Applying Behavioural Economics at SEAI

What are we learning from Behavioural Economics?



Why is a strong understanding of behaviour important for achieving net zero scenarios?





Behaviour can trump energy efficient design!





What is behavioural economics?





What is Behavioural Economics/Behavioural Science?

The science of understanding what people are doing, why they are doing it, and how we might encourage people to change what they are doing.



What is Behavioural Economics? Example: Changing <u>when</u> people use energy





What are we learning from behavioural economics in SEAI?

How have we applied behavioural economics and what have learnt?





What are we learning from behavioural economics in SEAI?



Understanding how people think about energy Pre-testing policy tools & solutions

Field-testing policy solutions, scaling, and measuring impact

Designing policy through a behaviourally informed lens



People don't know how much energy they use and how their use compares to others'

- How much electricity would you say you use in a year?
- We asked two groups of people the following question:
 - The average Irish household uses 4,200 KWh a year, how much do you think you use?
 - The average Irish household uses 7,000 KWh a year, how much do you think you use?

Mean of yearly electricity consumption supplied by participants







People don't know where energy is used in the home

(Base: All adults aged 18+; n=1,022)



Behaviours related to lighting and appliances are seen to save the most energy, while a notably smaller proportion identify home heating behaviours as saving the most energy.

REDC

How do we know it works?





A = Message on envelope B = No Message on envelope



"You've been selected" outperforms all other letters...

2.50% - Error bars represent 95% confidence intervals - Significant codes compared to Control: '***' 0.001; '**' 0.01; '*' 0.05 2.00% 1.76% *** Response rate (%) .50% 1.23% *** But, no change in heatpump uptake! .00% 0.80% *** 0.81% *** 0.74% *** 0.71% *** 0.66% *** 0.50% 0.05% 0.00% Control Health Cost Comfort Easy Social **Environment Exclusivity** Letter type





We need to engage with people at the right time to encourage pro-environmental behaviour

- It is important to communicate the benefits of energy efficiency upgrades at key moments when people might be more likely to change their behaviour
- This might involve:
 - Encouraging people to use public transport when they are changing job
 - Prompting people to choose meat-free options in advance of conferences
 - Prompting people to consider energy efficiency upgrades when carrying out other home improvement works



Some final words...

- Nudging is not enough!
- Behavioural economics has helped us to understand why people behave the way they do
 - This has helped us to design energy policy that delivers real behaviour change
- Behavioural economics is a useful tool that should be part of every policymaker's toolkit



EU member states agreed to withdrawing the inefficient bulbs from the market in 2009.

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HALOGEN LIGHTS WILL be switched off across Europe from today after an EU-approved phaseout of the bulbs commenced at midnight.

From today, non-directional mainsvoltage halogen lamps, which mainly consist of pear-shaped bulbs used in traditional light sockets, will no longer be brought to the market.

However, the decision does not affect directional halogen lamps, such as popular spotlights or



halogen lamps which are often used in desk lamps and flood lights.



Thank you!

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