# 行政院國家科學委員會補助專題研究計畫 v 成果報告 期中進度報告

# (計畫名稱)

氣候變遷趨勢下國人對核能的態度及願付價值分析— 考量多重外部性

計畫類別: 個別型

計畫編號: NSC97-2410-H-005-003-SSS

執行期間: 97年08月01日至98年07月31日

計畫主持人:曾偉君

共同主持人: 計畫參與人員:

成果報告類型(依經費核定清單規定繳交): V□精簡報告□完整報告

本成果報告包括以下應繳交之附件:

□赴國外出差或研習心得報告一份

□赴大陸地區出差或研習心得報告一份

□出席國際學術會議心得報告及發表之論文各一份

□國際合作研究計畫國外研究報告書一份

處理方式:除產學合作研究計畫、提升產業技術及人才培育研究 計畫、列管計畫及下列情形者外,得立即公開查詢 □涉及專利或其他智慧財產權,□一年□二年後可公 開查詢

執行單位:國立中興大學應用經濟學系(所)

中華民國98年10月29日

# Title: Analysis of the attitude toward nuclear energy and willingness to pay under climate changes trend: multiple externalities considered

#### **ABSTRACT**

Since both the supporters of nuclear power generation and those against have much influence politically, this study therefore uses willingness to pay (WTP) to show how strong the opinions are on both sides in order to help with the decision making. Those interviewed are first asked about their attitudes to nuclear power, and then both those in favor and those against nuclear power generation are asked double-bounded willingness-to-pay questions. The data for these two types are then combined in a modified model to increase the estimation efficiency. The empirical results confirm that global warming-related variables are important factors associated with WTP. About 2% more of those opposed to nuclear power generation are willing to pay than the supporters. Meanwhile, the median WTP of those supporters who are willing to pay is US\$146.31 per year, while the median WTP of those opponents who are willing to pay is US\$164.85 per year.

*Key Words*: Nuclear power, Contingent valuation method, Double-bounded model, Negative willingness to pay, Climate change

# 中文摘要

核能發電的支持者和反對者在政治上都非常有影響力,因此本研究使用願付價值(WTP)來顯示雙方面意見的強度,以幫助決策。受訪者首先被詢問他們對於核能的態度,然後贊成者和反對者分別被詢問雙界二元選擇願付價值的問題。接著本研究修改模型來結合這兩種類型的數據以增加估計效率。實證結果確認,有關全球暖化的變數是影響願付價值的重要因素。此外,願意支付金錢的核能發電的反對者,大約比支持者多2%。同時,願意支付金錢的核能發電的支持者的WTP中位數是每年146.31美元,而願意支付金錢的核能發電的反對者的WTP中位數是每年164.85美元時。

關鍵字: 核能;條件評估法;雙界二元選擇模型;負的願付價值;氣候變遷

# 報告內容:

## 前言

The first wave of the world trend toward nuclear energy began in the mid-1950s, reached a peak in the 1960s, and was followed by the rise of the environmental protection movement in the 1970s. However, the 1979 Three Mile Island accident and the 1986 Chernobyl nuclear catastrophe [57] brought this first wave of the trend toward nuclear energy to an abrupt end. After more than 20 years of relatively little in terms of new developments, there has been a rejuvenation of the industry in recent years. For example, although the U.S. has not built new nuclear power plants since 1979 for a period of about 30 years, there have recently been some 26 applications for nuclear reactor stoves [14], with at least another 7 expected [46]. The main factors underlying this rejuvenation have been global warming and the increases in oil prices. The implementation of a carbon tax has also made the price of fossil fuel to go up even further [8, 18, 25]. Nuclear power is an important form of energy that is cheap, can be steadily supplied, and has low carbon emissions, thus having lower external costs [47]. However, it does give rise to nuclear waste [45, 47] and accident risks [36, 47, 50]. In many countries as well as in Taiwan where fossil fuel stocks are low, more domestically produced nuclear energy implies less dependence on foreign energy sources and a relatively sustainable supply, thereby ensuring future energy security.

