

#### **OUTLINE**

» Quantify variance of energy consumption within homogeneous segments of homes

» Analyze and compare distributions across segments

» Identify causes of variability across segments

What this means for energy efficiency

#### THE DATA

» Weather normalized billing data

Tax assessor data with square footage and year built

» Census data (2000) to estimate socioeconomic indicators

#### THE SAMPLE

» 150,000 homes in a mostly urban area in a western state

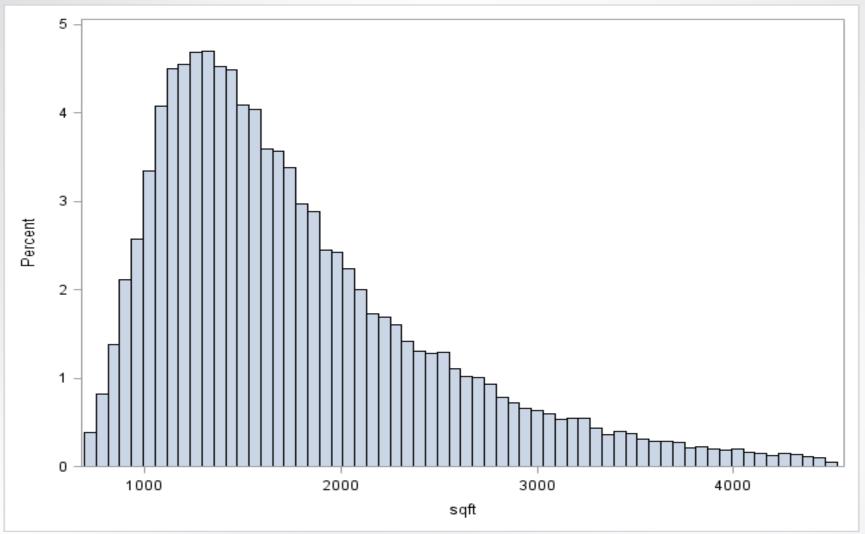
>> 70,000 homes in a mostly urban area in an eastern state

Second to Sec

#### **HOMOGENEOUS SEGMENTS**

- » Creating homogeneous groups of homes is most important part of analysis
- » Homes manually segmented on home size and vintage, two important elements that drive energy consumption
- » Homes segmented by home size in 300 sqft intervals
- » Homes are segmented by 20 year intervals

