

Understanding U.S. Public Opinion Toward Energy Problems & Solutions

April 2008

Charlton Research Company



Though Concerned, Americans Are Uninformed About Energy Realities

While Americans are concerned about energy supply, they have little understanding of about the current state and realistic sources of U.S. energy in the future.

- Americans say “energy supply” is one of the most important issues facing United States. A majority of Americans worry that the U.S. currently faces critical energy sources. Eight-in-ten Americans say its likely that the U.S. will face a shortfall of energy, compared to what we need, in the next decade.
- So concerned are Americans about energy supply, that 79% of Americans overestimate how much energy is consumed by the U.S. population. The U.S. imports about 60% of its crude oil needs from other countries. Most Americans think these imports come from Saudi Arabia. However, Canada is the top provider of imported crude oil to the U.S. and Mexico, Venezuela and Nigeria also play important roles as crude oil suppliers to the U.S. Americans don’t realize that the U.S. currently produces about 40% of its oil needs from states including Texas, Alaska, California and Oklahoma.
- Most Americans greatly over-estimate the amount solar, wind and renewable energy will contribute to meeting the country’s future energy needs: it’s less than 10%. While the amount of solar, wind and water energy projects are increasing, so too is U.S. energy consumption. In 2025, the U.S. Government estimates that over half of U.S. energy supply will come from oil and natural gas, and over 80% U.S. energy needs will still be met by oil, natural gas and coal.
- Americans estimate an average of 7 years for oil to get to the marketplace once a discovery is made. Energy development today, which is often in more remote and challenging locations, can take decades from discovery to marketplace!

Americans Support Diverse and Pragmatic Solutions To Ensure Energy Needs Are Met

A balance of oil, natural gas and renewables is preferred by a more Americans to ensure future energy security.

- A majority of Americans say that energy conservation depends on people cutting back; others look to technology to produce more efficient cars and electricity.
- Most Americans agree that automobiles will be more fuel efficient in the future.
- A large majority agree that “energy efficiency” is the first and best source of new energy.
- A majority of Americans also agree there is much untapped oil, natural gas and coal in the U.S and that tapping these sources is essential.
- A majority of Americans support: drilling for oil and natural gas in the Gulf of Mexico, streamlining permitting processes to allow refinery capacity to expand, oil shale and tar sands in the Rocky mountain states, building more facilities to import and re-gasify natural gas and allowing oil companies to drill in the Alaska National Wildlife Refuge.
- Most Americans understand that an increase in business taxes results in less investment in new products.

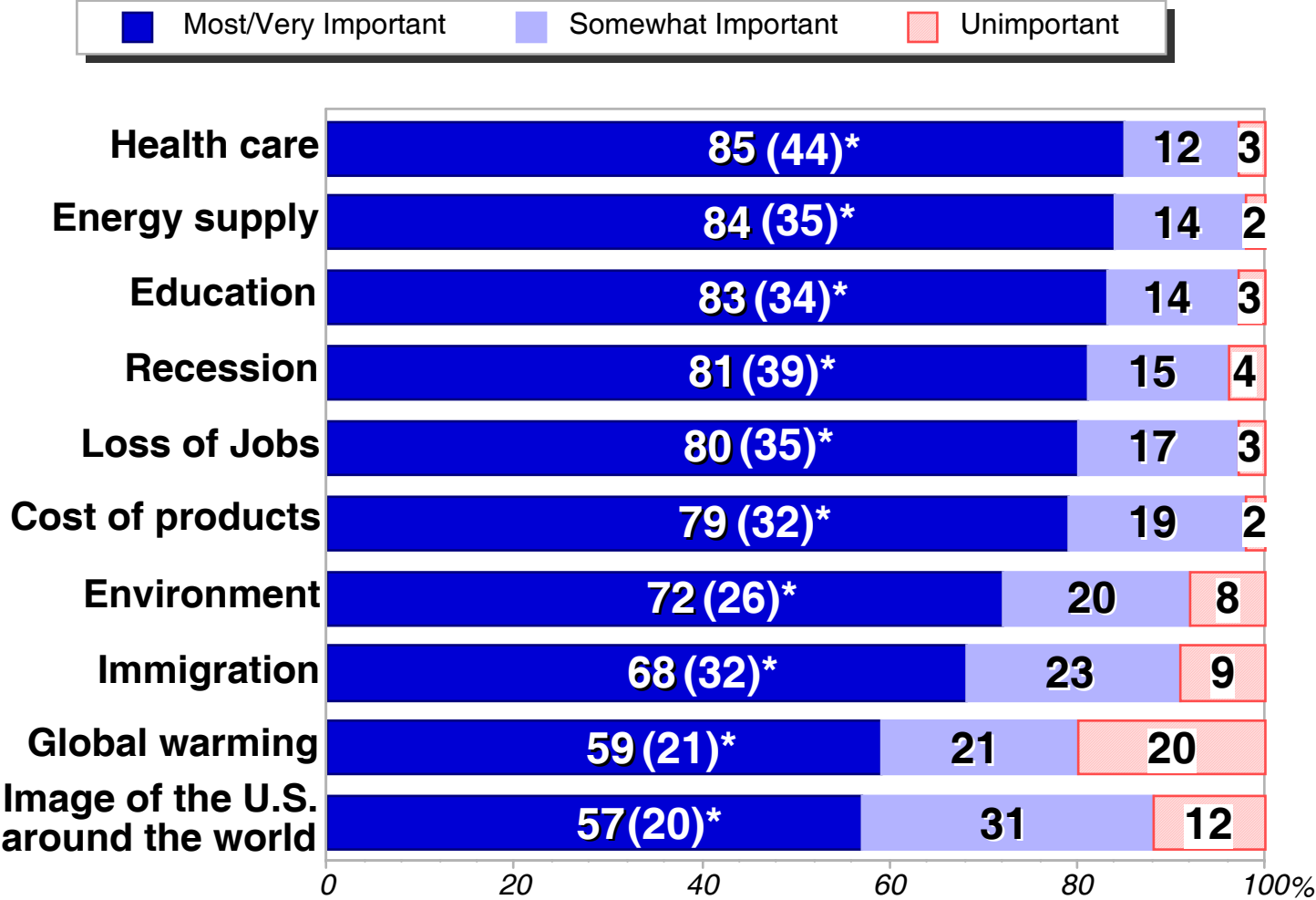
Perceptions of the U.S. Energy Problem

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Energy Supply is a Top Issue