#### 文獻探討

The electricity generated by nuclear energy accounts for about 20% of all electricity currently generated in Taiwan. A key question that needs to be asked is whether Taiwan's energy policy will rely on nuclear energy even more in the future. The decision regarding nuclear energy has two dimensions. First, it especially relies on the professionalism of specialists because nuclear energy requires various kinds of

advanced knowledge. Second, people's opinions and preferences are also important [34, 73]. Yet, relatively little is known about these social valuations [26]. The contingent valuation method (CVM) that popular in non-market studies (for example, [1, 2, 33, 37, 40, 41, 51, 58, 65, 71, 74, 77] is a method designed to reveal preference. While there are some WTP studies that are concerned with energy (such as [66]), much of the focus of WTP is on renewable energy (such as [4, 5, 7, 9, 11, 47, 54, 61, 62, 63, 64, 67, 72]). In relation to this line of the literature, there are also many studies that estimate the WTP in relation to climate change (such as [20, 21, 28, 39]).

However, few studies have estimated WTP that is closely related to nuclear power. One of the focuses of these studies is on nuclear risks [43, 48]. Riddel and Shaw [48] found that the per household cost associated with the health and safety risks of storing high-level nuclear waste was \$17,128 annually, while Itaoka et al. [43] focused on the WTP related to reducing the mortality risk. A WTP study closely related to nuclear energy is that of Li et al. [26], who estimated the WTP for energy research and development (R&D) to reduce US reliance on fossil fuels. One of their five major tests was that the inclusion of nuclear energy would reduce WTP. Besides an emphasis on R&D based on crop-based and renewable resources, nuclear power was tested by means of a split-sample treatment. Li et al. [26] found that the estimated parameter of nuclear power was not statistically significant across all the maximum likelihood estimations, or across all the Bayesian estimations using different coding for the answers in order to handle the uncertainty associated with the responses. They concluded that there was no evidence that supported the view that the inclusion of nuclear power in the R&D energy alternatives had a "poison pill" effect.

There are a number of papers that have touched on the issue of nuclear power. For example, Koundouri et al. [54] asked consumers to rank energies including nuclear but WTP for wind power was the purpose of the estimation. Similarly, Longo et al.

asked respondents to state whether or not other energies were environmentally friendly and whether or not nuclear power was not so environmentally friendly. However, the WTP for renewable energy, especially CO<sub>2</sub> reduction was the target estimate in Longo et al. [47]. In addition, MacMillan et al. [17] estimated the WTP for wind to replace fossil fuels and nuclear energy.

# 研究目的

It is our intention to estimate the WTP for an increase in the nuclear power ratio and the WTP for a decrease in the nuclear power ratio. To achieve this goal, we formulate a methodological objective.

## 研究方法

The typical CVM methodology evaluates goods or environmental changes with non-negative values only (for example, [26, 28, 51, 52, 65, 74, 77]). There are other models, such as spike models, that allow for negative WTP as well as positive WTP [10, 52]. The opinions regarding nuclear power are controversial on both sides, and thus negative WTP is substantial. As Bohara et al. [6] pointed out, it is important to make efforts *ex ante* to identify whether the negative WTP is substantial. A new model is thus needed. For this reason, we appropriately handle negative WTP through an *ex ante* survey design and build a model that allows for 'negative WTP'. This model is a modification of the typical double-bounded CVM model. To this end, we identify the supporters and those who are against first. We then use maximum likelihood estimation on the combined observations of nuclear-supporters and the observations of those opposed to nuclear power by using dummy variables to increase the estimation efficiency. Finally we estimate the WTPs of both the supporters and opponents, respectively. In this way, the negative WTP issue in this study is well managed.

## 結果與討論(含結論與建議)

Since carbon emissions from using fossil fuels are increasing, it is becoming increasingly clear that a migration to non-greenhouse gas emitting fuels is necessary. As one of the major non-fossil fuels but with many positive externalities and negative environmental and health effects, nuclear power is a controversial choice. In Taiwan, both sides that support or oppose nuclear power are strong and are comparable in size. However, there has not been a nationwide study performed to examine people's preferences regarding this issue. Thus it is important to understand whether and how strongly the Taiwan public supports or opposes nuclear power.

