## Estimating the Benefits of Clean Energy Policies

Quickstart Tutorial: How To Use The CO-Benefits Risk Assessment (COBRA) Health Impacts Screening and Mapping Tool

Analytical Steps and Case Studies





State and Local Energy and Environment Program







March 2021

## **SEPA** Overview of Presentation







- How to conduct an analysis with COBRA
  - Summarizes six key analytical steps
- Two case studies illustrate how to apply these steps in two clean energy scenarios:
  - 1. Renewable Portfolio Standard
  - 2. Wind Energy Program

Note that these case examples were developed using COBRA v3.2

# How to Conduct an Analysis with COBRA

#### Analytical Steps and Relevant Resources





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## Steps in COBRA Analysis

- 1. Select the analysis year
- 2. Create Emission Scenario
  - Estimate where (e.g., in one or more counties or states, regionally, nationally) and what emission changes will take place
  - Enter the location, types, and quantity of emission changes expected from the policy or activity in COBRA
- 3. Execute Run
  - Select a discount rate in COBRA to appropriately discount the value of future benefits
  - Run the model
- 4. View Health Effects and Valuation Results

This presentation will:

- Walk you through these steps, and
- Lead you to other tools and resources that can help you develop your inputs.

Review the results

COBRA uses your inputs to estimate the air quality, health, and related economic impacts of the scenario

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## Step 1: Select analysis year







- COBRA contains detailed 2016, 2023, and 2028 baseline emissions data for each county
- The emissions inventory in COBRA includes the 14 major emissions source categories (i.e., "tiers") of criteria pollutants included in the National Emissions Inventory (NEI):\*
  - Chemical and Allied Product
     Manufacturing
  - Fuel Combustion Electric Utility
  - Fuel Combustion Industry
  - Fuel Combustion Other
  - Highway Vehicles
  - Metal Processing
  - Miscellaneous
  - Natural Sources (Biogenics )

- Off-Highway
- Other Industrial Processes
- Petroleum & Related Industries
- Solvent Utilization
- Storage & Transport
- Waste Disposal & Recycling

\*For more information about the NEI, see: <u>https://www.epa.gov/air-emissions-</u> inventories/national-emissions-inventory-nei

### **\$EPA**

# Estimate where and what emissions changes will take place



- Decide on the geographic area where emissions are expected to change
- COBRA can assess actions that affect emissions in:
  - a single county or state,
  - groups of counties and states (contiguous or otherwise), or
  - the entire nation
- COBRA allows you to vary the types and amounts of emissions changes expected to occur in different locations

- Estimating what and where electricity will be displaced and emissions reduced presents challenges due to the:
  - Complex way electricity is generated and transmitted across the U.S.
  - Uncertainty about future emissions in places with market-based environmental programs, such as cap and trade
- Simplifying assumptions can be made when using COBRA but a highly sophisticated energy analysis of the impacts of a clean energy policy on a location will generate more reliable results
- For more information about the complexity of the energy system, see Chapters 3 and 4 of Assessing the Multiple Benefits of Clean Energy: A Resource for States, available at

https://www.epa.gov/sites/production/files/2015 -08/documents/epa\_assessing\_benefits.pdf





# Estimate where and what emissions changes will take place (cont'd)









- In COBRA, you can enter the emission changes as a percentage or in absolute terms
  - A percentage can be used when a policy is expected to reduce emissions or use of an energy source by a specific proportion
    - For example, if the use of renewable electricity generation increases from 0% to 20% of total generation, you could assume that the use of existing fuels for electricity generation would be reduced by 20%
  - An absolute number can be used for policies that do not lend themselves easily to percentage reductions or when you want to enter more specific emission changes
    - For example, 5,000 tons of sulfur dioxide

