

Using behavioral science to promote the adoption of green technologies

David G. Rand

Erwin H. Schell Professor Sloan School and Brain & Cognitive Sciences Massachusetts Institute of Technology



<3% of new car sales



<11% of energy consumption

Behavior change is a central challenge for new innovations

MIT Applied Cooperation Team

David Rand and Erez Yoeli

drand@mit.edu

eyoeli@mit.edu

https://cooperation.mit.edu/



ACT's Mission

Apply behavioral science to promote contributions to public goods

Distill and **communicate** behavioral science so that others can do the same







Three core principles

Increase observability

✓ Eliminate plausible deniability

Communicate expectations



Sustainability



Philanthropy & Volunteering



Health



Digital Economy



Sustainability





Health



Digital Economy

Philanthropy & Volunteering





Your Code: [code]

[Name] Or Current Occupant [Address] [Address] [City, State, Zip] [Barcode]

Dear [Name],

We have teamed up with your building's management to offer Pacific Gas and Electric Company's SmartAC[™] program to you and your neighbors. Please take a moment to read about the program and let us know whether you'd like to participate.

The power is in your hands.

It has been said that one small action can cause a ripple effect that results in a dynamic change, like the idea that a butterfly flapping its wings can set off the winds that change the weather on the other side of the planet.

A ripple effect happens in California when temperatures rise and thousands of individual air conditioners start operating at the same time. This can strain California's energy resources and can create peak conditions that result in summer heat power interruptions.

Just like the idea that a butterfly's wings have the power to change the weather, you too have

N=1408 CA residents



You have the power to make a difference.

