. Attitudes Towards New versus Existing Power Plants

Related to expectations for environmental change is the question of whether consumers see a difference between new and existing power plants. New fossil-based power plants have to meet tougher environmental standards, and new renewable energy technologies may displace older and presumably dirtier power plants.

Participants in the two Colorado focus groups were asked if they had a preference for buying electricity from new or existing power plants. Most of them did not see an environmental connection at first. Both groups agreed that it would depend on cost and service, but a few comments made a link to the environment. *"If the environmental standards are met, what difference would it make?"*

Another participant in the first group preferred older plants because he was concerned about the environmental impact of siting and operating new power plants. *"I guess I would prefer to have an older plant, unless there's an excess of demand and a new plant is required to provide the supply."*

One participant in the second group voiced an emotional and personal opinion. *"I want to know what they're putting into the air. My daughter has asthma. Three-quarters of my nephews and nieces have asthma, and I know it's because of the air they breathe. Period. And if they had cleaner air, they'd probably -- they'd be a lot -- they wouldn't need the machines they need."*

K. Historic versus Projected Information Preferences

Another implementation issue for information disclosure is whether to display information based on historical data (the past year) or on projected data (this year). Participants in the two Colorado focus groups were asked about their preferences on this question. In the first group, participants were asked about their preferences on each of the factors on which choice would be based. This was a mistake, because no one expects electricity products to be marketed based on last year's price. What we really wanted to know was the preference for historic or projected *environmental* information. However, this confusion may have influenced the first group to prefer information projected for the coming year. "*The past is gone*," said one participant, and another said, *"I would rather have projections even if they're a little iffy."*

The second group preferred historical data because *"it's more concrete"* and they did not believe that suppliers would be held to account for projected information. *"If they gave you projections you'll never know what they actually did."*

L. Preferred Sources of Information

Participant preferences for uniform information in a standardized format were described above. Most of the focus groups also discussed who should provide the information and what delivery channels were preferred. This discussion centered on issues of convenience and credibility.

All groups recognized that most of the information ultimately will come from the marketing companies themselves. When asked how they would evaluate companies, an Ohio participant said, *"Comparisons between information you get from each supplier company."*

Some participants also discussed alternatives. One of the Colorado groups expressed some sentiment for an independent agency to compile the information. *"A chart...Get every company to write some certain information and send it to someone...and they put it together."* Participants in some of the Ohio focus groups mentioned the Office of Consumers' Counsel, an independent consumer advocate, but they were unenthusiastic about a university as an independent source of information. A Cincinnati participant was cynical. *"They're funded by the corporations too. Professors will testify for anyone."*

In terms of delivery channels, most participants generally felt that the companies vying for their business should mail the information to them directly. □*93"I don't want to have to call eight [companies],"* said a Colorado participant. *"I want them to send it out."*

"The information should be supplied to each person using that company," said one participant. *"Enclosed with their bill, like a little three page booklet,"* added another. *"But not just on the company that you're using,"* said a third, recognizing the importance of the information in advance of choosing a supplier.

A few participants, however, did not like direct mail. *"It's just junk,"* said one Ohio participant. Another added, *"I just like to sit down and watch."*

"I don't think that we should necessarily have the companies provide it for every consumer," stated a California participant. "If you do that, you just wind up with this huge....everybody just, you know, they get their bill, it's got all this information in there and they throw it into the garbage." A participant in one of the Washington groups expressed a similar sentiment: *"They shouldn't just send out these big old booklets like that to everybody. I mean, there's a lot of people sitting at this table that wouldn't have the time to read it."*

Ohio participants stressed the need for unbiased information. As a Toledo participant stated, *"Just give us the raw facts. Don't try to tell us which is going to be best for us. Media should present the facts."* But a Columbus participant expressed skepticism about the media as a reliable source of information. *"The media only tells you what they want you to hear. You've got to take the newspaper with a grain of salt."* Other participants agreed the newspaper will be slanted.

Participants recognized the value of multiple, diverse sources. An Ohio participant said, *"You need more than print, you need broadcast news. You get more variety of opinions."* Each group identified a range of options, including:

•Direct mail to consumers

•Newspaper reporting with special monthly inserts

•Utility bill inserts

•Television reports

•Toll-free 1-800 numbers for each company

•One toll-free number with options for each company marketing

•World wide web sites

•Libraries

•Cable TV

•Public TV

•Town meetings

Telemarketing, while mentioned, drew an almost universal reaction of rolled eyes and groans. All participants agreed that evening telemarketing was a down-side to competition.

Most of the groups seemed to want a lot of information. On each topic, their interest often grew as they thought about the information and what it could mean to their choice. As they got into the detail, they often became enthusiastic about the value of the information. The moderatorschallenged them about how much information they would really read or absorb. Many participants seemed satisfied that two pages was about right, although some wanted more and some less.