# Resources for Calculating Emissions Changes from Electricity-related Policies





- If you do not have absolute emission reduction estimates, you can use:
  - A basic approach or tool, such as:
    - Applying an emission factor obtained from EPA's Emissions & Generation Resource Integrated Database (eGRID) <u>https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid</u>, or
    - EPA's AVoided Emissions and geneRation Tool (AVERT) <u>https://www.epa.gov/statelocalenergy/avoided-emissions-and-generation-tool-avert</u>
  - More sophisticated approaches, such as those described in EPA guides:
    - Assessing the Multiple Benefits of Clean Energy: A Resource for States, Chapter 4 <u>https://www.epa.gov/sites/production/files/2015-08/documents/epa\_assessing\_benefits.pdf</u>
    - Roadmap for Incorporating Energy Efficiency/Renewable Energy Policies and Programs into State and Tribal Implementation Plans, Appendix I <u>https://www.epa.gov/sites/production/files/2016-05/documents/appendixi\_0.pdf</u>





Select and enter the types, location and quantity of emission changes expected



- There are two methods for entering emissions changes into COBRA:
  - 1. You can enter emissions changes manually or
  - 2. You can *import an emissions scenario of your own,* such as an automatically pre-formatted output file from EPA's AVoided Emissions and generRation Tool (AVERT)

Select and enter the types, location and quantity of emission changes expected – *manual entry* 





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- You will need to know what source categories of emissions will be affected by the policy
- Often, clean energy investments, such as those that increase the use of renewable energy or energy efficiency, will affect the "fuel combustion from electric utilities" category
- Within each category, there are fuel choices, such as coal, gas, and oil
  - If you know the specific fuel will be affected, you may choose it
  - If not, you can use the broader category
- Enter the estimated emission changes by the appropriate types and locations, ensuring that you save your inputs once you are finished



Select and enter the types, location and quantity of emission changes expected – AVERT output





- As an alternative to manually entering the emissions reductions and locations, you can import the results from EPA's AVERT tool into COBRA.
- After running AVERT, you can export your results in a format that can be imported by COBRA.
- In the "Create Emissions Scenario" tab in COBRA, you can click "Load AVERT output file" to import the AVERT file.
  - These steps are explained in more detail in Case Study #2, below.

For more details, EPA's AVERT tool and documentation are available at <a href="https://www.epa.gov/statelocalenergy/avoided-emissions-and-generation-tool-avert">https://www.epa.gov/statelocalenergy/avoided-emissions-and-generation-tool-avert</a>.



#### Select a discount rate





- A discount rate is used to appropriately discount the value of future benefits
- Not all benefits occur in the year of analysis, and people are generally willing to pay more for something now than for the same thing later
- COBRA accounts for this time preference by discounting benefits received later



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### Step 3: Execute Run Select a discount rate (cont'd)





- EPA's Guidelines for Economic Analysis recommend using both 3% and 7% discount rates to see how the conclusions of your analysis change. Both rates are available in COBRA
- The discount rate will affect the value of the benefits
  - A higher discount rate favors investments with immediate benefits and reduces the value of future benefits
  - A lower discount rate places a greater value on benefits which occur in the future
- You can run your scenario with both rates and then evaluate the effect of the change in discount rate on the results

# Step 3: Execute Run

#### Run the model





- Once you have completed these four steps, you are ready to run the model
- The model will take at least five minutes to run and may take longer, depending on the speed of your computer
- The model may appear non-responsive while it is processing



# Step 4: View Health Effects and Valuation Results





- You can view the results for the changes in air quality, health effects, and related economic value in table and map forms
- You can export results as tables and copy/paste screenshots into reports and presentations

## SEPA Key Considerations when Interpreting Results









- COBRA is intended as a screening tool
  - COBRA does not predict the future but can be used to obtain ballpark health benefits estimates and to compare or rank options
  - When more detailed analyses are required, consider using more sophisticated modeling approaches

# **\$EPA**

## Key Considerations when Interpreting Results (cont'd)



- There is uncertainty surrounding the values of key assumptions embedded in COBRA (i.e., emissions inventory, health impact functions, and economic values)
  - You should review the limitations and assumptions described in the COBRA User Manual



## **SEPA** Key Considerations when Interpreting Results (cont'd)









- COBRA does not account for changes in emissions that can result from changes in electricity market responses to policy.
  - For example, emissions in some states and regions are "capped" by laws or regulations
    - Emission allowances can then be traded across entities within a capped region
    - In these regions, a reduction in emissions in one location may result in an increase (rebound) in emissions in another area subject to the cap
    - COBRA does not automatically capture these types of potential effects in electricity market dispatch
- Care should be exercised when interpreting COBRA results to analyze the net impacts of a change in policy