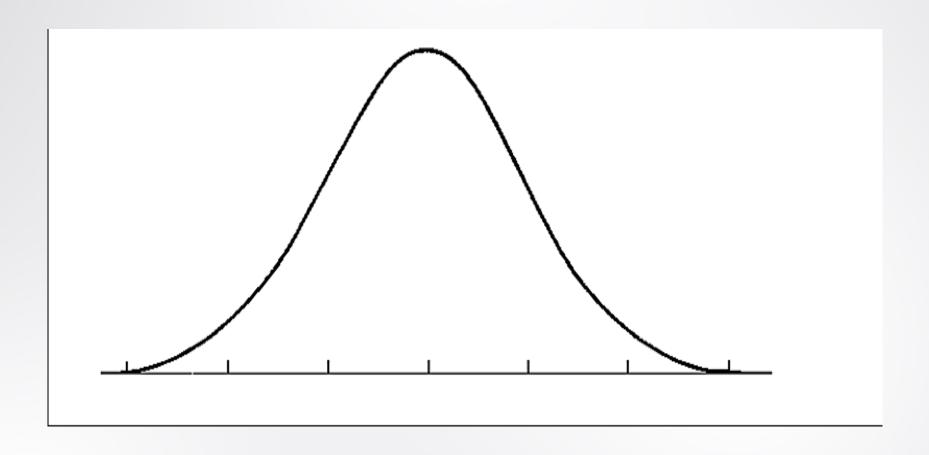
## **WESTERN SAMPLE HOME SIZE**



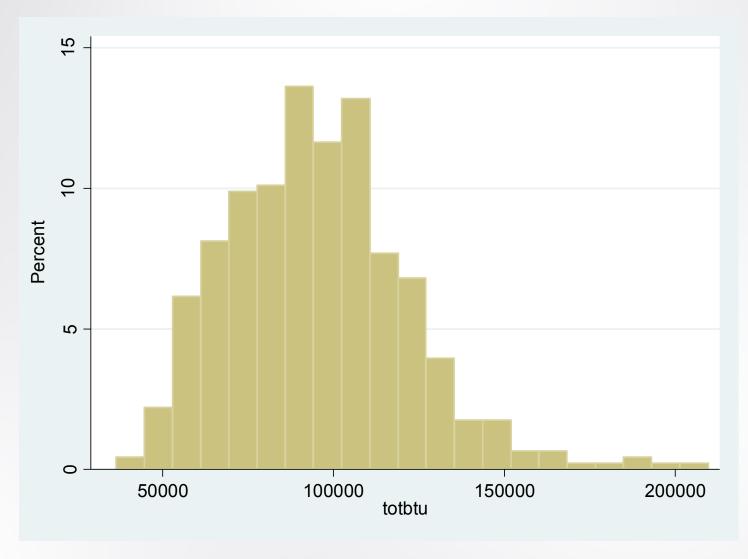
#### **HOMOGENEOUS SEGMENTS**

- » Sub segments created using a statistical k-medians cluster analysis using socioeconomic indicators from census
- » 362 segments in Western sample with an average of 400 homes per segment
- 307 segments in Eastern sample with an average of 240 homes per segment
- » Segment sizes vary from 51 to 2,495