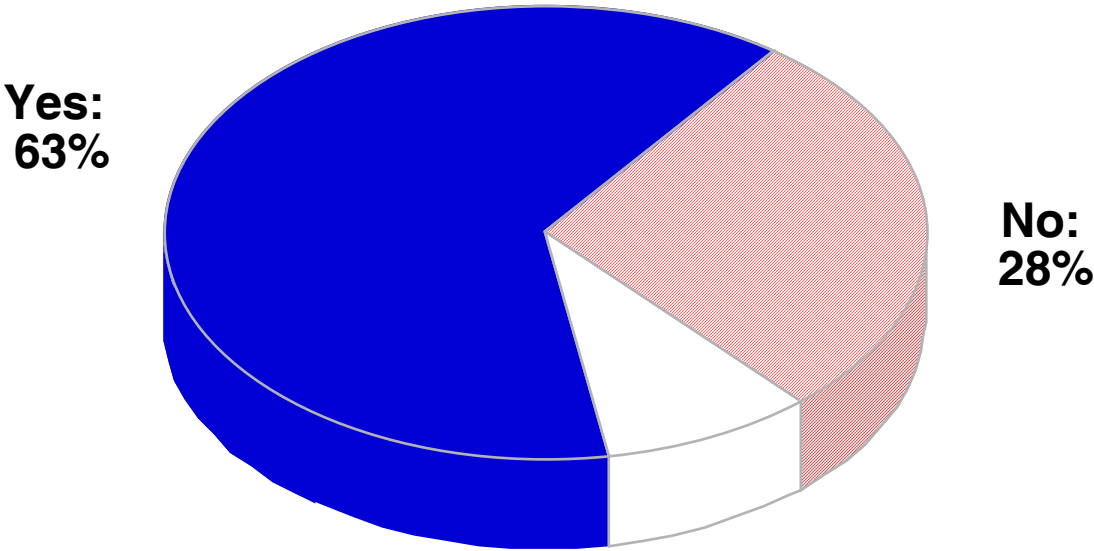
Please rate the importance of various issues facing our country.



*Indicates % most important

Concern About Critical Energy Shortages

Do you think we currently face critical energy shortages in this country, or not?

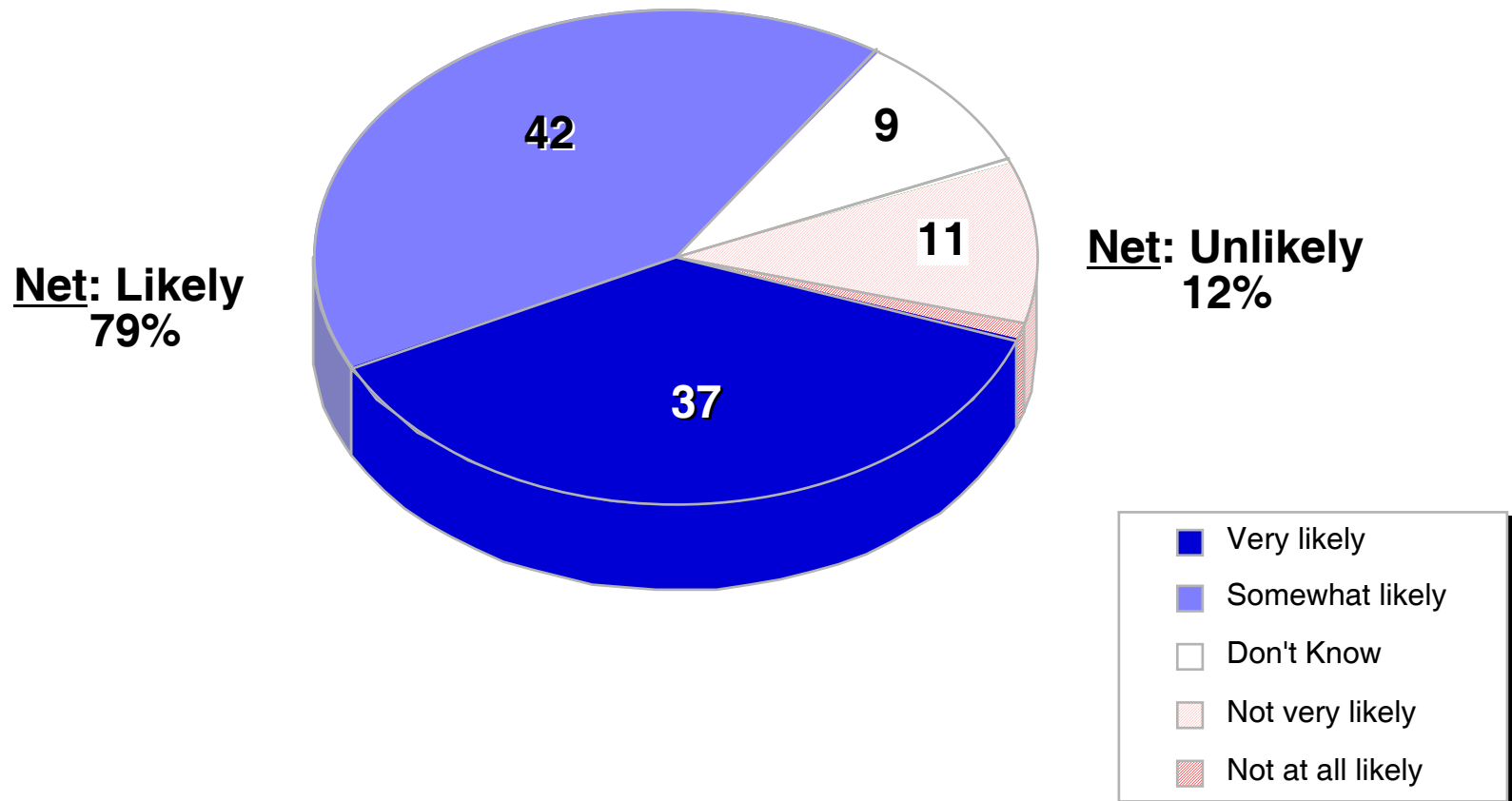


Fact: Growing worldwide demand for energy is creating an increasingly a tight supply of energy.

Source: U.S. DOE/EIA International Energy Outlook 2007.