## Case Study 1: Renewable Portfolio Standard

This case study illustrates how to conduct an analysis of a clean energy policy with COBRA using a renewable portfolio standard as an example. *Note this case study was developed using COBRA v3.2* 





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## **\$EPA**

Analyzing the Health Benefits of a Renewable Portfolio Standard



- A renewable portfolio standard (RPS) requires electric utilities to switch a particular percentage of electricity generation to renewable sources
  - If electricity had previously been generated with fossil fuels, the RPS will result in criteria air pollutant reductions and health benefits



## **\$EPA**

Analyzing the Health Benefits of a Renewable Portfolio Standard (cont'd)



- The next slides describe how to estimate the health and related economic benefits of a state or local RPS
  - Specifically, we assume a state (Michigan) has established an RPS requirement that 10% of electricity generation must be from renewable sources by 2025
    - We also could have looked at a county with a renewable target or requirement



## Step 1: Select the analysis year



COBRA	- 0 ×
File Help	
Introduction 1. Select Analysis Year 2. Create Emissions Scenario 3. Execute Run 4. View Health Effects and Valuation Results	
Basic Options Advanced Options	
Choose an Analysis Year:	
Select the year for which you would like to estimate health impacts of emissions changes. COBRA will automatically use the baseline emissions, population, health incidence, and health impact valuation datasets corresponding to that year. After clicking "apply analysis year data" you can proceed to step 2 to enter your emissions changes.	
2025  Apply Analysis Year Data	
	]



### **SEPA**

### Step 2: Create Emissions Scenario

Estimate where and what emissions changes will take place









- Select what geographic locations you expect to be affected by the emissions change
  - You can enter emissions changes at the national, regional, state or county levels
  - If you know that specific plants will be affected, you can enter emissions changes only in those counties
  - Or you could use more sophisticated energy modeling approaches or tools to identify any and all plants that may be affected by a state or local RPS and manually enter those changes for the counties with affected plants



Estimate where and what emissions changes will take place (cont'd)



- For the Michigan RPS, we assume that all emission changes will occur statewide
- In COBRA, we create a scenario for an individual state and select Michigan



# Estimate where and what emissions changes will take place (cont'd)









- To determine the emissions reduced, you can:
  - Assume that a switch of 10% of electricity generation from fossil fuels to renewable sources that do not generate air pollution will reduce 10% of all pollutants, or
  - Estimate absolute emission reductions using:
    - An emission factor approach as described earlier
    - A more sophisticated modeling approach, if available



Estimate where and what emissions changes will take place (cont'd)



- For this example, we use emissions factors from EPA's Emissions & Generation Resource Integrated Database (eGRID)\* to develop an absolute estimate
  - Using "eGRID2014 Summary Tables (PDF)," we found:
    - Net electric generation in Michigan: **107 million MWh**
    - Non-baseload output emissions rates for Michigan:

SO<sub>2</sub>: 4.1 lbs. per MWh

NO<sub>x</sub>: **1.5 lbs. per MWh** 

• Percentage of electric generation that already comes from renewable sources in Michigan: **7.0%** 

\* eGRID is available at <u>https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid</u>

Estimate where and what emissions changes will



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Since 7.0% of electric generation already comes from renewable sources, we assume our scenario will reduce emissions by:

10.0% - 7.0% = **3.0%** 

We calculate the reduction in MWh:

3.0% × 107 million MWh = **3.2 million MWh** 

Assuming the renewable energy used does not emit any air pollution, we calculate the emission reductions as:

 $SO_2$ : 3.2 million MWh × 4.1 per MWh = 13 million lbs.