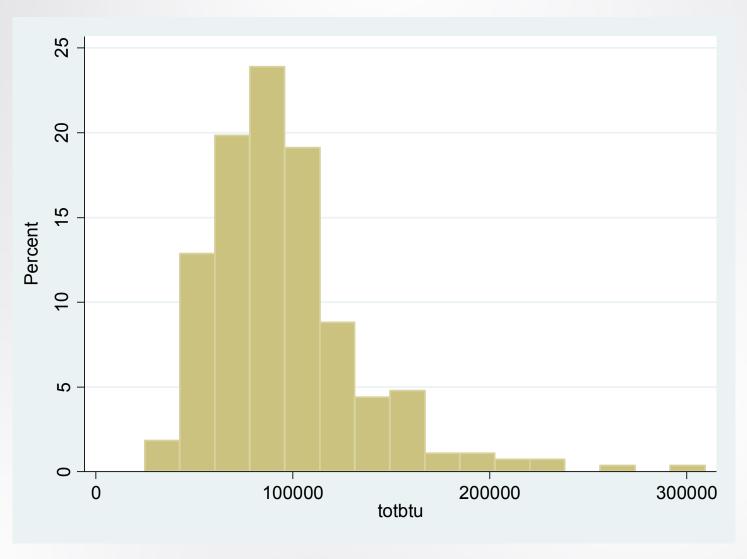
# **STATISTICS 101**



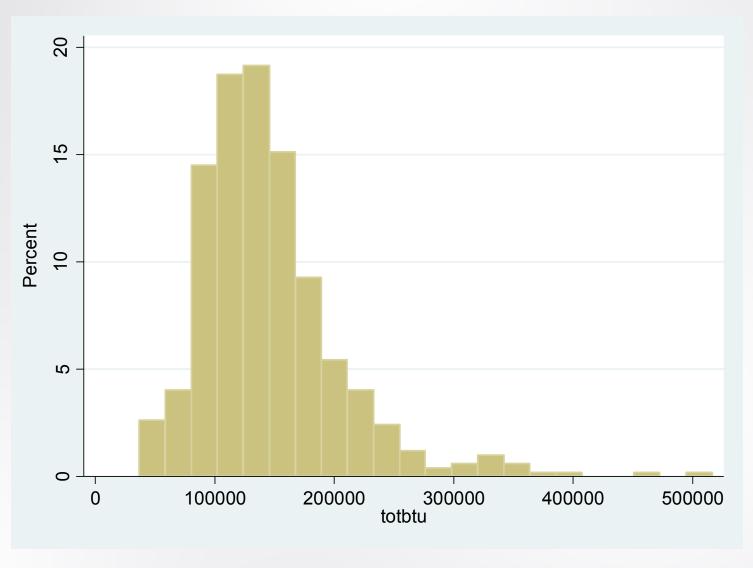
#### **LOW VARIANCE**



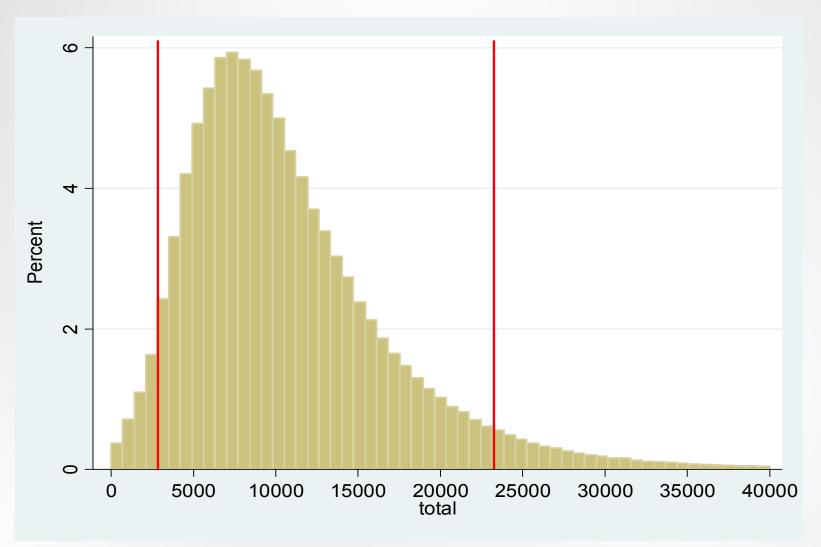
#### **AVERAGE VARIANCE**



#### **LARGE VARIANCE**



#### **CUTTING OFF THE TAILS**



#### **WESTERN SAMPLE SPREAD**

**GAS CONSUMPTION** 



**ELECTRIC CONSUMPTION** 



TOTAL ENERGY CONSUMPTION



#### **EASTERN SAMPLE SPREAD**

**GAS CONSUMPTION** 



**ELECTRIC CONSUMPTION** 



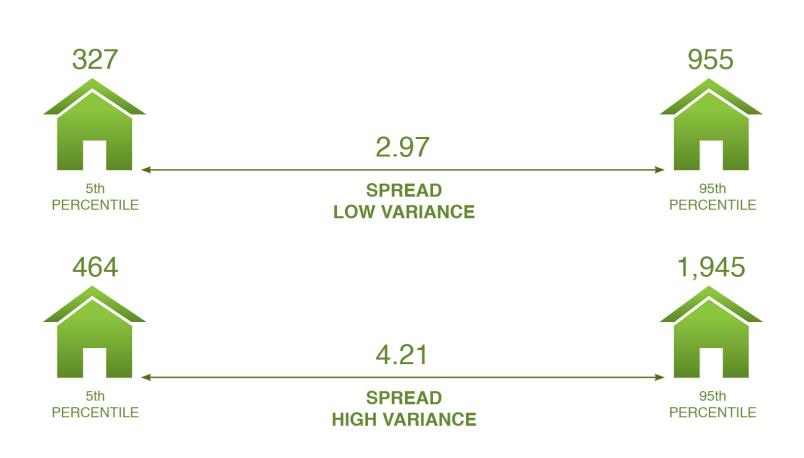
