
University of Pennsylvania
Institute for Environmental Studies



presents

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What Changes Energy Consumption Behavior? Lessons from California's Energy Crisis

In 2000-01, California experienced a dramatic and well-publicized energy crisis. This seminar will discuss the results of a detailed academic study of household electricity consumption and conservation during California's crisis.

The study provides valuable information on how energy consumption habits respond to both energy prices and to public appeals for conservation. Using household-level data for five years before, during, and after the crisis, we examine how household electricity consumption changed (day by day) as the crisis progressed. The analysis is based on comprehensive and seldom-available utility billing information for 70,000 households in the San Diego region. This population experienced both a dramatic price increase for electricity (in 2000), and mass public appeals for energy conservation the following year after prices were (legislatively) rolled back.

The data provide compelling evidence on two standard instruments for changing energy consumption behavior. The price changes reveal that households surprisingly rapidly change their energy consumption habits, given pecuniary incentives to do so. After electricity prices unexpectedly (and rapidly) increased in 2000, the *typical* household's electricity use fell more than twelve percent within sixty days. Additionally, the data show that households will voluntarily forgo energy consumption for extended durations in response to public appeals for conservation--*absent* any pecuniary incentives to do so. Overall, the results indicate that households are far more responsive than previously known to both pecuniary and non-pecuniary incentives to change energy consumption behavior.

The talk will conclude with lessons and implications for policy choices regarding energy consumption. General Q&A about California's energy crisis is welcome. The study is available at <http://bpub.wharton.upenn.edu/mawhite/Papers/PricesVersusPressures.pdf>

Date: March 15, 2006
Time: NOON - 1:30 pm
Place: Carolyn Hoff Lynch Auditorium
On the Penn campus: Chemistry Building:
34 & Spruce Sts. (enter on 34 St)

NO REGISTRATION REQUIRED

Direct questions to: 215-573-3164

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NO FOOD OR DRINK PERMITTED IN THE AUDITORIUM
