ntro Empirical

### Title

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**Intro** Empirical

### Capitalize only first letter of first word in frame title

A holistic approach would yield gross energy savings worth more than \$1.2 trillion, well above the \$520 billion needed through 2020 for upfront investment in efficiency measures ...

Such a program is estimated to reduce end-use energy consumption in 2020 by 9.1 quadrillion BTUs, roughly 23 percent of projected demand, potentially abating up to 1.1 gigatons of greenhouse gases annually.

-McKinsey & Co. (2009): Unlocking Energy Efficiency in the US Economy

Suggestion: Energy efficiency is a "win-win"

Intro Empirical

### Example text

- "Reduced form approach to behavioral public economics"
  - Allcott and Taubinsky (2015), Chetty (2015), Mullainathan, Schwartzstein, and Congdon (2012)
- ▶ Unit demand, with two goods:  $j \in \{E, I\}$
- Perfectly competitive supply
  - $ightharpoonup c = c_E c_I =$ Relative marginal cost
  - Policymaker sets subsidy s for good E
  - p = c s =Relative price
- $ightharpoonup v = v_E v_I = \text{Consumers' true relative utility from } E, \sim F(v)$
- ▶  $b = \text{Bias}, \sim G(b|v)$
- $\hat{v} = v b$  =Consumers' perceived utility,  $\sim H(\hat{v})$
- ▶  $D_B(p) = 1 H(p) = Market demand curve$
- ▶  $B(p) = E_G(b|v b = p) = Average marginal bias$  at price p

# Example table with limited height

	(1)	(2)
	Wisconsin	National
	Programs	Programs
Electricity (\$/kWh)		
Retail price	0.138	0.139
Wholesale price	0.034	0.049
Climate externality	0.024	0.023
SO2/NOx/PM externality	0.069	0.048
Retail price-social cost	0.011	0.019
Natural gas (\$/therm)		
Retail price	0.818	1.10
Citygate price	0.544	0.53
Climate externality	0.35	0.35
SO2/NOx/PM externality	0.10	0.09
Retail price-social cost	-0.18	0.13
Heating oil (\$/gallon)		
Price	3.50	3.82
Climate externality	0.48	0.48
SO2/NOx/PM externality	1.19	1.14
Retail price-social cost	-1.67	-1.62

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## Example figure

How would you like Reports without neighbor comparisons?

