

through behavioural science

Nudging the delivery of the EED through home-IoT and digital user interfaces

ECEEE Summer Study on Energy Efficiency

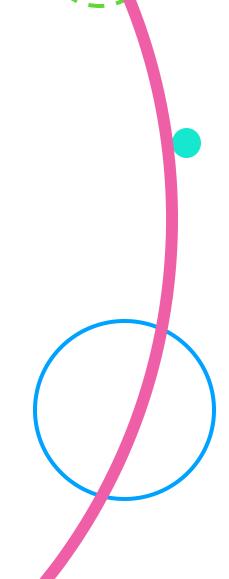
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Nudging the delivery of the EED through home-IoT and digital user interfaces

Stratos Keranidis, PhD R&D Director - domX home-IoT technologies <u>stratos@mydomx.eu</u>

Filippos Anagnostopoulos Project Coordinator Institute for European Energy and Climate Policy (IEECP) <u>filippos@ieecp.org</u>



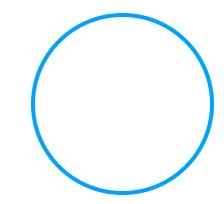
EED Art.7: energy efficiency obligation schemes (EEOS) and alternative policy measures

The EED (2012/27/EU) requires MSs to achieve an **annual reduction of 1.5%** in national energy sales, in two ways:

- **EEOS** oblige energy companies to carry out measures which help final consumers improve energy efficiency
- **Alternative measures** are policy measures implemented as alternative or complementary measures to an EEOS.

The **amending Directive** on Energy Efficiency (2018/2002)

- Extends Article 7 to 2030
- new savings equivalent to **0.8% annual final energy consumption**
- Emphasis in the importance of Monitoring & Verification [and more..]



Energy Efficiency Obligation Schemes (EEOS)

EEOS are setting an obligation on energy companies (energy distributors or suppliers/retailers) to achieve energy savings targets.

Member States are flexible to specify Denmark (2006)2018) Ireland the scope of the obligation (2014) Poland how the targets can be <u>achieved</u> by the obligated parties, 0 Luxembourg (2013)(2015) the methodology for monitoring energy savings, Austria France Slovenia (2015) processes on verification and controls. (2006)Croatia Bulgaria 2019Spain EEOSs are often comprising of building renovation, efficiency (2014 services, energy audits, public procurement rules. + Cyprus Malta (2015) (2020)

Figure 1. Map of the EEOS in Europe (as of end 2019).

Figure 1 is from the <u>ENSMOV project</u> and provides the starting date of the ongoing EEOSs

Alternative Measures

Alternative Measures alone are used in 12 MSs (green) and comprise of:

- interest-free **loans** for energy saving projects in businesses (Czechia)
- Energy and CO2 **taxes** (Estonia)
- Energy Efficiency Agreement for Energy management (Finland)
- Competitive funding programme Energy efficiency and process heating from renewable energies in business (Germany)
- Education and advice **campaign** for behavioural measures (Lithuania)
- Long-Term Agreements on Energy Efficiency (The Netherlands)
- Multi-measure mix in transport, housing, industry (Portugal)



Spotlight: Greece



Energy Efficiency Obligation Schemes

- In the first period 2017-2020 EEOS covered 10% of the Art7 target
- 29 Obliged parties can either to implement measures , trade with third parties or use the "buy out" option.
- Penalties are foreseen
- Savings in 2020-2030 are estimated to 20% of the NECP target

Alternative Measures to 2030

- Energy upgrade of residential, public, tertiary sector and industrial buildings
- Improvement of energy efficiency through energy service companies
- Energy managers in public buildings
- Energy upgrade of water pump stations and public lighting
- Development of infrastructure in the transport sector and promotion of alternative fuels

NUDGE project promotes the delivery of the EED through home-IoT and digital user interfaces



Nudging consumers towards energy efficiency through behavioural science

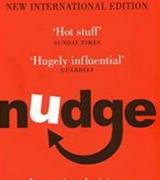


Nudging of energy consumers

- The holy grail of energy efficiency demands drastic changes in the energy-related behavior of consumers
- Since the 1970s, monetary or in-kind incentives (e.g. discount plans and bonuses) have been used as motivation for affecting consumption decisions
- Recent studies have identified ways in which behavior can be affected without resorting to financial provisions or incentives of any kind
- By far the most influential of these studies, the work of **Richard Thaler** and **Cass Sunstein in 2008** introduced the notion of **Nudging**
- In the energy domain, **behavioral interventions** have already been considered as a means to improve the energy-related behavior of end users

NUDGE aims to combine:

- home-IoT equipment for energy monitoring and management
 - with digital user interfaces for user engagement
- and behavioural measures to promote consumer behavior change