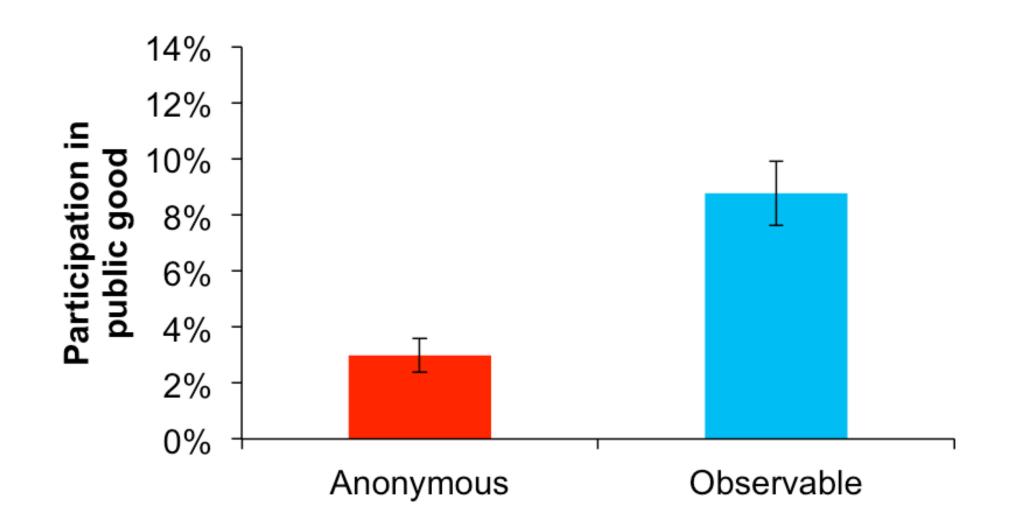
It's free

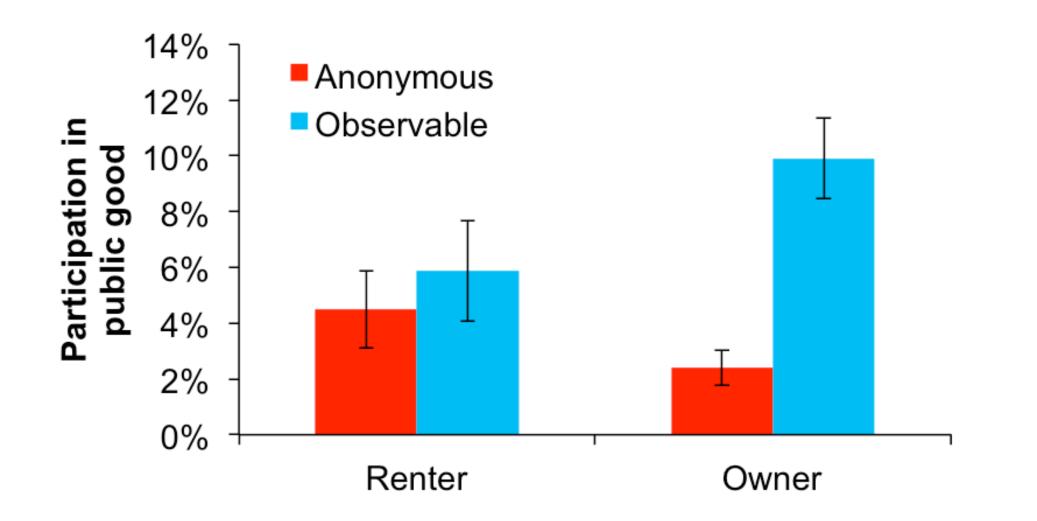
• It's easy

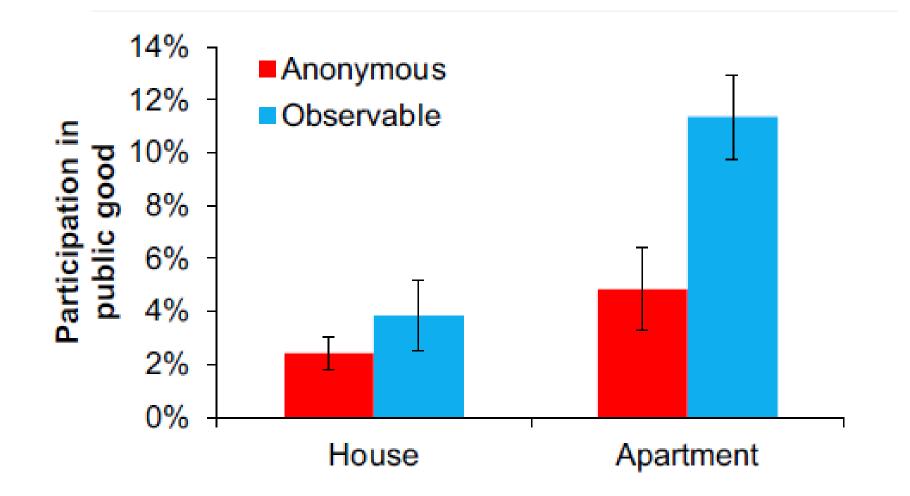
- It's good for California
- You have the power



PGSE	Pacific Gas and Electric Company®	ð	SmartA	C. [®] SIGN	-UP SHEET	
Sign Me Up!	Personal Code (From your letter)	Date (MM/DD)				- I
Yes No						
Yes No			1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	17-17-17-17	4444	
Yes No			4444			
TYes						
	GR CR	And				
PGSE	Pacific Gas an Electric Compa	d any [®]	Sma	a4C.®	SIGN-UP	SHEET
PFSE Sign Me Up!	Electric Compa	d any [®] Date (MWDD)	Apt. # Fire	a contraction of the second se	SIGN-UP Last Name (Please Print)	SHEET
	Electric Compa	Date	Apt. # Fire	st Name	Last Name	SHEET
Up!	Electric Compa	Date	Apt. # Fire	st Name	Last Name	SHEET
Up! Yes No Yes	Electric Compa	Date	Apt. # Fire	st Name	Last Name	SHEET







Public good frame

Non-public good frame

PG<mark>s</mark>e

Your Code: [code]

[Name] Or Current Occupant [Address] [Address] [City, State, Zip] [Barcode]

Dear [Name],

We have teamed up with your building's management to offer Pacific Gas and Electric Company's SmartAC^{Tor} program to you and your neighbors. Please take a moment to read about the program and let us know whether you'd like to participate.

The power is in your hands.

It has been said that one small action can cause a ripple effect that results in a dynamic change, like the idea that a butterfly flapping its wings can set off the winds that change the weather on the other side of the planet.

A ripple effect happens in California when temperatures rise and thousands of individual air conditioners start operating at the same time. This can strain California's energy resources and can create peak conditions that result in summer heat power interruptions.

