Understanding Business Action on Climate Change: Service Station Owners and Alternative Fuels

Climate Change in the Great Lakes Region Conference, April 9th, 2008
Rich Grogan
Agenda

- My research
- The role of information
- Reasons for and against pump installation
- The future…
Only 3.3% of US gas stations offer any form of alternative fuel(1)

Further, a lack of infrastructure is blamed for limited adoption:

“We expressed to the President that we are willing to lead the way, but we need government and fuel providers to increase infrastructure before we can make a meaningful impact” (Joint Statement of CEOs of Ford, Chrysler, & GM, Stoffer, 2007).

My Research

- Mapping the communication environment in the alternative fuels movement...as related to service station owners
- Interviews with 15 stakeholders in Michigan’s service station & alternative fuels community
The Role of Information

- Information has a long history of importance in the adoption of new innovations (Rogers, 2003)

- Based on this history:
  - What information gets to service station owners about alternative fuels?
  - Do they use this information?
  - What factors, other than information, influence their decisions?
The Role of Information

- Types of information
  - Associations, but not alternative fuel associations
  - Sales information
  - Targeted mailings based on incentives
  - “The Media” (broadly) and “The Internet” (broadly)

- Inconsistent information persists
  - Resource constraints – alternative fuels associations
  - Incentive program challenges
  - Evolving regulatory framework
Reasons for Pursuing Alternative Fuel Infrastructure

- “The right thing to do”
- Energy independence
- Interpersonal influencers

Image: National Ethanol Vehicle Coalition (www.e85fuel.com)
Reasons Not to Pursue Alternative Fuel Infrastructure

- **Cost**
  - Must be supplemented by other lines of business
  - Out of reach of many independents – even corporate station owners must search for economic efficiencies

- **Uncertainty: Will this last forever?**
The Future

- Agreement that ethanol, in particular, is only a first step
- What’s next – how do I plan for that? Electric cars?
Conclusions

- Alternative fuel information sources are cash-strapped
- So much of decision making depends on economics; made more difficult in a low-margin industry
- Thus far government incentives have not made it worth while
- Ethanol (E85) is a first step – differing concepts of what the next steps will be...