THALER & SUNSTEIN 🐧

Objectives



OBJ2: Execute extensive field trials that address multiple instances of consumer behavior, implementing different mixes of behavior-based and traditional interventions

OBJ3: Develop a systematic research protocol to continuously measure the impact of the implemented behavioral interventions

OBJ1: Tailor the design of behavioral interventions to individual psychological and contextual variables, by leveraging digital platforms, energy data and data analytics

findings of pilots into recommendations reaching out to policy makers and relevant stakeholders



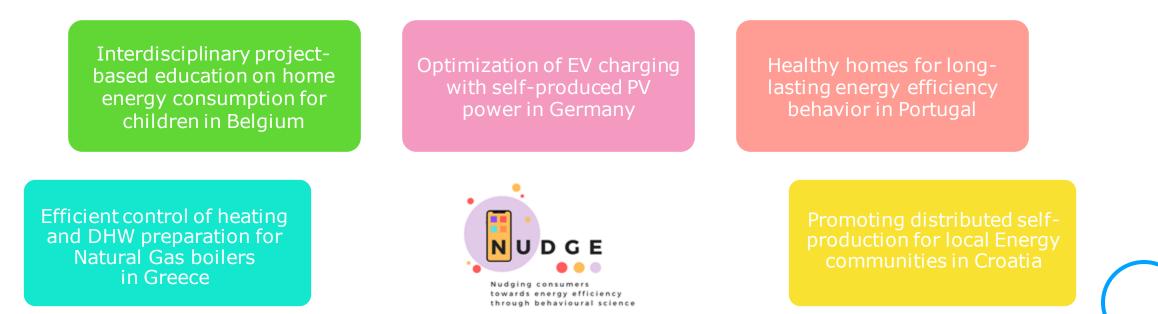
Nudging consumers towards energy efficiency through behavioural science

Pilots



- Five heterogeneous pilots have been carefully planned to experiment with consumers:
 - in five different EU states (Greece, Belgium, Germany, Portugal and Croatia)
 - in different environments (residential, energy communities, schools)
 - belonging to different age groups (young children as well)
 - and income classes (low, medium, high)
 - being served by different energy carriers (electricity, natural gas)
 - including residential prosumers and EV drivers,

on top of which we apply a broad set of behavioral interventions.





Nudging consumers towards energy efficiency through behavioural science



Boiler attached with the heating controller







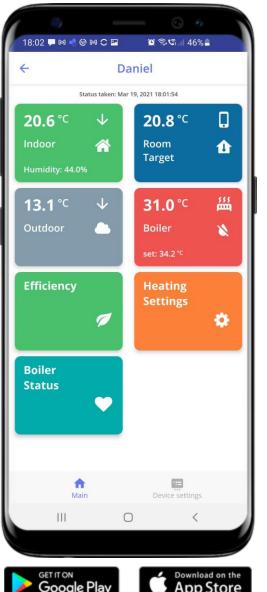
Heating system benefits

- Consumption Monitoring
- Remote control
- Scheduling Weather adaptation
- Improved comfort
- Improved Energy efficiency (up to 35%)

- 1. Prompt users to change the default temperature setting of available heating schedules
- 2. Visualize the environmental consequences of non-efficient actions (e.g. overheating)
- 3. Comparison with similar households in the same neighborhood, city, etc.



Boiler attached with the heating controller







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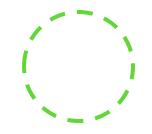
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← Efficiency	settings
Veather adaptive heating 🧃	•
leating balance 🕕	Boiler temp: 53.4 °C
Manual	Automatic
	7.0
	Comfort
Boost mode 🚯	
Advanced settings	>
	<

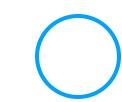




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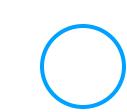
Energy efficiency dashboard

Same home in Thessaloniki heated under two 24h periods in December 2020 with similar outdoor temperature conditions (avg 12.52 °C and 12.44 °C)



Fixed boiler temperature 65 °C Prioritized user comfort AVG boiler temperature 54.60 °C Estimated consumption 46.86 kWh

27 % Gas consumption reduction Weather-adaptive boiler temperature Balanced user comfort and economy AVG boiler temperature 48.99 °C Estimated consumption 34.21 kWh



Relevance with Article 7

NUDGE inspired methodology is able to deliver:

- improved energy efficiency for residential, public and tertiary buildings
- valid energy savings monitoring methodology
- long-term energy behavior change
- Preliminary results suggest that the combination of home-IoT with digital interfaces and nudging interventions can help meet the updated EED requirements sufficiently, should energy providers and the supporting ecosystem be prepared to deploy the offered solution to end consumers.

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Thank you!

stratos@mydomx.eu