The New Hampshire groups, having recently experienced the challenge of choice, were the hungriest for comparative information, and they responded with *"a booklet is fine," "a prospectus,"* and *"two pages at most."*

Most West Coast participants also were interested in more rather than less information, and mentioned a voter's pamphlet (many pages in Washington) and even a college catalogue as models. At the same time, one participant wanted the information to be condensed. *"Simple terms. Keep it short and concise; not too drawn out. Because you get* *off work and you want to eat dinner and you've got to go to the grocery store. You're not going to sit there and read two pages of script that you've got to put your glasses on for."*

Out of a total of 19 focus groups, three were inclined towards less information, largely because the topic seemed not very important to their lives. One of the Colorado groups, and two of the five Ohio groups, tended towards this "less is more" school of thought. The Colorado groups were asked about preferences between fuel mix and emissions data, on the one hand, and an eco-label certifying the products to be environmentally-friendly, on the other. One participant said, *"This is enough because I don't have time to go through charts and charts,"* and another participant agreed with him.

One Columbus participant said, *"This is all nice, but it's not that big an issue."* Another said, *"I have an lot of other things on my plate, my attention is elsewhere."* And another, *"It's a small percent of my budget, so how much time will I invest in making this choice? It's only $50."*

Some Cleveland participants shared this attitude. Asked if this issue was important enough for them to pursue, one said, *"Not really...If we pursue it, what are we going to do about it? How are we going to influence anything?"*

M. Attitudes about Required versus Voluntary Information and the Role of Government

The role of government in markets has always been a controversial issue, and for information disclosure it may be critical. The moderators probed several of the groups to understand how far they would go to ensure that standardized information is disclosed to consumers. Participants generally supported government oversight to ensure that standardized and honest information was provided, but some expressed reservations or ambivalence about a government role. For some participants the issue was not just consumer information but consumer protection. State utility regulators often came to mind as playing a role in consumer information and protection.

"Well, what I'd be interested in is, who's going to control these companies? Right now, I do have access to the California Utilities Commission and I can complain about the kind of serviceI'm getting and things like that. I don't see any provision in here for complaining against one of these companies, other than by switching who I'm buying from," was one such comment in Fresno.

A Santa Clara participant voiced a similar concern. *"One question I would have is accountability. If something goes wrong, who are they accountable to?"* Another added, *"Like the PUC or something like that, that oversees...It's like the insurance commission. You can't sell insurance in California unless they approve you and watch over you."*

California participants also expressed the belief that someone should be responsible for providing comparative information in standardized format so they could easily compare offers. *"I think companies have the right to advertise their stuff in any way they like,"* said a Santa Clara participant. *"But I also think...the legislative analysts should do a comparison on them."*

Participants were skeptical of advertising claims. A Fresno participant said, *"You just shouldn't take people's word just because: 'Yeah, we're environmentally sound, we're blah, blah, blah, use us.' They might put a lot of frosting -- too much frosting on the cake."* A Tacoma participant, referring to what information should be provided in competitive markets, was more blunt when he said, *"Every company should talk through a great big lie detector."*

When asked if there is a role for government in providing information about electricity marketing, most Colorado participants believed there is. One participant said, *"I think there is...The SEC out there does a heck of a job regulating the stock market and I think this -- you need a (inaudible) that certainly some government oversight is worthwhile."*

The use of the word "deregulation" caused some participants to think that government could no longer play a role. *"Well, with deregulation, aren't [suppliers] totally independent?"* But another participant responded, *"The telephone company's been deregulated and it's still regulated, substantially, by the government."*

Some of the Colorado participants discussed the possibility that competing companies would voluntarily create a brochure comparing all the offers. *"I think they should all get together and put out the initial brochure to let the people know."* Although several participants stayed on this track for a while, others quickly dismissed the idea. *"It would never happen,"* said one, and another argued, *"They don't want to get information for other companies and put it together because then people actually have a choice."*

"I'd like to think that the industry could regulate itself but we found, through history, that doesn't happen because industry cares only about industry. I guess government -- although none of us trusts the government anymore. There's the PUC. Whatever you think of them, that's the only thing we've really got to rely on to regulate the industries now."

One participant argued that *"It should be required because a lot of companies play on theignorance of the American people."* She also wanted the information to be required *"because most people won't ask, but most people would use it if they had it."*

Another believed that *"Companies are more likely to be honest and not cut corners"* if the information is required. Agreeing, another participant said, *"I would like all the information I can possibly get because I think we live in a country where there are too many schemes and cons......and I want all the information I can get so I can make an informed decision."*

Later a participant offered, *"What I suggest is something like the public utility commission; if they're going to authorize a company to do business in this state, that they have to be certified or approved."*

Most New Hampshire participants supported mandatory labeling with standard information. *"And they should establish the format as to the information that's provided by the supplier so that everybody is looking at exactly the same thing."* One of the four groups, however, expressed reservations about the role of government. *"And the only way you're going to standardize it is if you have some kind of legislation. And keep in mind, it's government that gave us this public service monopoly..."*

Ohio participants generally supported a government regulatory role and frequently mentioned the PUCO. One Cincinnati participant said he would like a *"side-by-side comparison,"* and the group was asked if this was important enough to be prescribed by government. The group chorused, *"Oh yeah!"* Pushed to confirm its stance, the group was asked, *"Is this important enough for the PUCO to regulate?"* Most agreed that *"standardization is great,"* but one participant had reservations. *"Everybody likes different types of information: I want nitty gritty, others want an overview...[We need] someplace where you can call because it won't work to tell us what we need to know. The government, I hate to have them get involved."*

A Toledo participant, referring to the PUCO, said, *"They have the credibility to give us information that we can believe. The companies have to give the information to the PUCO."* The Cleveland group also felt that the PUCO would be needed even if there is competition in the electric industry.