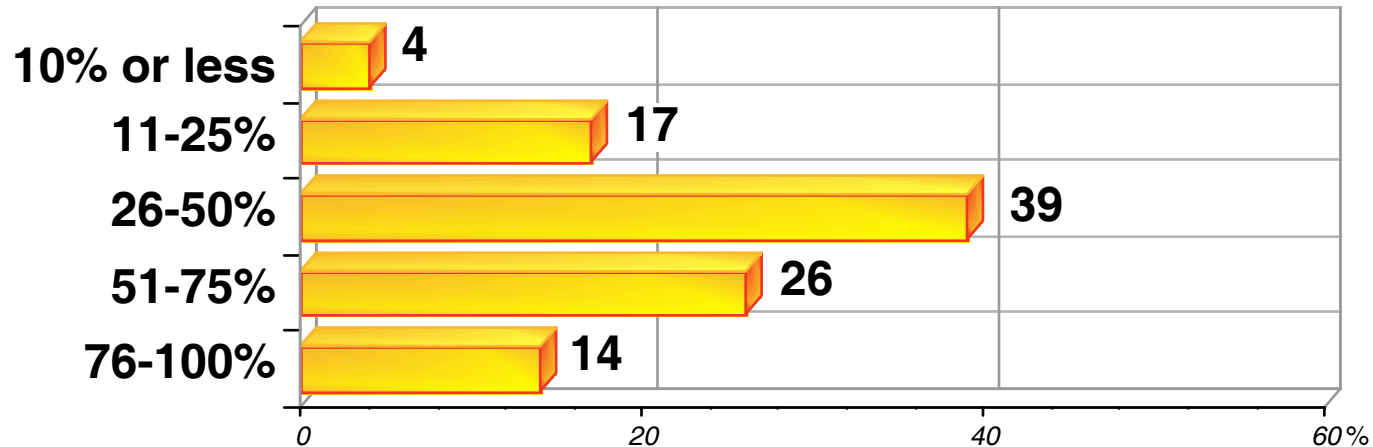
Americans Concerned About Future Energy Shortfall

How likely do you think it is that over the next 10 years the US will face a shortfall of energy available compared to what we need? Would you say it is very likely, somewhat likely, not very likely, or not at all likely?



Americans Overestimate Consumption

The population of United States makes up 5% of the world's global population. How much of the world supply of energy do you think the US consumes? Please enter any number 0-100%.



Mean: 49%

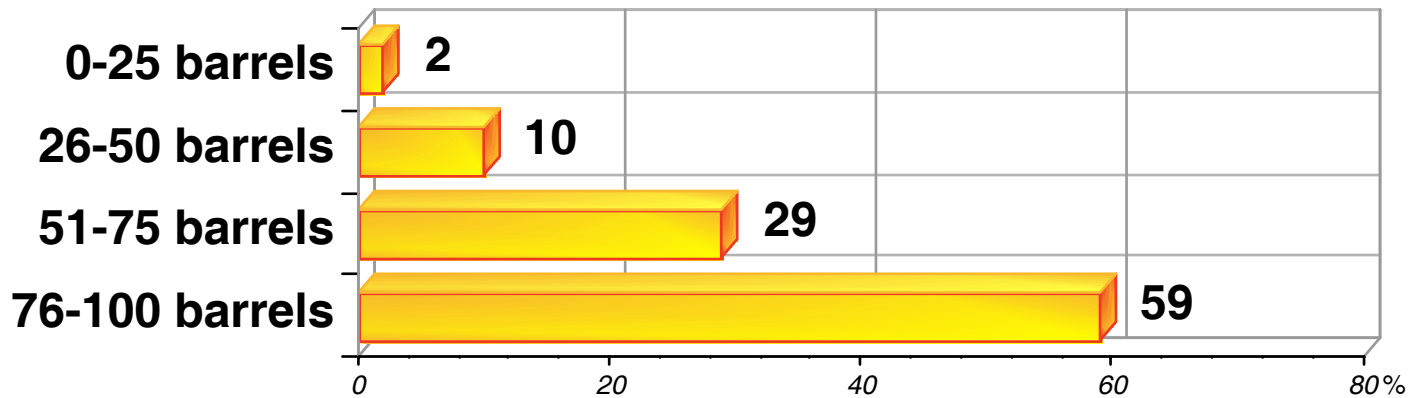
	<u>%</u>
Too low (0-21%)	12
Correct answer (22-28%)	9
Too high (29-100%)	79

Fact: Today, the U.S. accounts for 22% of the world's energy consumption. Energy demand in the U.S. is projected to increase at an average rate of 0.7% per year over the next twenty years.

Source: U.S. Department of Energy Annual Energy Outlook 2008 (EIA).

Perceptions of Amount of Oil Imports

Out of every 100 barrels of crude oil consumed in the United States how many barrels do you think are imported from countries outside the US? Please enter any number 0-100.



Mean: 78 barrels

	<u>%</u>
Too few (0-53 barrels)	12
Correct answer (54-66 barrels)	9
Too many (67-100 barrels)	79

Fact: The U.S. currently imports over 60% of its oil, or 60 of 100 barrels – not as high as Americans estimate. Still, U.S. crude oil production peaked in 1970 and has declined gradually since then, so imports have steadily increased.

Source: U.S. Department of Energy/International Energy Agency.

Countries Providing Most U.S. Crude Oil

From which countries do you think the US imports most of that oil? Check all that apply.