#### = 6,600 tons

NO<sub>x</sub>: 3.2 million MWh × 1.5 per MWh = 4.8 million lbs. = 2,400 tons

take place (cont'd)

#### Location of emission changes expected



#### Types of emission changes expected







- A RPS affects the fuel combustion from electricity generation category
  - These categories include fuel choices (e.g., gas, coal)
  - You can select specific fuel choices that are expected to be affected if known or assume all fuel choices are affected
- For the Michigan RPS example, we assume that all fuel sources would be affected by the RPS (i.e., not just natural gas or just coal) and select the "fuel combustion from electricity generation" category

#### Types of emission changes expected



#### Quantity of emission changes expected





- A discount rate is used to appropriately discount the value of future benefits
- In this case study, we use a 3% discount rate
- This discount rate provides an upper bound for the estimated benefits and places a greater value on future benefits to society, compared to higher discount rates



## Step 3: Execute Run Select a discount rate (cont'd)



	Introduction 1. Select Analysis Year 2. Create Emissions Scenario 3. Execute Run 4. View Health Effects and Valuation Results Select Discount Rate In order to run the COBRA model, please select a discount rate to use in this COBRA session.
	Rather than using just a single rate, EPA's Guidelines for Preparing Economic Analyses (available at https://www.epa.gov/environmental-economics/guidelines.preparing-economic-analyses) recommend that analysts use a bounding approach to discounting, developing an upper and lower bound for their estimates. They advise use of both: - a 3% rate, reflecting the interest rate consumers might eam on Government backed securities, and - a 7% rate, reflecting the opportunity cost of private capital, based on estimates from the Office of Management and Budget. NOTE: A higher discount rate favors those investments with immediate benefits and reduces the value of future benefits more than a lower discount rate, which places a greater value on future benefits to society. For more information on discount rates and how EPA uses them in monetizing health benefits, see the User Manual.
<u>~</u>	Run using above options



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# Step 4: View Health Effects andValuation Results



#### View in table form

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01005	Alabama	Barbour County	10.3	10.29	0.0005	8,022.48	18,144.47	0.0009	7,928.27	0.002	17,955.07
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01027	Alabama	Clay County	10.322	10.32	0.0005	4,476.44	10,136.21	0.0005	4,425.47	0.0011	10,032.44
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01031	Alabama	Coffee County	10.093	10.09	92 0.0005	13,937.49	31,515.51	0.0016	13,748.43	0.0035	31,153.54
01033	Alabama	Colbert County	10.279	10.2	78 0.0006	20,287.66	45,819.97	0.0023	20,065.7	0.0051	45,362.15
01035	Alabama	Conecuh County	10.038	10.03	37 0.0005	3,403.35	7,704.94	0.0004	3,364.73	0.0009	7,626.23
01037	Alabama	Coosa County	10.36	10.3	36 0.0005	4,282.85	9,688.97	0.0005	4,242.86	0.0011	9,601.74
01039	Alabama	Covington County	9.953	9.95	53 0.0005	13,153.73	29,736.74	0.0015	13,024.14	0.0033	29,465.38
01041	Alabama	Crenshaw County	10.177	10.17	76 0.0005	3,966.27	8,973.1	0.0004	3,922.79	0.001	8,883.05
01043	Alabama	Cullman County	10.281	. 10.3	28 0.0006	31,364.95	71,047.51	0.0035	30,987.36	0.0079	70,304.57
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# Step 4: View Health Effects andValuation Results



#### View in map form

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File Help		
Introduction 1. Select Analysis Year 2. Create Emissions Scenario 3. Execute Run 4. View Health Effects an	d Valuation Results	
Table Maps		
Use this page to explore the changes in air quality and health effects between the baseline and control scenar of the COBRA user manual. For more information on using COBRA's mapping functionality, including how to cl user manual. Users can view the user manual by clicking "Heip" then "Show Manual."	ios in map form. For more information on viewing and interpreting health impacts and valuation results, see Chapter 5 (Viewing Results) hange the ranges or highlight specific values or incidences on the map, see Chapter 6 (Using Mapping Functionality) of the COBRA	
To copy the map for use in other publications or presentations, click the 'Print' button in the toolbar. For more i	rformation on saving maps created in COBRA, see Chapter 6 (Using Mapping Functionality) of the COBRA user manual.	
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# Step 4: View Health Effects and Valuation Results