Just like the idea that a butterfly's wings have the power to change the weather, you too have the power to reduce the ripple effect air conditioners have on our power system. You can help ensure we have sufficient energy resources when demand is at its highest.

Sign up for the SmartAC program.

If you sign up, PG&E will install a radio-activated switch on or near your air conditioning unit. When activated, the switch slightly reduces your air conditioner's electricity consumption while still keeping you comfortable. The SmartAC switch is activated only in the event of an energy supply emergency, and never for more than six hours a day.

Get paid \$25 for signing up.

To thank you for being a part of the SmartAC program, PG&E will even send you a \$25 check for each SmartAC switch installed at your home.

Signing up is easy.

Installation is free and takes about 10 minutes. There's no appointment necessary, and you don't even have to be home if we have safe and easy access to your air conditioner. Signing up is easy, too. Just follow the directions on the enclosed instruction card.

The SmartAC switch comes with PG&E's free technical support and customer service, (as long as you remain enrolled in the program). Thank you for considering the SmartAC program.

Sincerely,

Susan Norris SmartAC Senior Program Manager Pacific Gas and Electric Company

PO&E1 Interns to Pacific Gais and Electric Company, a suband any of PO&E Componition . © 2008 Pacific Gais and Electric Company, All rights reserved. This program is funded by Galitomia utility customers and administered by Pacific Gais and Electric Company under the aussices of the Galitomia Public Utilities Commission. POR-L-BD



You have the power to make a difference.

And make \$25 with Smart<u>AC.</u>

• It's free

the

It's easy

It's good for California

You have the power

PGSE

Your Code: [code]

[Name] Or Current Occupant [Address] [Address] [City, State, Zip] [Barcode]

Dear (Name),

We have teamed up with your building's management to offer Pacific Gas and Electric Company's SmartAC^{TV} program to you and your neighbors. Please take a moment to read about the program and let us know whether you'd like to participate.

Sign up for the SmartAC program.

If you sign up, PG&E will install a radio-activated switch on or near your air conditioning unit. When activated, the switch slightly reduces your air conditioner's electricity consumption while still keeping you comfortable. The SmartAC switch is activated a few times a year at most, and never for more than six hours a day.

Get paid \$25 for signing up.

To thank you for being a part of the SmartAC program, PG&E will even send you a \$25 check for each SmartAC switch installed at your home.

Signing up is easy.

Installation is free and takes about 10 minutes. There's no appointment necessary, and you don't even have to be home if we have safe and easy access to your air conditioner. Signing up is easy, too. Just follow the directions on the enclosed instruction card.

The SmartAC switch comes with PG&E's free technical support and customer service, (as long as you remain enrolled in the program). Thank you for considering the SmartAC program.

Sincerely

Susan Verris

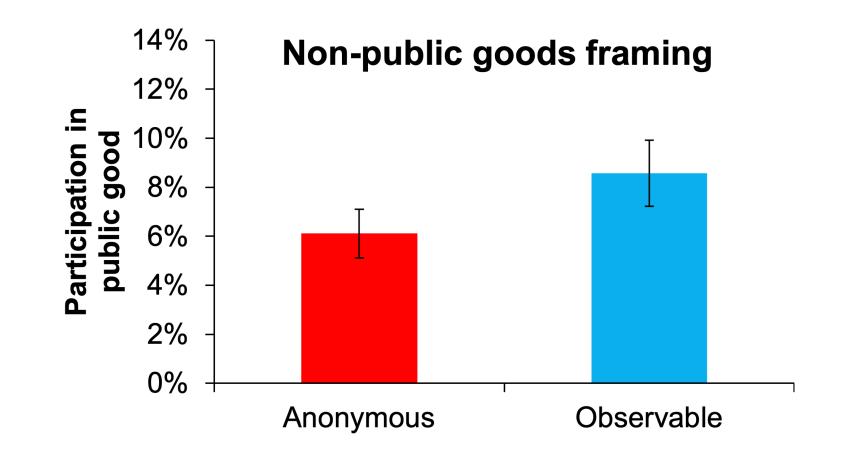
Susan Norris SmartAC Senior Program Manager Pacific Gas and Electric Company

PO&E1 refers to Pixels Clais and Electric Company, a subaid any of PO&E1 Corporation ID 2003 Princip Clais and Electric Company, All rights reserved.
PDR-1-3025
Princip Clais and Electric Company under the associes of the California Public Utilities Commission.
PDR-1-3025
POR-1-3025
P

Make \$25 with SmartAC.