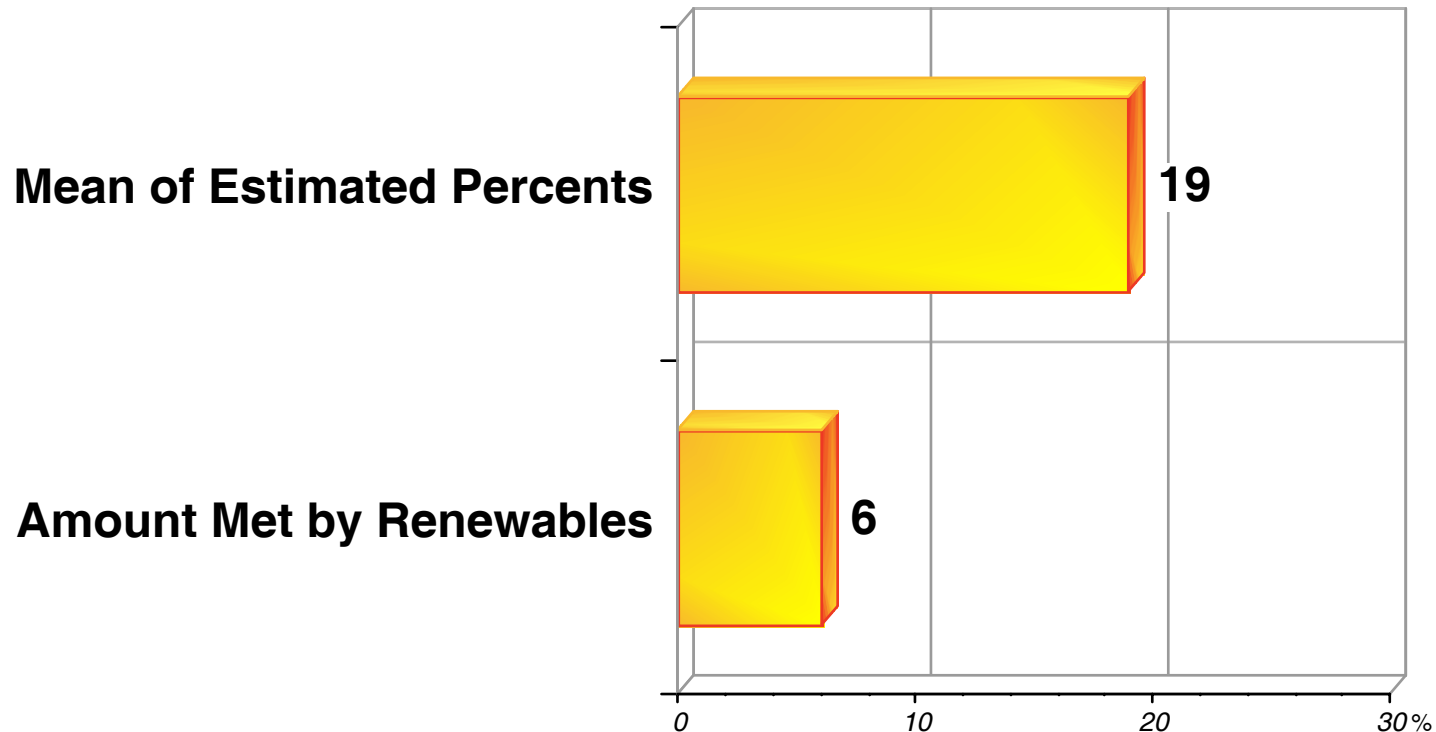
	%		%
Saudi Arabia	69	Russia	6
Kuwait	50	Algeria	5
Iraq	45	Ecuador	3
United Arab Emirates	40	India	3
Venezuela	35	United Kingdom	3
Iran	29	Angola	2
Mexico	19	Azerbaijan	2
Canada	18	China	2
Libya	11	Norway	2
Colombia	9	Netherlands	1
Nigeria	8	Virgin Islands	1
Brazil	7	Other	2

Fact: Canada provides the most crude oil to the U.S. Nigeria, Venezuela and Mexico also provide large proportions of crude oil, in addition to Saudi Arabia.

Source: U.S. Department of Energy/International Energy Agency.

Proportion of Energy Needs Met By Non-Oil & Gas (Renewable) Sources

Thinking of all the energy requirements of US consumers and businesses, what percent between 0 and 100 do you think are met by non-oil and natural gas sources, such as solar, wind, or hydrogen? Please enter any number 0-100%.

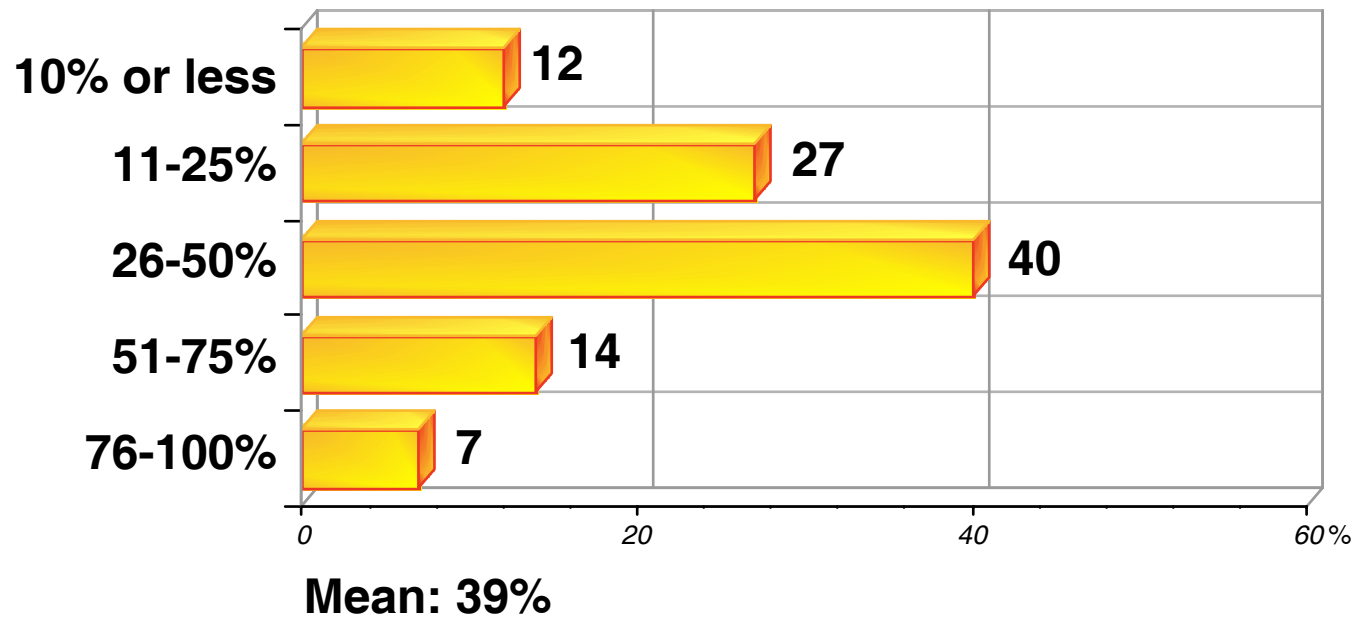


Fact: On average, Americans estimate that non-hydrocarbon sources of energy currently provide 19% of our current U.S. energy needs. Renewable sources of energy only amount to roughly 6% of U.S. energy consumption and nuclear accounts for another 8%. Oil, natural gas, and coal account for 85% of the U.S. energy mix.