TOTAL ENERGY CONSUMPTION



#### **WESTERN SAMPLE ELECTRICITY**



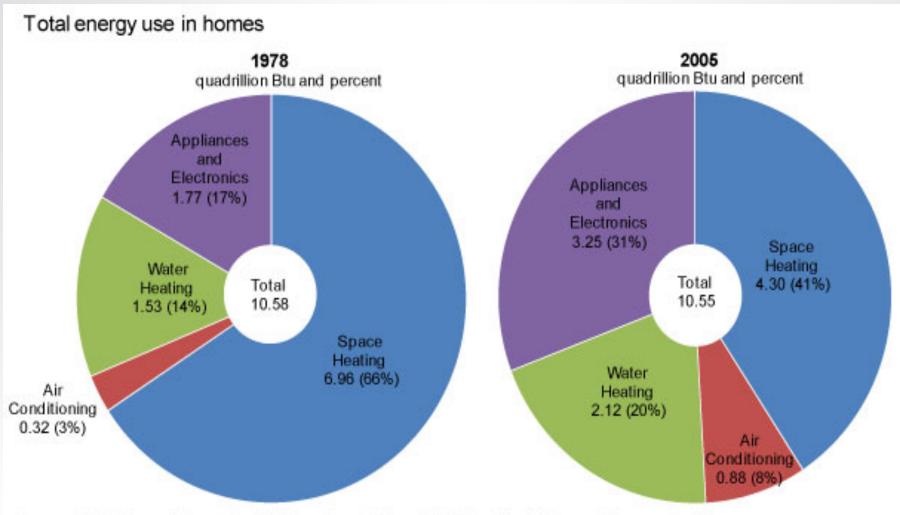
#### **WESTERN SAMPLE GAS**



#### **WESTERN SAMPLE TOTAL ENERGY**

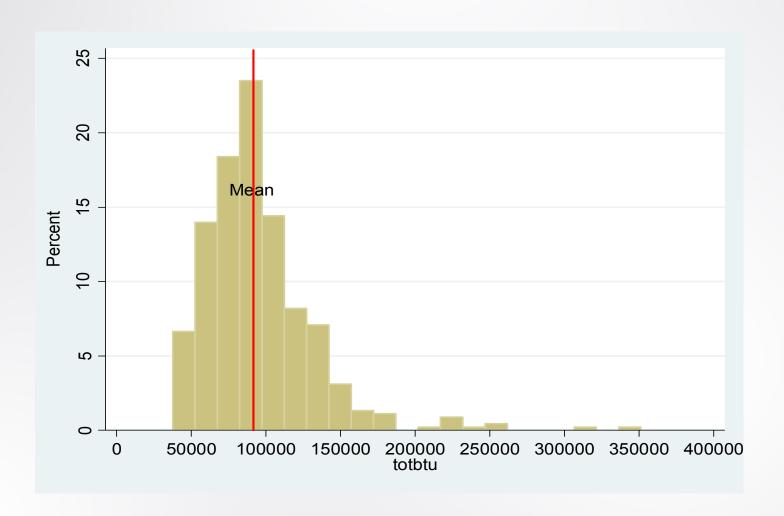


#### **CONSUMER ELECTRONICS ON THE RISE**

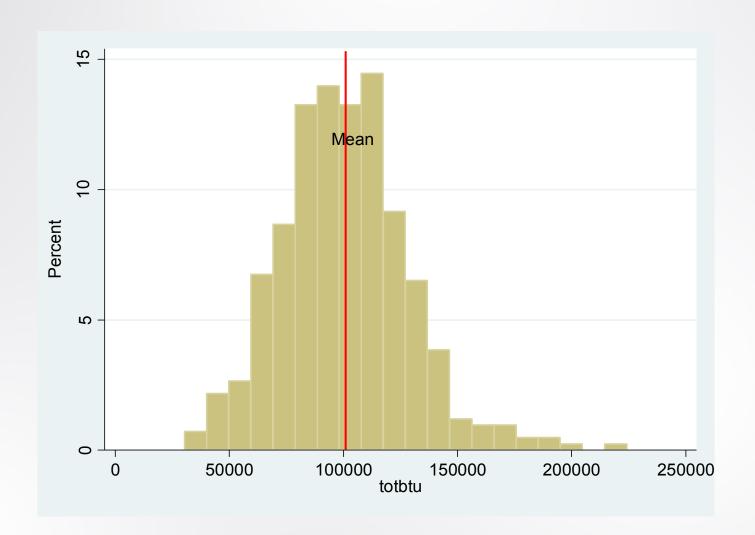


Source: U.S. Energy Information Administration, 1978 and 2005 Residential Energy Consumption Survey