	We calculated absorbed absorbed absorbed by the calculated absorbed absorbe	olute ons of oble of 10%.	COBRA (1) converted emiss reductions into air quality improvements, and (2) estin annual adverse health impa	COBRA monetized the value or benefits of the avoided adverse health effects.	
	Annual Emiss	sion	Annual Adverse Health Imp	acts Avoided	Annual Benefits (2017, \$1,000s
	Reductions (sho	rt tons)	Outcome	Number	Dollar Value
	Pollutant	Amount	Mortality	25.5 – 57.7	\$254,000 – \$574,000
	Sulfur Dioxide (SO₃)	6,600	Asthma Exacerbations	625	\$40.9
	· 2/		Heart Attacks	3.3 - 31.0	\$445– \$4,140
	Nitrogen Oxides	2.400	Hospital Admissions	17.4	\$659
	(100 <sub>x</sub> )	_,	Acute Bronchitis 33.1		\$18.0
			Respiratory Symptoms	1,027	\$32.8
			Asthma ER Visits	13.0	\$6.21
TY Y			Minor Restricted Activity Days	16,600	\$1,290
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## Case Study 2: Wind Energy Program

This case study illustrates how to conduct an analysis of a clean energy program with COBRA using wind energy capacity as an example. *Note this case study was developed using COBRA v3.2* 





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## **\$EPA**

## Using COBRA to Evaluate the Benefits of Wind Energy Production





- Wind energy is used across the country, whether it is produced in-state or purchased from other states
- If the electricity had previously been generated with fossil fuels, wind energy production can lead to criteria air pollutant reductions and health benefits

For more details, see: the American Wind Energy Association's "The Clean Air Benefits of Wind Energy" report, available at <u>http://awea.files.cms-</u> plus.com/FileDownloads/pdfs/AWEA Clean Air Benefits WhitePaper%20Final.pdf.

## **\$EPA**

Using COBRA to Evaluate the Benefits of Wind Energy Production (cont'd)





- The next slides describe how to estimate the health and related economic benefits of increasing a state's wind energy capacity
  - Specifically, we assume Texas has decided to explore the benefits associated with a new wind energy program



## Step 1: Select the analysis year



nissions changes. COBRA will	
and health impact valuation datasets can proceed to step 2 to enter your	
Year Data	
en u is	emissions changes. COBRA will , and health impact valuation datasets u can proceed to step 2 to enteryour is Year Data



Estimate where and what emissions changes will take place









- Select what geographic locations you expect to be affected by the emissions change
  - You can enter emissions changes at the national, regional, state or county levels
  - If you know that specific plants will be affected, you can enter emissions changes only in those counties
  - Or you could use more sophisticated energy modeling approaches or tools to identify any and all plants that may be affected by a state or local wind energy program and enter those changes in manually

### **€PA**

## Step 2: Create Emissions Scenario

Estimate where and what emissions changes will take place (cont'd)



- For this example, we assume that the wind energy impacts will take place throughout Texas
- Due to the interconnectedness of the grid, these impacts will affect electricity providers and emissions beyond this state





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- Estimate where and what emissions changes will take place (cont'd)
  - To estimate the electricity changes expected from the program, you can either:
    - Estimate how many MWh you expect to save from your program, or
    - Find a similar program to use as a proxy
  - In this hypothetical example, we estimate emissions reductions due to a 7,000 MW wind energy program in Texas
    - The American Wind Energy Association (AWEA) reported installed wind power capacity by state, with a total of 12,355 MW for Texas\*
    - Another 7,000 MW of wind energy projects are currently under construction in Texas\*

\*Source: AWEA's "AWEA U.S. Wind Industry Fourth Quarter 2013 Market Report", available at <u>http://www.awea.org/4q2013</u>.