Source: U.S. Department of Energy Annual Energy Outlook 2008

High Expectations for Future Energy Needs Met By Renewable Sources

Ten years from now, of all the energy requirements of US consumers and businesses, what percent between 0 and 100 do you think will be met by non oil and natural gas sources, such as solar, wind, or nuclear power? Please enter any number 0-100%.



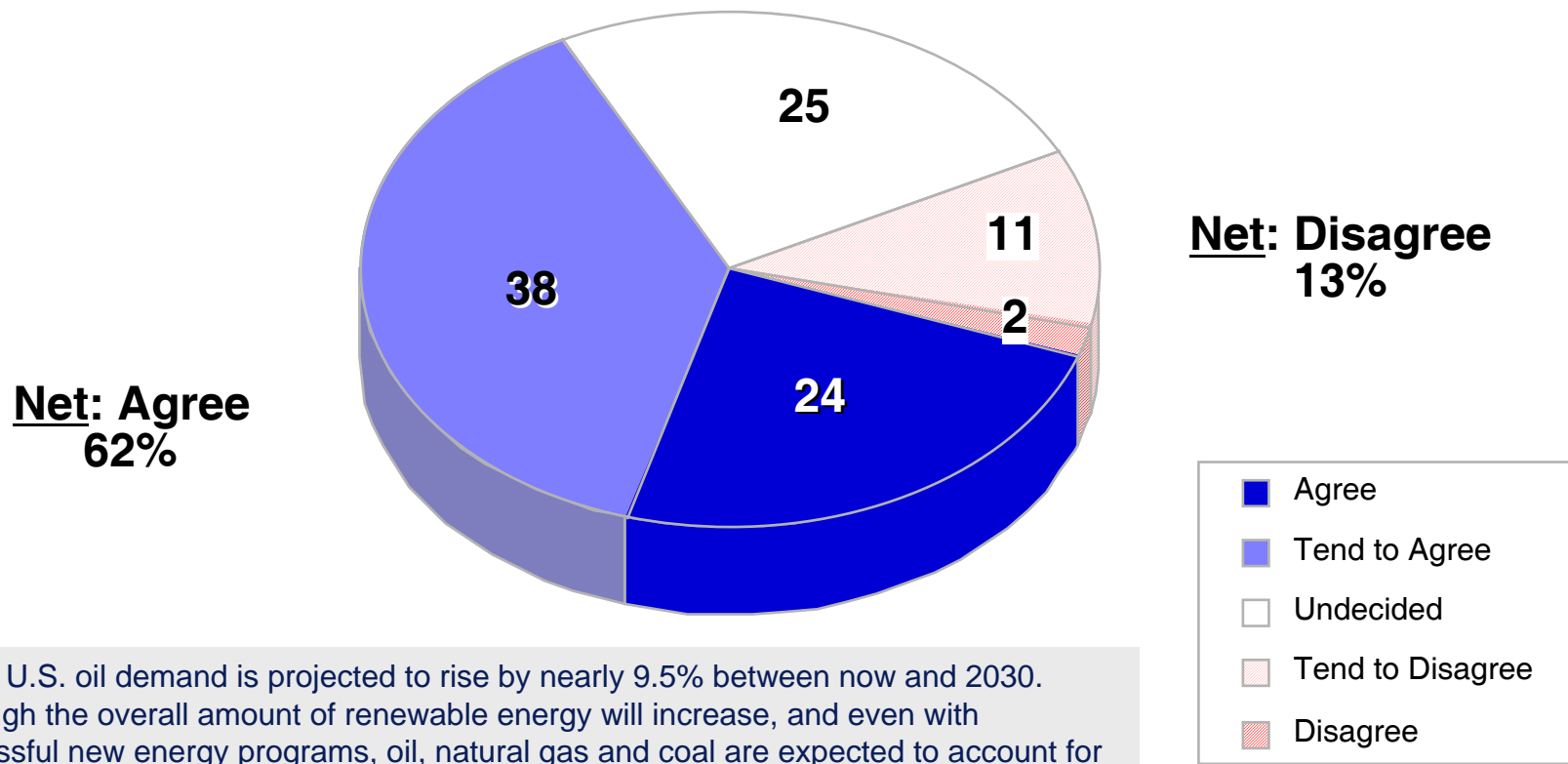
Fact: Over the next 10 to 20 years renewable energy is expected to grow dramatically, but total energy demand continues to rise and the overall energy mix is expected remain similar to today. Renewables are expected provide less than 10% of U.S. energy needs over this time period; yet Americans estimate four times that to 39% on average.

Source: U.S. Department of Energy Annual Energy Outlook 2008.

Belief That Future Oil Consumption Can Be Reduced

For the following statement, please indicate whether you agree tend to agree, tend to disagree, or disagree:

By 2030 US consumption of oil can be reduced by 35 percent.

