

Promoting Energy Conservation: A Field Experiment on Peer Comparisons and Rate Structures

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We compare the effectiveness of social comparison nudges on energy consumption when residents pay for electricity and when electricity is included in monthly rent. Using a randomized control trial, our intervention uses digital messages (text and emails) to provide residents with home energy reports comparing their recent electricity usage with similar households. Our design allows us to investigate the pecuniary and non-pecuniary impacts of a widely-used behavioral nudge. The average treatment effects suggest that peer comparison nudges are less effective for non-ratepaying customers, implying that cost-saving motives play an important role.

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