# Estimate where and what emissions changes will take place (cont'd)



- To estimate the annual emissions reduced from 7,000 MW of installed wind capacity, you can use:
  - A basic tool that estimates emissions changes from renewable energy programs
  - A more sophisticated modeling approach, if available



### **\$EPA**

Estimate where and what emissions changes will take place (cont'd)



- For this example, we use EPA's AVoided Emissions and geneRation Tool (AVERT)\* to:
  - Apply a 7,000 MW increase in installed wind capacity in Texas
  - Calculate the county-level emission reductions (in lbs)
  - Sum the emission reductions to state level
  - Generate a COBRA input text file in AVERT, which also convert emissions reductions to tons

For more details, EPA's AVERT tool and documentation are available at <a href="https://www.epa.gov/statelocalenergy/avoided-emissions-and-generation-tool-avert">https://www.epa.gov/statelocalenergy/avoided-emissions-and-generation-tool-avert</a>.

### **\$EPA**

Estimate where and what emissions changes will take place (cont'd)



• Annual emission reductions (in tons) from a 7,000 MW wind energy program in Texas using AVERT:

State/County	SO <sub>2</sub>	NO <sub>x</sub>	PM <sub>2.5</sub>
Texas	17,211.7	6,756.7	846.5
Oklahoma*	0.6	35.5	2.4

\*Note that Oklahoma also experiences emissions reductions from the wind program in Texas.

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1	FIPS	STATE	COUNTY	TIER1NAME	NOx_REDUCTIONS_TONS	SO2_REDUCTIONS_TONS	PM25_REDUCTIONS_TONS	
2	40121	Oklahoma	Pittsburg County	FUEL COMB. ELEC. UTIL.	-35.505	-0.625	-2.43	
З	48013	Texas	Atascosa County	FUEL COMB. ELEC. UTIL.	-161.46	5 -691.26	-4.83	
4	48021	Texas	Bastrop County	FUEL COMB. ELEC. UTIL.	-84.28	-0.655	-5.46	
5	48027	Texas	Bell County	FUEL COMB. ELEC. UTIL.	-19.41	-1.26	-10.29	
6	48029	Texas	Bexar County	FUEL COMB. ELEC. UTIL.	-608.015	5 -1108.275	-33.04	
7	48035	Texas	Bosque County	FUEL COMB. ELEC. UTIL.	-34.43	-0.755	-5.61	

#### Sample AVERT output file for the Texas region

## Step 2: Create Emissions Scenario Import AVERT emissions scenario









After applying 2017 baseline, click "Load AVERT output file"

reduction       1. Select Analysis Year       2. Create Emissions Scenario       3. Execute Run       4. View Health Effects and Valuation Results         missions       Scenario       View Emissions Map       View Detailed Emissions Onanges         Select Location	dution       1. Select Analysis Year       2 Create Envisions Scinuto       3. Execute Run       4. Mew Health Effects and Valuation Results         storm 5 Combo       Wew Envisions Map       Wew Envisions Map       Wew Envisions Ter         Image: Storm 1       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB COMB COULT WG         Image: Storm 1       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB COMB COULT WG         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB COMB COULT WG         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB COMB COULT WG         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB COMB COULT WG         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB ELEC UTIL         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB ELEC UTIL         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB ELEC UTIL         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB ELEC UTIL         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       Full COMB ELEC UTIL         Image: Storm 2       Full COMB ELEC UTIL       Full COMB ELEC UTIL       <	File Help		
Constant A line by      Constant A line by	• Grass         • Kertucky         • Outsiana         • Marie         • Maydad         • Maydad         • Maydad         • Massachusets         • Michigan         • Michigan	COBRA  ile Help  aduction 1. Select Analysis Year 2. Create Emissions Scenario  inssions Scenario View Emissions Map View Detailed Emissions  Select Location  Alabama Arzona Arzona Arzona Arzona Arzona Arzona Colorado Connecticut DC Delaware Re Ronda Georgia Geo	3. Execute Run 4. View Health Effects and Valuation Results Tranges Select Emissions Tier PFUEL COMB. INDUSTRIAL FUEL COMB. INDUSTRIAL FUEL COMB. INDUSTRIAL FUEL COMB. OTHER CHEMICAL & ALLIED PRODUCT MFG CHEMICAL & ALLIED PRODUCT MFG CHEMICAL & ALLIED PRODUCT MFG PETROLEUM & RELATED INDUSTRIES OTHER INDUSTRIAL PROCESSING STORAGE & TRANSPORT WASTE DISPOSAL & RECYCLING HIGHWAY VEHICLES OFF-HIGHWAY INDUSTRIAL SOURCES MISCELLANEOUS	Modfy Emissions         PM 2.5          increase by          SO2          increase by          NOx          increase by          NOx          increase by          NOX          increase by          NH3          increase by          VOC          increase by          VOC          increase by