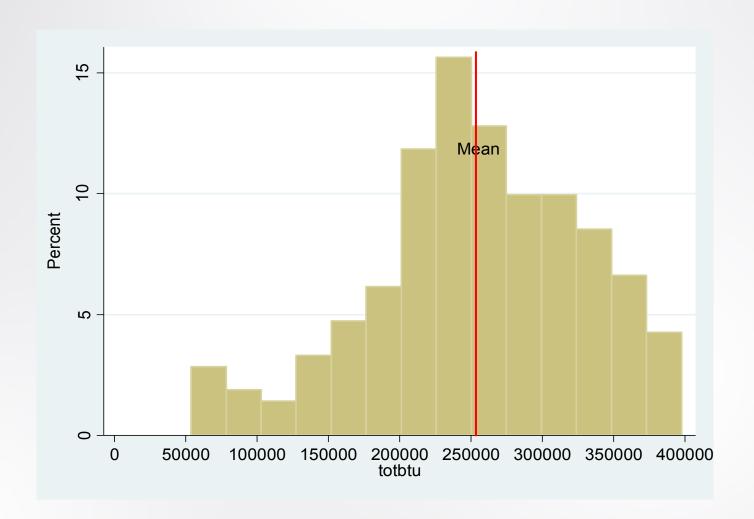
#### **POSITIVE SKEWNESS**



## **LESS POSITIVE SKEWNESS**



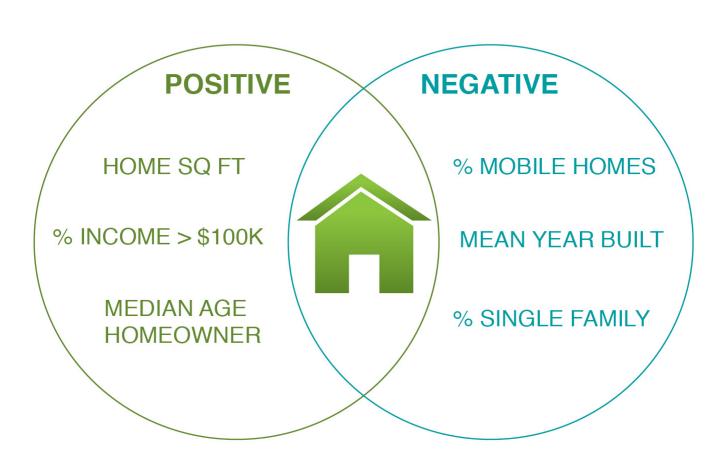
#### **NEGATIVE SKEWNESS**



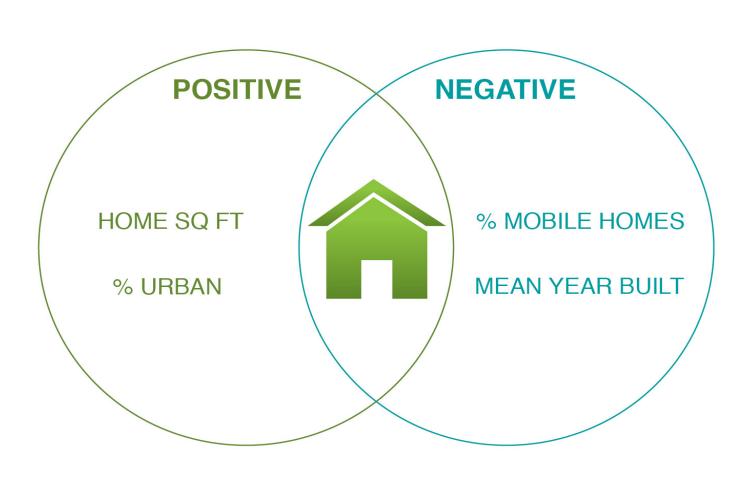
# **SKEWNESS**

	N	Average	St. Dev.	Min	Max
West	362	1.04	0.32	0.37	2.54
East	305	0.39	0.41	-0.84	2.08

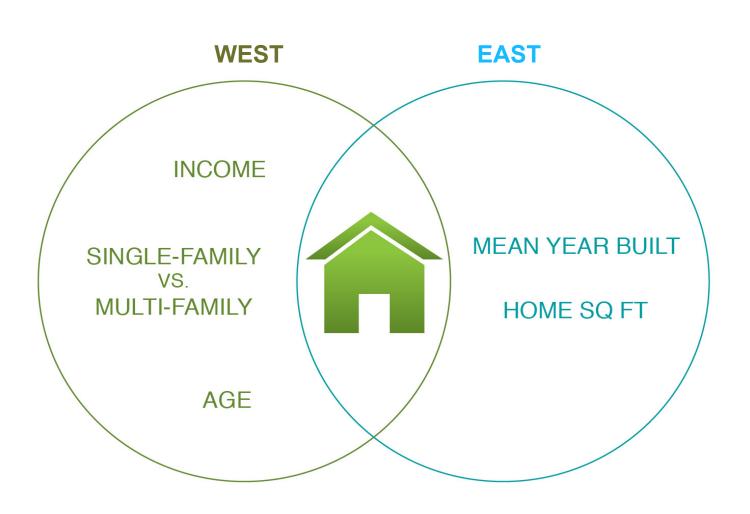
#### WESTERN SAMPLE VARIABILITY MODEL



#### **EASTERN SAMPLE VARIABILITY MODEL**



#### **VARIABILITY MODEL**



#### **PROGRAM PARTICIPATION**

» EE program participation increases with variance

» Participants come from the whole distribution

» Participants are diverse

#### **SEGMENTED APPROACH**

» Segmented marketing and program design will produce more effective behavioral programs

» Study small, average, and large users of energy

Will require site visits, surveys, and interviews

# WHAT CAN WE LEARN FROM OTHER INDUSTRIES?

- » Political Campaigns
- » Retail Sales
- » Insurance
- » Healthcare
- » Facebook

# THANK YOU



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