This study confirms that both supporters of and those opposed to nuclear power are comparable. In terms of opinions, about 3% more people thought that the ratio of nuclear power should increase than those who thought that it should decrease. However, in terms of the number of respondents who were willing to pay, 2% more were willing to pay to decrease nuclear power. Finally, in terms of the willingness to pay, the number of those who believed that nuclear power should decrease surpassed the number of those who thought that it should increase by 12.67%. These findings echo Kim [69] who observed that the fossil fuels and nuclear power have the highest external costs, and renewable resources [4, 5, 7, 9, 11, 20, 21, 28, 39, 47, 54, 61, 62, 63, 64, 67, 72] need to be emphasized in the future. The results are of some importance when an energy policy and greenhouse gas decrement policy is drafted. In spite of the careful design and conduct of this study, more exquisite studies are expected due to the relevance of this hotly-debated issue. However, this paper does provide a new way to evaluate public attitudes regarding nuclear energy in relation to climate change.

#### References

- [1] A. Alberini, A. Longo, Valuing the cultural monuments of Armenia: Bayesian updating of prior beliefs in contingent valuation. Environ. Plann., 41, 441-460 (2009).
- [2] A. Alberini, P. Rosato, A. Longo, V. Zanatta, I nformation and willingness to pay in a contingent valuation study: The value of S. Erasmo in the Venice Lagoon. J. Environ. Plann. Man., 48, 155-175 (2005).
- [3] A. Alberini, Testing willingness to pay of discrete choice contingent valuation survey data. J. Environ. Econ. Manag., 28, 287-306 (1995).
- [4] A. Bergmann, N. Hanley, R. Wright, Valuing the attributes of renewable energy investments, Energ. Policy 34, 1004–1014 (2006).
- [5] A. Hansla, A. Gamble, A.Juliusson, T. Gärling, Psychological determinants of attitude towards and willingness to pay for green electricity. Energy Policy, 36(2), 768-774 (2008).
- [6] A.K. Bohara, J. Kerkvliet, R.P. Berrens, Addressing negative willingness to pay in dichotomous choice contingent valuation. Environ. Resour. Econ., 20(3),173-195 (2001).
- [7] A.M. Borchers, J.M. Duke, G.R. Parsons, Does willingness to pay for green energy differ by source? Energ. Policy, 35(6), 3327-3334 (2007).
- [8] A.S. Siddiqui, C. Marnay, J. L. Edwards, R. Firestone, S. Ghosh, M. Stadler, Effects of carbon tax on microgrid combined heat and power adoption. J. Energ. Eng., 131(1), 2-25 (2005).
- [9] B. Byrnes, C. Jones, S. Goodman, Contingent valuation and real economic commitments: Evidence from electricity utility green pricing programmes, J. Environ. Plann. Man. 42, 149–166 (1999).
- [10] B. Kriström, Valuing environmental benefits using the contingent valuation method An econometric analysis. Ph.D. thesis, Umeå Econ. Stud. No. 219. University of Umeå, Umeå, Sweden (1990).
- [11] B.C. Farhar, A.H. Houston, Willingness to pay for electricity from renewable energy. Report Number(s) NREL/TP--460-21216, National Renewable Energy Lab., Golden, CO, United States (1996).
- [12] C. Jo, The influence of greenhouse gas on developments in international nuclear energy. Taiwan Economic Research, 30(8), 66-70 (2007). (in Chinese)
- [13] C. Marta-Pedrosa, H. Freitas, T. Domingos, Testing for the survey mode effect on contingent valuation data quality: A case study of web-based versus in-person interviews. Ecol. Econ., 62, 388-398 (2007).