#### View Detailed Emissions Changes







 The AVERT scenario includes changes to the "fuel combustion from electricity generation" emissions category

tion 1. Select	Analysis Year 2. Cre	ate Emissions Scenario	3. Execute Run 4. View	Health Effects and Valu	ation Results														
ione Scenario	View Emissions Man	View Detailed Emissions	Changes																
e data orid helo	w will show a detailed	record of the emissions ch	anges occuring under th	e current ecenario															
FIPS	State	County	TIER 1	TIER 2	TIER 3	TYPE	MODIFIED	Base NO2	Base SO2	Base NH3	Base PM 2.5	Base VOC	Control N.	Control S	Control N	Control P	Control V	Delta NO2	Delta SO2
Contains: 5	7 Contains:	Contains:	Contains:	Contains:	√ Contains:  √	Contains: 5	7 🔲 🗸	Equals: 🟹	Equals: 🟹	Equals: 🝸	Equals: 🝸	Equals: 🝸	Equals: 🝸	Equals: 🟹	Equals: 💎	Equals: 🝸	Equals: 🟹	Equals: 🝸	Equals: 🝸
48013	Texas	Atascosa County	FUEL COMB. ELEC	COAL	ANTHRACITE & LIG	MEDIUM		2274.860	1915.161	29.03202	538.5440	67.74138	2127.929	1253.528	29.03202	533.9658	67.74138	146.93023	661.6333
48029	Texas	Bexar County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	MEDIUM		3810.269	2646.811	75.92690	518.1509	151.8538	3571.449	1991.645	75.92690	509.6642	151.8538	238.81986	655.1664
48029	Texas	Bexar County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	2166.640	916.5536	26.29241	748.243887	52.58483	2030.840	689.6787	26.29241	735.9884	52.58483	135.80059	226.8749
48029	Texas	Bexar County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH		2196.039	913.9627	26.21809	746.1287	52.43618	2058.396	687.7291	26.21809	733.9080	52.43618	137.64325	226.2336
48149	Texas	Fayette County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>V</b>	1601.954	865.9211	24.83996	984.8281	49.67993	1508.680	834.9949	24.83996	972.3855	49.67993	93.273567	30.92625
48149	Texas	Fayette County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	1966.338	1152.024	33.04717	935.9835	66.09434	1851.848	1110.880	33.04717	924.1580	66.09434	114.48977	41.14439
48149	Texas	Fayette County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	1848.723	1160.423	33.28810	942.8073	66.57621	1741.081	1118.978	33.28810	930.8956	66.57621	107.64165	41.44435
48157	Texas	Fort Bend County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	956.4899	1314.298	32.92564	257.5635	65.85128	764.7712	. 0	32.92564	194.0281	65.85128	191.71867	1314.298
48157	Texas	Fort Bend County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	8.341628	54.22389	0.3321892	2.7141831	0.664378	6.669634	. 0	0.3321892	2.044652	0.664378	1.6719945	54.22389
48157	Texas	Fort Bend County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	1389.991	1263.628	36.24867	296.1732	72.49735	1111.382	. 0	36.24867	223.1136	72.49735	278.60969	1263.628
48157	Texas	Fort Bend County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	12.42341	62.39615	0.382254	3.12324657	0.764509	9.933268	. 0	0.382254	2.352808	0.764509	2.4901472	62.39615
48161	Texas	Freestone County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>V</b>	3571.849	4239.393	41.93517	246.9675	83.87034	3333.483	2720.594	41.93517	204.0457	83.87034	238.36555	1518.799
48161	Texas	Freestone County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>V</b>	3369.059	4266.542	42.203715	248.5490	84.40743	3144.226	2738.016	42.203715	205.3524	84.40743	224.83244	1528.525
48175	Texas	Goliad County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>~</b>	4298.007	4560.080	45.10733	517.4774	90.21466	4060.847	3593.255	45.10733	500.2424	90.21466	237.16	966.825
48185	Texas	Grimes County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	MEDIUM	<b>V</b>	1953.921	953.1325	27.34172	159.4746	54.68345	1851.845	937.6730	27.34172	148.2844	54.68345	102.07630	15.45950
48293	Texas	Limestone County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>V</b>	1670.312	625.2334	17.04462	196.2840	34.08925	1600.944	573.2726	17.04462	194.2864	34.08925	69.367049	51.96082
48293	Texas	Limestone County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>v</b>	1545.327	605.2026	16.49856	189.995591	32.99712	1481.150	554.9065	16.49856	188.0620	32.99712	64.176500	50.29613
48293	Texas	Limestone County	FUEL COMB. ELEC	COAL	ANTHRACITE & LIG	HIGH	<b>V</b>	4089.384	6985.740	55.01913	1428.246	128.3779	3919.554	6405.181	55.01913	1413.711	128.3779	169.82967	580.5588
48293	Texas	Limestone County	FUEL COMB. ELEC	COAL	ANTHRACITE & LIG	HIGH	<b>V</b>	3783.386	6761.935	53.25646	1382.488	124.2650	3626.265	6199.976	53.25646	1368.419	124.2650	157.12177	561.9592
48331	Texas	Milam County	FUEL COMB. ELEC	COAL	ANTHRACITE & LIG	MEDIUM	<b>V</b>	1095.500	1522.276	30.11167	192.9922	33.50847	974.5327	1010.644	30.11167	140.5060	33.50847	120.96757	511.6318
48395	Texas	Robertson County	FUEL COMB. ELEC	COAL	ANTHRACITE & LIG	MEDIUM	<b>v</b>	4173.450	9639.599	150.1849	1469.321	315.1035	3949.815	9124.689	150.1849	1418.586	315.1035	223.635	514.91
	Texas	Rusk County	FUEL COMB. ELEC	COAL	SUBBITUMINOUS	HIGH	<b>V</b>	5812.457	1921.442	55.11883	569.9127	110.2376	5532.521	1148.188	55.11883	542.6139	110.2376	279.93654	773.2541
48401																			