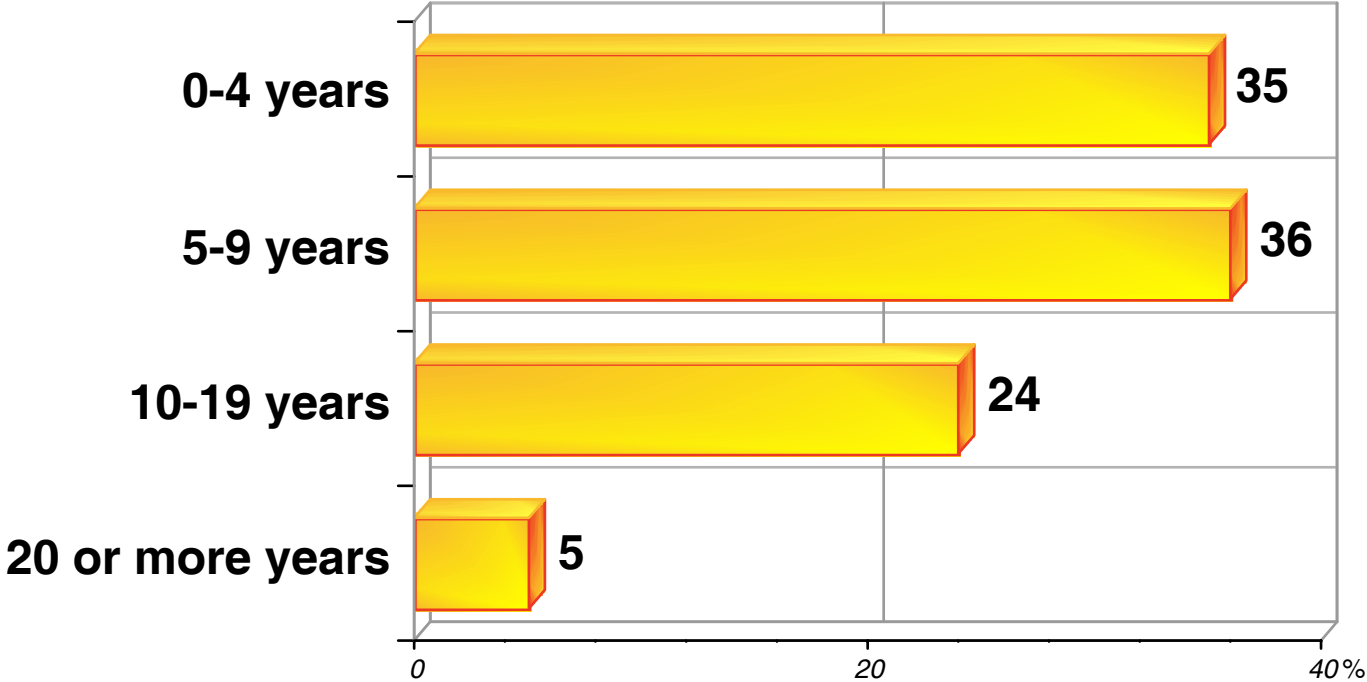


Fact: U.S. oil demand is projected to rise by nearly 9.5% between now and 2030. Although the overall amount of renewable energy will increase, and even with successful new energy programs, oil, natural gas and coal are expected to account for over 80% of domestic energy consumption in 2030.

Source: U.S. Department of Energy Annual Energy Outlook 2008.

Oil Discovery to Marketplace

Once an oil discovery is made, how many years do you think it usually takes for that oil to come to the marketplace for consumers?



Mean: 7 years

Fact: It can take decades from discovery to full production for a major oil field. In addition to time, today's energy production takes enormous scale and capital investment.

Attitudes Toward Energy Supply Solutions

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Most Prefer Balanced Approach to Ensuring Future Energy Security

Which of these options comes closest to what you think we need to ensure our future Energy Security in the US?

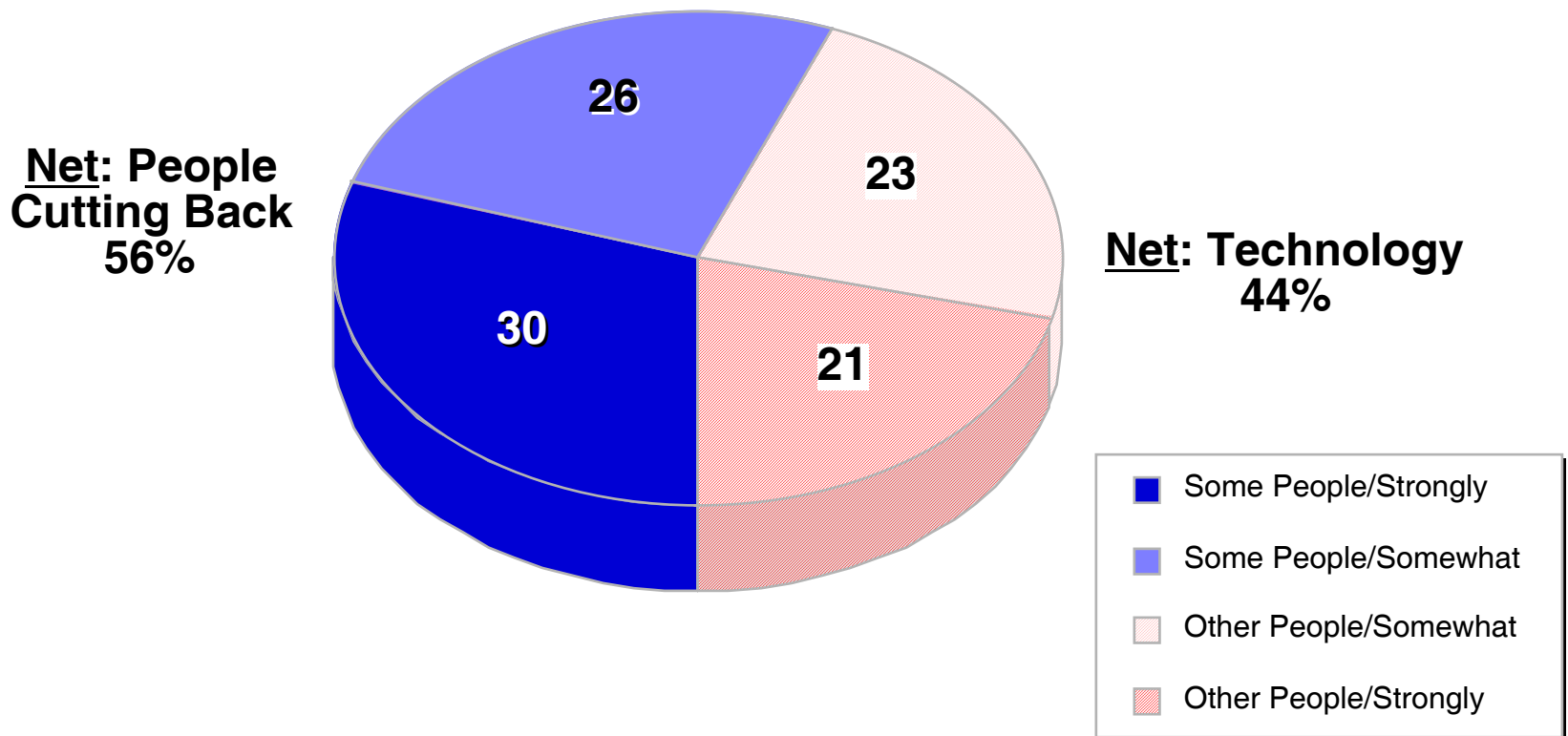
	%
A balance of access to US sources of oil and gas and renewable energy sources for the future.	43
Developing future renewable energy sources such as solar and wind	35
Allowing more access to untapped oil and natural gas available here now in the U.S.	20
Don't know	2

Americans See Conservation As Cutting Back & Applying Technology

Which of the following statements comes closer to your view.