• It's free

It's easy



N=1,005



Sonnecticut

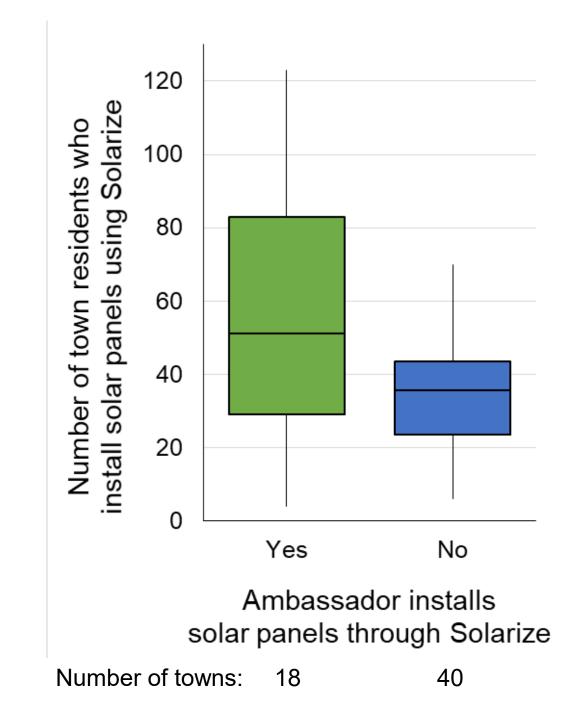




What makes ambassadors effective?

Charismatic Popular Respected Attractive Knowledgeable Passionate

Did they install through the program themselves?



63% more installations!

Instrumental variables regression suggests a causal effect

Further experiments

Survey experiments of homeowners from across the US

Demonstrate causal effect of ambassador adoption on installation intentions

Illuminate mechanism:

- Dislike of hypocrites? NO
- Simple imitation of non-installation? NO
- People think that the ambassadors who don't install themselves don't actually believe the program is a good idea



Home Water Reports along with... **PUBLIC** It's Our Environment



Excess water use harms our waterways. Find customized tips on how you can save water and benefit Connecticut's environment.

PRIVATE

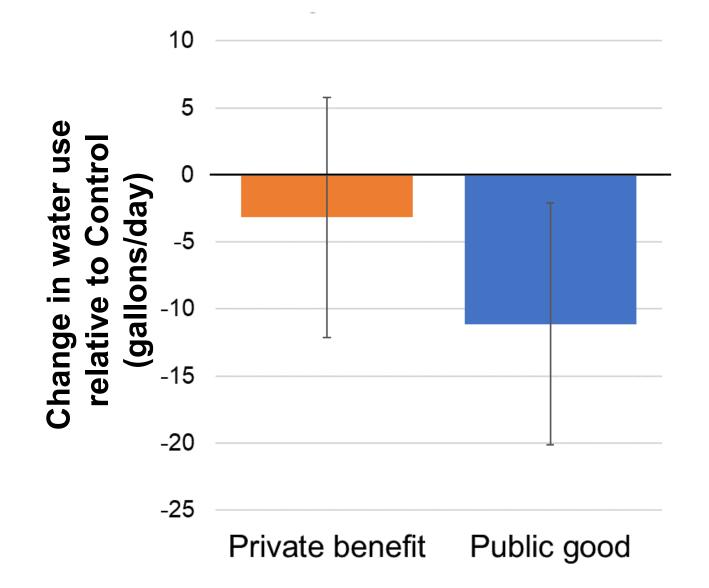


It's your money



Excess water use wastes your hard earned money. Look below for customized tips on how you can save water and benefit your wallet!

10,500 households from wealthy suburban areas in Connecticut





Behavior change is a central challenge for new innovations

Behavioral science can deliver large returns at essentially zero cost

Want to try it out?