



Will conservation efforts have an effect?

Posted by [Yankee](#) on November 14, 2005 - 11:52am

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Matthew Kahn of Environmental and Urban Economics [challenges](#) people who believe in peak oil: even if rising energy costs induce companies to increase their "green R&D", will it be enough to meet our energy needs? (hat tip: [Environmental Economics](#))

Well, this is a thorny question, isn't it? It underscores a fundamental problem: should we be able to keep using (all types of) energy at the same levels that we do now? Or should we try to decrease our energy use as much as we can while still maintaining a reasonably comfortable lifestyle?

I'm not sure I want to get into it here, but I will at least recognize that the concept of "comfortable lifestyle" is a contentious issue. Right now, I believe that many middle-class and upper-class Americans behave excessively: constantly air conditioning their houses in the summer, driving SUVs instead of fuel efficient cars, keeping the thermostat at 70 in the winter. There must be an acceptable middle ground between our behaviors now and having houses with no heating or air conditioning, but defining what that is will be a difficult task.

The rest of Kahn's post is actually a copy of a New York Times article from yesterday called "Real Energy Savers Don't Wear Cardigans. Or Do They?" For starters, the article indicates that conservation efforts *have* been successful in the past.

In examining San Diego households during the California electricity crisis of 2000 and 2001, they found that use of electricity dropped surprisingly fast. In the summer of 2000, within 60 days of seeing monthly electric bills rise by about \$60 - an increase of 130 percent - the average household cut its use of electricity by 12 percent.

That kind of drop requires a big change in behavior. The authors found that households had turned off air-conditioners in the middle of summer and had invested in new energy-efficient appliances, among other things.

Furthermore, the article points out that public service information campaigns have an important effect on encouraging people to change their behavior.

In February 2001, with electricity prices capped, the state of California began a campaign to have households conserve electricity. It worked. "It was clear by about six months into 2001 that public appeals were having a big impact," Professor White said. Such campaigns can have significant effects on consumer behavior, he said, if they offer a clear explanation of what people can do and how it will make a difference.

This kind of response is why I firmly believe that the government is going to play a very big role when peak oil brings us to crisis levels. Unfortunately, it seems inevitable that the government is going to drag their feet until it's too late, but even so, I feel that people aren't going to do anything until the government tells them to. That's why I think it's critical to push the government on energy issues *now*.

Finally, Amory Lovins has an interesting proposal for getting people to conserve electricity:

In the case of electricity, waste is glaringly apparent. About 5 percent of the electricity consumed in United States households is simply lost to computers, televisions and other appliances that are turned off but still plugged in. The savings from using electricity more efficiently could be even larger than those from oil, Mr. Lovins says. Rate structures in most states, he says, still reward utilities for selling more electricity. One solution is to decouple the profits of utilities from their sales volumes, and to let utilities keep as profit some of the savings they achieve for their customers.

Between public service campaigns and conservation incentives for both businesses and utilities, we should be able to make some headway, shouldn't we?



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