15 December 2022

Dear Editors:

My co-authors and I are pleased to submit a pair of original Research Articles to *The Energy Journal*

*TITLES*

* Energy, expenditure, and consumption aspects of rebound, Part I:   
  A comprehensive theoretical framework
* Energy, expenditure, and consumption aspects of rebound, Part II: Applications

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# *STATEMENT*

I attest that these manuscripts are our original work, that it has not been previously published in a journal, in whole or in part, and that it is not under consideration by any other journal. All authors are aware of, and accept responsibility for, the manuscript. The authors have no conflicts of interest.

# *PREVIOUSLY INVITED SUBMISSION:*

In March 2022, we wrote to Professor Yatchew, Editor-in-Chief, *The Energy Journal,* to ask pre-submission advice, as our draft energy rebound article was longer than the normal maximum article length for *The Energy Journal*. We suggested that we could submit as one long manuscript, or split into two parts: Framework and Examples, since there were relevant precedents:

* Thomas and Azevedo’s (2013a,b) 2-part rebound paper in *Ecological Economics*.
* Precedent at *The Energy Journal* with at least two 2-part articles: Hendry and Juselius, (2001, 2002) and Burger *et al*. (2019 a,b).

Prof. Yatchew replied on 22 March 2022, and suggested that we “..*submit it to the EJ in its current form. Once it has undergone an initial review, we can make a determination how best to proceed*.”

Following that advice, we submitted in March 2022. In June 2022, our manuscript was rejected, primarily due to the manuscript length. The editor’s decision letter stated: *“A key reason for this is that the referees quickly recognized the submission far exceeded the maximum length of a paper that The Energy Journal would usually consider*.”

This decision has proved very helpful in the long term, as we have used the time June–December 2022 to:

* Split the paper into two parts, which are now each within TEJ guidelines of 9,500 words.
* Submit the single-paper manuscript to the IAEE Working Paper series, as recommended by one of the referees for the March 2022 submission. (<https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4216051>)
* Address the extensive comments from (a) the two anonymous referees for the March 2022 submission and (b) colleagues who read the IAEE Working Paper.

Note that we received feedback on the working paper from 5 colleagues, all of whom highly complimented the work.

# *RECAP OF RATIONALE:*

Amidst ongoing debates over the size and extent of energy rebound effects, energy efficiency measures are expected to contribute a key part of energy-related CO2 emissions reductions in support of Paris Agreement targets, even while the world economy grows. Therefore, continued work on energy rebound theory and modelling is required, to support energy efficiency modelling and policy responses.

For our submission, we took our inspiration from two earlier papers published in *The Energy Journal*. First, Turner (2013) contends that the empirical estimation of rebound has advanced beyond the conceptual framework frontier. We believe that is still true today. Second, Borenstein (2015) made an important contribution to a microeconomic rebound framework. However, we think clarity is needed and more work needs to be done, in particular:

* Linking microeconomic and macroeconomic rebound,
* Providing accessible numerical case studies based on a consistent analytical framework, and
* Bridging the disciplinary divide between energy analysis and economics.

In response, in Part 1, we develop a comprehensive conceptual framework with links between microeconomic and macroeconomic rebound effects, written in a detailed-yet-accessible style, to reach out to both energy and economics fields. Second, in Part 2, we provide two numerical case studies (of a car and an electric lamp upgrade) and develop novel graphs of energy, expenditure, and consumption aspects of rebound. We believe the paper brings clarity to the rebound field and contributes to understanding and communication between energy and economics disciplines.

# *KEY CONTRIBUTIONS*

Together, our submission contains four contributions. First, in Part 1 we develop the first comprehensive rebound analysis framework that accommodates embodied energy effects, maintenance and disposal effects, non-marginal energy efficiency increases, and non-marginal energy service price decreases. Second, also in Part 1, we create the first (to our knowledge) operationalized link between rebound effects on microeconomic and macroeconomic scales. Third, in Part 2 we provide the first (to our knowledge) visualizations of rebound effects in energy, expenditure, and consumption planes. Fourth, via open access code and excel-based calculation file, we provide tools for other researchers to calculate rebound for other EEUs with our framework.

# *CONNECTION TO THE ENERGY JOURNAL AND THEIR AUDIENCE*

Firstly, our papers match well the Aims and Scope of *The Energy Journal*, with close alignment to the topic area of Energy efficiency, but also closely related areas including Energy & environmental issues; Transportation; and Carbon emissions reduction. As such, we believe that our paper will be of interest to the wide readership of *The Energy Journal*. Given the contribution from theoretical framework to replicable empirical examples using real-life data, we believe the papers will be of interest to both academics and practitioners alike.