Some People Say: that energy conservation depends on people cutting back on their use of cars and electricity.

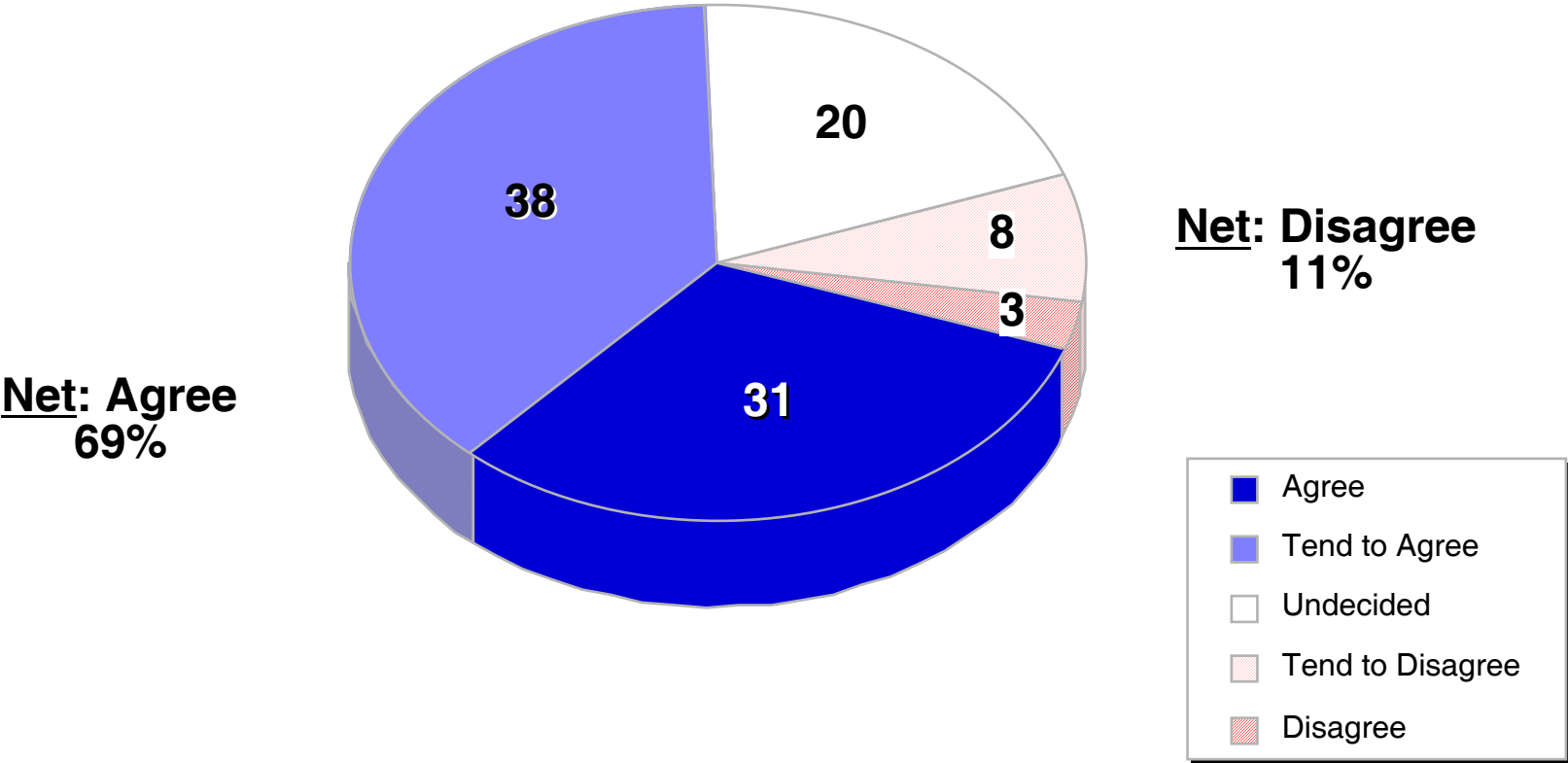
Other People Say: that energy conservation depends on technology to produce more efficient cars and electricity.



Future Automobile Gas Efficiency

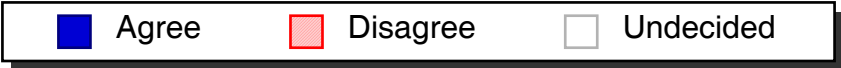
For the following statement, please indicate whether you agree tend to agree, tend to disagree, or disagree:

By 2030 the average automobile in the US can get 55 miles to the gallon.

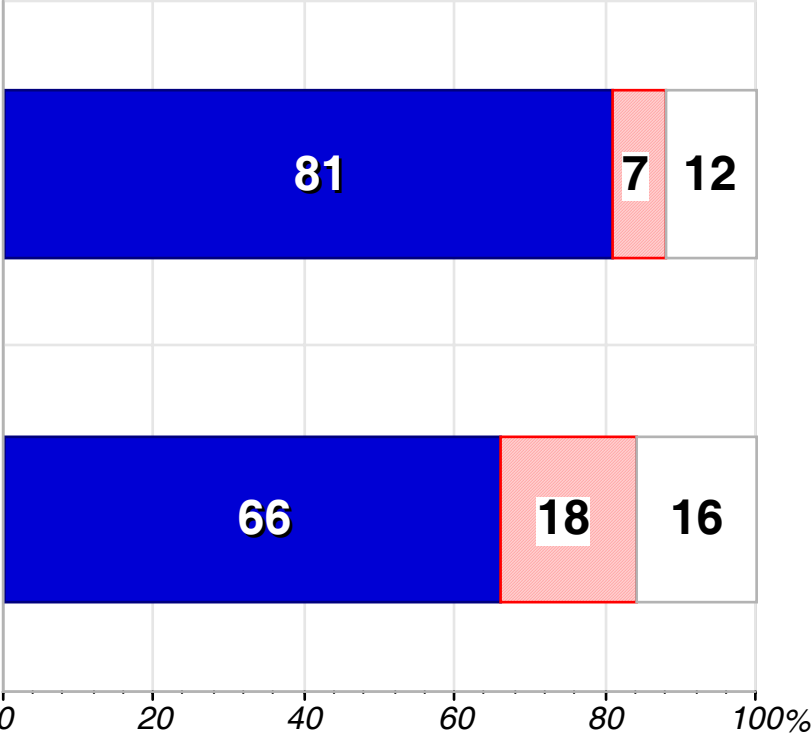


Energy Efficiency and U.S. Production Both Essential

For each of the following statements, please indicate whether you agree tend to agree, tend to disagree, or disagree.



