

# Do Building Audits Save Energy? Evidence from a Natural Experiment

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## **Abstract**

This paper leverages a unique empirical setting in New York City that randomly assigns information-based policy to large commercial and industrial buildings. We exploit this randomization to estimate the causal effects of an energy audit policy on building energy consumption. Our intention-to-treat estimate shows that these interventions reduce energy consumption per square foot by 2% on average, while the LATE reduction is over 3%. Voluntary compliance and non-compliance, as well as pre-treatment building efficiency, contribute to substantial heterogeneity in the treatment effects. We find larger reductions when building owners are responsible for energy costs, indicating the influence of split incentives in the response to information interventions.

**Keywords:** Information provision, salience, program evaluation, difference-in-differences, energy audit, retro-commissioning, commercial building energy use, split-incentive problem, intention-to-treat (ITT), local average treatment effects (LATE)