Secondly, many of the most important foundational papers on energy rebound have been published in *The Energy Journal*, including Khazzoom (1980, 1987), Lovins (1988), Turner (2013), Borenstein (2015), and Saunders (2015). Therefore, *The Energy Journal* is both a natural choice for our papers and helps to maintain *The Energy Journal* as the pre-eminent journal in the field of energy rebound.

# *REVIEWER SUGGESTIONS:*

* **Severin Borenstein**, E.T. Grether Professor of Business Administration and Public Policy in the Economic Analysis and Policy Group of the Haas School of Business at the University of California, Berkeley. Email: [severinborenstein@berkeley.edu](mailto:severinborenstein@berkeley.edu). His current research interests include the economics of renewable energy and economic policies for reducing greenhouse gases. His 2015 paper provides a foundation for our work:
  + Borenstein S. A Microeconomic Framework for Evaluating Energy Efficiency Rebound and Some Implications. *Energy J.* 2015;36(1):1–21.
* **Ines Azevedo**, Associate Professor, Energy Resources Engineering, Stanford University, USA. Email: [iazevedo@stanford.edu](mailto:iazevedo@stanford.edu). Her research interest are keenly focussed on energy rebound, with some of her paper providing foundations for this current paper.
  + Azevedo IL, Sonnberger M, Thomas B, Morgan G, Renn O. The Rebound Effect: Implications of Consumer Behaviour for Robust Energy Policies. 2013.
  + Thomas BA, Azevedo IL. Estimating direct and indirect rebound effects for U.S. households with input–output analysis Part 1: Theoretical framework. Ecol Econ. 2013;86:199–210.
  + Azevedo IML. Consumer End-Use Energy Efficiency and Rebound Effects. Annu Rev of Environment Resour. 2014;39:393–418.
* **Reinhard Madlener**, Director of the Institute for Future Energy Consumer Needs and Behavior (FCN), Aachen, Germany. Email: [RMadlener@eonerc.rwth-aachen.de](mailto:RMadlener@eonerc.rwth-aachen.de). His research interests include energy economics, energy management, energy policy-making. He has a wealth of experience in energy rebound, which makes him a very suitable reviewer:
  + Madlener R, Alcott B. Energy rebound and economic growth: A review of the main issues and research needs. Energy. 2009 Mar;34(3):370–6.
  + Madlener R, Turner K. After 35 Years of Economic Energy Rebound Research: Where do we stand ? In: Santar. 2016. 1–26 p.
  + Colmenares G, Löschel A, Madlener R. The rebound effect representation in climate and energy models. Environ Res Lett. 2020;15(123010):1–35. 20-1.
* **\*\*\*\* Can we include Harry? He is acknowledged in the paper. \*\*\*\* Harry Saunders**, Carnegie Institution for Science, Global Ecology Group, Stanford, California 94305, USA; email: [hsaunders@earthlink.net](mailto:hsaunders@earthlink.net). His experience in the topic of energy rebound spans over 30 years, and is one of the foremost researchers in this topic:
  + Saunders, H.D., Roy, J., Azevedo, I.M., Chakravarty, D., Dasgupta, S., de la Rue du Can, S., Druckman, A., Fouquet, R., Grubb, M., Lin, B. and Lowe, R., 2021. Energy Efficiency: what has research delivered in the last 40 years? Annual review of environment and resources, 46, pp.135-165.
  + Saunders, H.D., 2015. Recent evidence for large rebound: elucidating the drivers and their implications for climate change models. *The Energy Journal*, 36(1).

# *KEYWORDS:*

* Energy efficiency,
* Energy rebound,
* Energy services,
* Microeconomic rebound,
* Substitution and income effects,
* Macroeconomic rebound

# *REPLICABILITY:*

A key obligation for research today is that the papers should be replicable. In our case, we have made sure that our work is replicable. First, we provide the R-code packages and links for the reader. Second, we made available our excel-based example sheets in a University of Leeds data repository, which has a permanent doi link. Third, all data used in our examples are freely available in the public domain. Last, we have secured open access funds for the papers, if it is successful in its submission, which would encourage its use and aid replicability.

Finally, we have worked hard to provide twin articles that make a key foundational advance in this important field that we believe will be of significant interest to your readership.

Yours sincerely,

Matthew K. Heun

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* Thomas, B.A. and Azevedo, I.L., 2013. Estimating direct and indirect rebound effects for US households with input–output analysis. Part 2: Simulation. *Ecological Economics*, 86, pp.188-198.
* Turner, K., 2013. " Rebound" effects from increased energy efficiency: a time to pause and reflect. *The Energy Journal*, 34(4).