

Præsentation til Det Miljøøkonomiske Råds Konference 2018

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Abstract

The price elasticity for residential heating

We present a simple cross section estimation of demand for heating energy. District heating companies across the country offer their customers very different heating prices and this variation is used to estimate the price responsiveness for heating of single family houses. Overall the analysis suggests a price elasticity of approximately 0.2, but lower for new buildings. Apparently, house owners do not distinguish between fixed and variable cost components, and respond to lagged rather than current prices.