- [14] Combined License Applications, 2009. New Reactors, United States Nuclear Regulatory Commission (U.S.NRC). http://www.nrc.gov/reactors/ new-reactors/ col.html (Sep. 2009).
- [15] Commission of the European Communities, 2008. Commission of the European Communities, Proposal for a Directive of the European Parliament and Council on the promotion of the use of energy from renewable energy sources. 2008/0016, Brussels. 23rd (Jan. 2008).
- [16] D. Bratt, Implementing Kyoto in Canada: The role of nuclear power. Energ. J., 26(1), 107-21 (2005).
- [17] D. MacMillan, N. Hanley, N. Lienhoop, Contingent valuation: Environmental polling or preference engine? Ecol. Econ., 60(1), 299-307 (2006).
- [18] D. Pearce, The role of carbon taxes in adjusting to global warming. Econ. J., 101(407), 938-948 (1991).
- [19] D. Sui, The compass that points to the nuclear energy rejuvenated. Taiwan Nuclear Electricity, 296, 73-79 (2007). (in Chinese)
- [20] D.F. Layton, G. Brown, Heterogeneous preferences regarding global climate change. Rev. Econ. Stat., 82, 616–624 (2000).
- [21] D.F. Layton, R.A. Levine, How much does the far future matter? A hierarchical Bayesian analysis of the public's willingness to mitigate ecological impacts of climate change. J. Am. Stat. Assoc., 98, 533–544 (2003).
- [22] E. Kintisch, Climate change—meanwhile, back in Washington. AAAS, Science, 316(5826), 813–814 (2007).
- [23] E. Marris, Bush's climate plan 'nothing new', Nature. 447 (7145), 618–619 (2007).
- [24] Energy Information Agency, Emission of Greenhouse Gasses in the United States 2005. U. S. Department of Energy, DOE/ EIA-0573, Washington DC. (2006).
- [25] G.E. Metcalf, Designing a carbon tax to reduce U.S. greenhouse gas emissions. Review of Environmental Economics and Policy. doi:10.1093/ reep/ ren015 (forthcoming).
- [26] H. Li, H.C. Jenkins-Smith, C.L. Silva, R.P. Berrens, K.G. Herron, Public support for reducing US reliance on fossil fuels: Investigating household willingness-to-pay for energy research and development, Ecol. Econ., 68, 731-742 (2009).
- [27] H. Li, R.P. Berrens, A.K. Bohara, H.C. Jenkins-Smith, C.L. Silva, D.L. Weimer, Would developing country commitments affect US households' support for a modified Kyoto Protocol? Ecol. Econ., 48(3), 329-343 (2004a).

- [28] H. Li, R.P. Berrens, A.K. Bohara, H.C. Jenkins-Smith, C.L. Silva, D.L. Weimer, Telephone versus internet samples for a national advisory referendum: Are the underlying stated preferences the same? Appl. Econ. Lett., 11(3), 173-176 (2004b).
- [29] H.C. Jenkins-Smith, K.G. Herron, American views on energy and environmental security: comparing phone and Internet surveys: 2006. Sandia Report: SAND2006-7236P. Sandia National Laboratories, Albuquerque, NM (2007).
- [30] IPCC, Summary for policymakers, in: Metz, B., Davidson, O.R., Bosch, P.R., Dave, R., Meyer, L.A. (Eds.), Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, University Press, Cambridge, United Kingdom and New York, NY, USA (2007).
- [31] IPCC, Intergovernmental Panel on Climate Change. The Scientific Basis. Eds. J. T. Houghton, Y. Ding, M. Nogua, D. Griggs, P. Vander Linden, K. Maskell, Cambridge Univ. Press., Cambridge, U.K. (2001).
- [32] J. Goldemberg, Using nuclear energy to generate electricity has limited glamor. The Scientific One, 66, 121 (2007). (in Chinese)
- [33] J. Hammitt, J.T. Liu, J.L. Liu, Contingent valuation of a Taiwanese wetland. Environ. Dev. Econ., 6(2), 259-268 (2001).
- [34] J. Palfreman, A tale of two fears: Exploring media depictions of nuclear power and global warming. Rev. Policy Res., 23(1), 23–43 (2006).
- [35] J.A. Arar, D. Southgate, Evaluating CO2 reduction strategies in the US. Ecol. Model. 220(4), 582-588 (2009).
- [36] J.C. Kaiser, P. Jacob, M. Blettner, S. Vavilov, Screening effects in risk studies of thyroid cancer after the Chernobyl accident. Radiat. Environ. Bioph., 48(2), 169-179 (2009).
- [37] J.C. Whitehead, C.B. Glenn, J.H. Thomas, B.C. William, Assessing the Validity and Reliability of Contingent Values: A Comparison of On-site users, Off-site users, and Non-users, J. Environ. Econ. Manage., 29, 81-96 (1995).
- [38] J.D. Yo, Analysis of the prospects and disputes about nuclear energy, Chemical Information and Market Conditions, 53(11), 86-94 (2007). (in Chinese)
- [39] J.J. Lee, T.A. Cameron, Popular support for climate change mitigation: Evidence from a general population mail survey. Environ. Resour. Econ., 41(2), 223-248 (2008).
- [40] J.T. Liu, J.K. Hammitt, J.D. Wang, J.L. Liu, Mother's willingness to pay for her own and her child's health: A contingent valuation study in Taiwan. Health Econ., 9, 319-326 (2000).