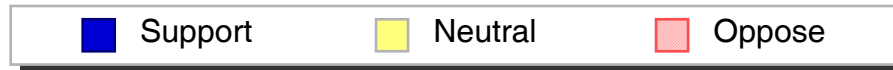
Improving energy efficiency is the first and best source of new energy.



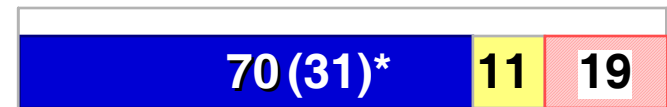
There is much untapped oil and natural gas and coal resources in the US, permitting access to these resources is essential.

Support for Expanding U.S. Energy Supply

Please rate how positive or negative you feel toward each of the following actions to expand US energy supply using a 7 point scale. A value of one means you “*strongly support*” and seven means “*strongly oppose*”. Please select any number 1 through 7 that best corresponds with your opinion.



Drilling for oil and natural gas offshore in the U.S. in the Gulf of Mexico.



The US Government allowing more access for companies to develop oil and natural gas resources in the US.



Streamlining permitting processes to allow refinery capacity to be expanded.



Expansion of energy sources such as oil shale and tar sands in Rocky Mountain states.



Building more facilities to import and re-gasify natural gas.



Allowing oil companies to drill for oil in Alaska at the Alaska National Wildlife Refuge.



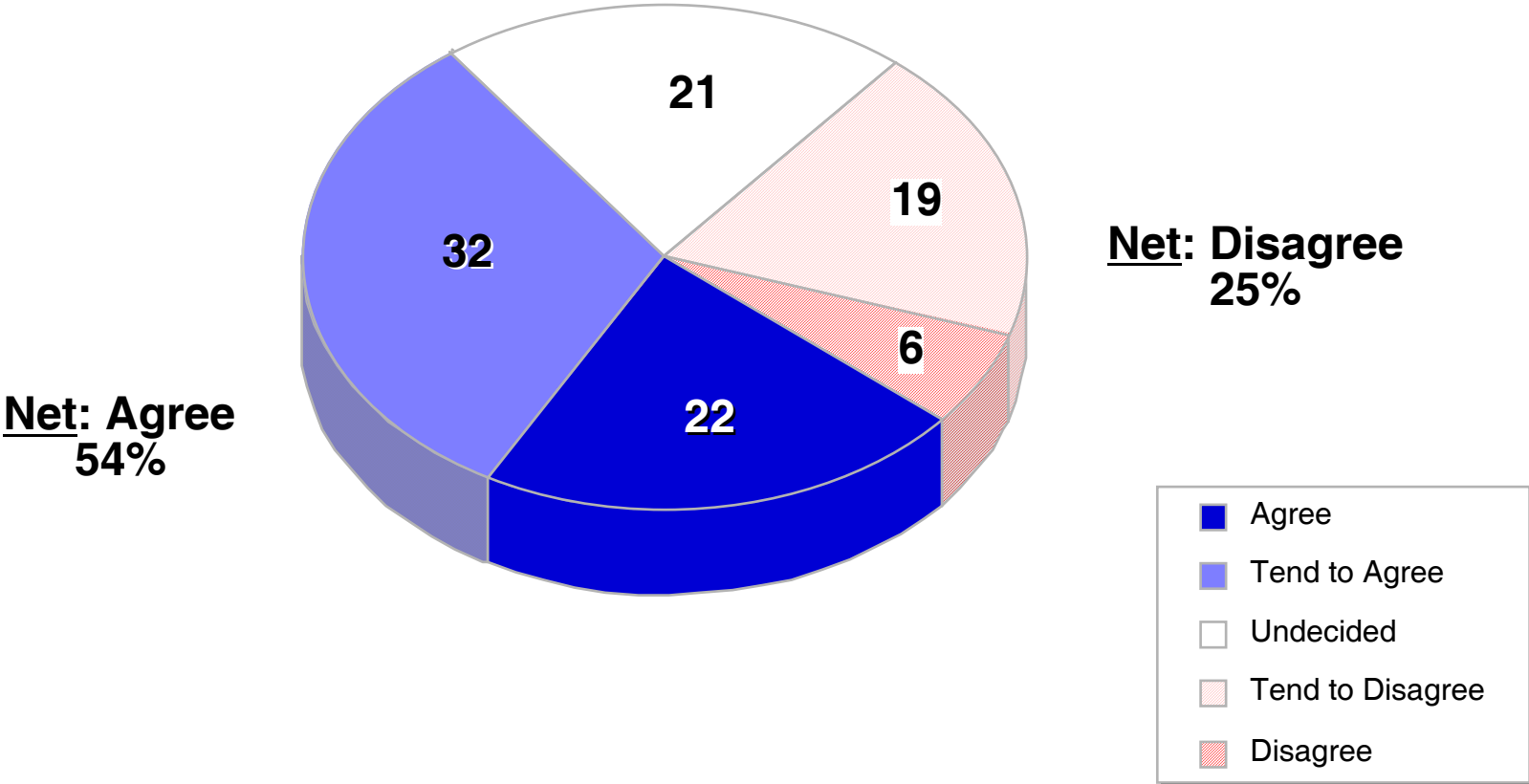
0 20 40 60 80 100%

*Indicates % *strongly support*

Less Business Investments Result From Increased Taxes

For the following statement, please indicate whether you agree tend to agree, tend to disagree, or disagree:

If the Government increases taxes on a business that business has less to invest in discovering new products for its customers.



Survey Methodology

Mode	Web Survey
Audience	Informed Americans
Sample Size	1000n National
Field Dates	March 14 - 19, 2008
Length	56 questions
Margin of Error	+/-3.1
Sponsor	Chevron Corporation