

**Effect of an Energy Rebate Program**  
**on Implicit Discount Rate:**  
**A Hedonic Analysis of the Japanese Eco Point Program**

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## **Abstract**

Many countries have started implementing rebate programs to promote the purchase of energy-efficient products. Recently, the Japanese government introduced the Eco Point Program energy-efficient rebate for home electric appliances. In this program, consumers obtain “eco points” that can be used to buy other goods and services. This paper examines how the Eco Point Program affects consumer valuation of energy-saving features of air conditioners. We conduct a hedonic pricing analysis of marketing data and show that consumers placed a lower value on energy-saving features during the eco point period. The empirical result reveals that the program almost doubled the implicit discount rate for energy-saving investment.

**Keywords:** Energy Efficiency Rebate Program; Hedonic Pricing Analysis; Implicit Discount Rate; Air Conditioner

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