- [41] J.T. Liu, J.K. Hammitt, J.D. Wang, M.W. Tsou, Valuation of the risk of SARS in Taiwan. Health Econ., 14, 83-91 (2005).
- [42] K. Arrow, R. Solow, P.R. Portney, E.E. Learner, R. Radner, H. Schuman, Report of the NOAA Panel on Contingent Valuation. Fed. Reg., 58, 4601-4614 (1993).
- [43] K.A. Itaoka, A. Saito, W. Krupnick, A.T. Taniguchi, The effect of risk characteristics on the willingness to pay for mortality risk reductions from electric power generation. Environ. Resour. Econ., 33(3), 371-398 (2006).
- [44] L. Chen, The recovery of nuclear energy is an international new trend: What about the fourth nuclear plant of Taiwan? Wealth News, 307(10), 194-196 (2007). (in Chinese)
- [45] L. Sjoberg, B.M. Drottz-Sjoberg, Public risk perception of nuclear waste. Int. J. Rik. Assess. Manage., 11(3-4), 248–280 (2009).
- [46] Location of Projected, 2009. Combined License Applications, New Reactors, United States Nuclear Regulatory Commission (U.S.NRC). http://www.nrc.gov/reactors/new-reactors/col/new-reactor-map.html (Sep. 2009).
- [47] Longo, A. Markandya, M. Petrucci, The internalization of externalities in the production of electricity: Willingness to pay for the attributes of a policy for renewable energy. Ecol. Econ., 67(1), 140-152. (2008).
- [48] M. Riddel, W.D. Shaw, Option wealth and bequest values: The value of protecting future generations from the health risks of nuclear waste storage. Land Econ., 4, 537-548 (2003).
- [49] M. Shafie-Poura, M. Ardestani, Environmental damage costs in Iran by the energy sector. Energy Policy, 35(9), 4413-4423 (2007).
- [50] M. Trebilcock, R. Winter, The economics of nuclear accident law. Int. Rev. Law Econ., 17(2), 215-43 (1997).
- [51] N. Hadker, S. Sharma, A. David, T.R. Muraleedharan, Willingness-to-pay for Borivli national park: Evidence from contingent valuation, Ecol. Econ., 21, 105-122 (1997).
- [52] N. Hanley, S. Colombo, B. Kriström, F. Watson, Accounting for negative, zero and positive willingness to pay for landscape change in a national park. J. Agr. Econ., 60(1), 1-16 (2009).
- [53] P. Champ, R. Bishop, Donation payment mechanisms and contingent valuation: An empirical study of hypothetical bias. Environ. Resour. Econ., 19, 383–402 (2001).
- [54] P. Koundouri, Y. Kountouris, K. Remoundou, Valuing a wind farm construction: A contingent valuation study in Greece. Energy Policy, 37(5), 1939-1944 (2009).