N. Value of Information and How It Should Be Paid For

Generally, participants assumed that all consumers would end up paying for the cost of providing standard information. *"It's in their cost overhead of doing business, anyway. And we all know that when you have a company you're dealing with and they have an overhead, you're paying for their overhead, just as you're paying for their product,"* said one of the West Coast participants.

Several groups were asked whether they would pay 2-4 cents per month for the information. Most consumers said yes and many consumers volunteered that they would pay more. One Colorado participant offered to pay $2 per month. Another participant suggested that the PUCrequire, as a condition of selling electricity in the state, that marketers or suppliers put some money in a kitty to pay the cost of developing and disseminating standard information.

Some Ohio participants who had recently experience gas competition placed a greater value on having the information. Two participants said they would pay five dollars one time, and another said *"I'd pay 25 bucks if it was a detailed comparison. I'd pay more if they could customize it to your use."* This group was asked to confirm these opinions. *"Is this really worth it? Aren't we all intelligent, grown up folks?"* One of them answered, *"Yeah, but it would be worth it to pay somebody because we just don't have the time...like phones, they've got different phone plans. It would be worth it to pay someone to analyze all the data."*

IV. Conclusions

Given that these were diverse participants in 19 focus groups from different parts of the country, perhaps the most general and important conclusion is that most agreed on the big issues surrounding the provision of information to consumers in competitive electricity markets. The big issues, and the preferences expressed, are as follows:

•Most participants wanted a *variety of information* on which to base their choice of a supplier. Although much of the original policy interest in information disclosure focused on environmental issues, these focus groups make clear that information disclosure is a much broader consumer protection issue.

•Focus groups were quite *consistent in the factors important to participants* in choosing a supplier. The most important of these factors were price, service reliability, company track record, environmental record, customer service record, and contract terms.

•The groups were also consistent in their desire for *standardized information displays* to enable them to make apples-to-apples comparisons. Participants in the New Hampshire pilot program were frustrated by their inability to make meaningful comparisons, and cried out for standardization, but even the less experienced focus group participants articulated their preference for uniform statements about the factors important in their choice decision.

•Most participants felt that standard information should be *required of all suppliers*. They did not believe it would be satisfactory if some companies made standard information available and others did not. They also felt that the requirement should be overseen by an independent entity, often mentioning the state utility regulators.

•Of all the factors in their decisions, *price was usually the most important*. Even though suppliers might use different pricing structures for different products, participants wanted to be able to compare price in average cents per kWh like unit pricing in grocery stores.

•*Fuel or resource mix and emissions information are critical environmental attributes*. When presented with both, participants recognize that they do not represent the same thing, and they want to see both pieces of information. Some were willing to trade off price for better environmental attributes, while others said it would make a difference, other things being equal.

•To receive the desired information, *most participants prefer direct mail* from each supplier, but they recognize that multiple sources of information can be important to meet different needs and interests.

•When asked, most participants agreed that the *information was worth at least 2-4 cents a month*, and some would be willing to pay significantly more. Most participants expect to pay for this information as part of the price per kWh, like any overhead cost.

A few participants might be found to disagree with these majority views, but these would be individuals rather than groups. Only a few of these issues reflected more than a small minority, but still a minority view:

•Although participants wanted information to be required of competitive suppliers, they were ambivalent whether government is the best institution mandate and oversee it. However, no one came up with a better idea that others generally accepted.

•Perhaps three groups out of the 19 seemed to feel that competition in electricity choice would not make much of a difference in their lives, and consequently they assigned less importance to the information. Generally these groups seemed less informed about electricity production and use. Nevertheless, their answers to the questions largely reflected agreement on the big issues described above.

•In a few groups, interest in environmental impacts was weak. This seemed to reflect a perception of low relevance to their lives, or a feeling that their preferences will not make a difference.

Overall, these 19 focus groups showed remarkable consistency in their preferences for information. Legislators and regulators should take these preferences into account when setting restructuring policies, because lacking this type of information, many consumers may not be sufficiently motivated to participate in competitive markets.

Endnotes

[1] Previous regional reports on these focus groups provide more detail, and include: A.Levy, M. Teisl, L. Halverson and E. Holt, *Information Disclosure for Electricity Sales: Consumer Preferences from Focus Groups* [New England], July 1997; M. Teisl, L. Halverson and E. Holt, *Information Disclosure for Electricity Sales: Consumer Preferences from Focus Groups, Report 2: West Coast,* November 1997; L. Halverson and E. Holt, *Information Disclosure for Electricity Sales: Consumer Preferences from Focus Groups, Report 3: Rocky Mountain West,* November 1997. All are available from the National Council on Competition and the Electric Industry or reports can be downloaded from the National Council's website.