- [55] P. Rafaj, S. Kypreos, Internalization of external cost in the power generation sector: Analysis with the Global Multi-regional MARKAL model, Energy Policy, 35(2), 828–843 (2005).
- [56] P.A. Champ, R.C. Bishop, T.C. Brown, D.W. McCollum, Using donation mechanisms to value nonuse benefits from public goods. J. Environ. Econ. Manage., 33, 151–162 (1997).
- [57] P.A. David, R. Maude-Griffin, G. Rothwell, Learning by accident? Reductions in the risk of unplanned outages in U.S. nuclear power plants after Three Mile Island. J. Risk Uncertainty, 13(2), 175-98 (1996).
- [58] P.A. Ruud, V.K. Smith, M. Conaway, K. Martin, Referendum Design and Contingent Valuation: The NOAA Panel's No-Vote Recommendation, 80, 335-338 (1998).
- [59] Population statistics by administrative division, 2009. Directorate-General of Budget, Accounting, and Statistics, Executive Yuan, Taiwan R.O.C. http://sowf.moi.gov. tw/stat/year/ y02-12.xls (Jul. 2009).
- [60] R. Bateman, B. Carson, W.M. Day, N. Hanemann, T. Hanley, M. Hett, , G. Jones-Lee, S. Loomes, , S. Mourato, , E. Ozdemiroglu, , D.W. Pearce, , R. Sugden, S. Swanson, Guidelines for the Use of Stated Preference Techniques for the Valuation of Preferences for Non-market Goods, Edward Elgar, Cheltenham (2003).
- [61] R. Menges, C. Schroeder, S. Traub, Altruism, warm glow and the willingness-to-donate for green electricity: An artefactual field experiment. Environ. Resour. Econ. 31(4), 431-458 (2005).
- [62] R. Scarpa, K. Willis, Willingness-to-pay for renewable energy: Primary and discretionary choice of British households' for micro-generation technologies. Energ. Econ., doi:10.1016/j.eneco.2009.06.004 (forthcoming).
- [63] R.G. Ethier, G.L. Poe, W.D. Schulze, J. Clark, A comparison of hypothetical phone and mail contingent valuation responses for green-pricing electricity programs, Land Econo., 76, 54–67 (2000).
- [64] R.H. Wiser, Using contingent valuation to explore willingness to pay for renewable energy: A comparison of collective and voluntary payment vehicles. Ecol. Econ., 62 (3–4), 419–432 (2007).
- [65] R.P. Berrens, A.K. Bohara, H.C. Jenkins-Smith, C.L. Silva, D.L. Weimer, Information and effort in contingent valuation surveys: Application to global climate change using national internet samples, J. Environ. Econ. Manage., 47, 331-63 (2004).

- [66] R.T. Carson, W.M. Hanemann, R.J. Kopp, J.A. Krosnick, R.C. Mitchell, S. Presser, S. Banfi, M. Farsi, M. Filippini, M. Jakob, Willingness to pay for energy-saving measures in residential buildings. Energ. Econ. 30(2), 503-516 (2008).
- [67] S. Gossling, T. Kunkel, K. Schumacher, N. Heck, J. Birkemeyer, J. Froese, N. Naber, E. Schliermann, A target group-specific approach to "green" power retailing: Students as consumers of renewable energy, Renew. Sust. Energ. Rev., 9, 69–83 (2005).
- [68] S. Shu, The new strategy of Japanese energy and the development trends of nuclear energy in Asia. Energy Report, 7, 27-30 (2007). (in Chinese)
- [69] S.H. Kim, Evaluation of negative environmental impacts of electricity generation: Neoclassical and institutional approaches. Energy Policy, 35(1), 413-423 (2007).
- [70] Static Statistics of Population, 2009. Directorate-General of Budget, Accounting, and Statistics, Excutive Yuan, Taiwan R.O.C. http://www.dgbas.gov.tw/ct.asp?xItem=15408&CtNode=4594 (Jul. 2009).

# 計畫成果自評

研究內容大致與原計畫頗爲相符,問卷方式因新流感之故,改用無風險的電腦輔助電訪而非原計畫所列的面訪,也開發新的模型而非原計畫所列模型,整體而言研究結果有達成當初預期目標。研究成果具學術價值,也已經投稿國外學術期刊(JEEM)。

可供推廣之研發成果資料表:本計畫無可供推廣之研發成果。 附錄:本精簡報告無附錄。