- A discount rate is used to appropriately discount the value of future benefits
- In this case study, we use a 3% discount rate
- This discount rate provides an upper bound for the estimated benefits and places a greater value on future benefits to society, compared to higher discount rates

# Select a discount rate (cont'd)



File Help	
Introduction       1. Select Analysis Year       2. Create Emissions Scenaria       3. Execute Run       4. New Health Effects and Valuation Results         Select Discourt Rate       In order to run the COBRA model, please select a discount rate to use in this COBRA session.       Image: COBRA estimates the economic value of current and future avoided deaths and linesses expected based on emissions reductions in the year 2025. Emission reductions require investments and, like all investments, there are trade-offs, or opportunity costs, of picking one investment over another, each with their own set and schedule of expected based to benefits. To reflect the opportunity costs of the investments foregone by investing in emission reductions and to figure out how much future benefits are wonth tody. Control Rule serve and schedule of expected based in emission reductions and to figure out how much future benefits are wonth tody. Control Rule serve and schedule of expected based on emission reductions and to figure out how much future benefits are wonth tody. Control Rule serve and schedule of expected based on emission reductions and to figure out how much future benefits are wonth tody. Control Rule serve and schedule of expected based on emission reduction and to figure out how much future benefits and reduces the solute of their estimates. They advise use of both:         • a 37, rate, reflecting the opportunity cost of private capital, based on estimates from the Office of Management and Budget.         NOTE: A higher discount rate favors those investments with immediate benefits and reduces the value of future benefits more than a lower discount rate, which places a greater value on future benefits to societ For more information on discount rates and how EPA uses them in monetizing health benefits, see the User Manual.	у.
Run using above options	
	File       Help         Introduction       1. Select Analysis Year       2. Create Emissions Scenario       3. Execute Run       4. View Health Effects and Valuation Results         Select Discourt Rate              In order to run the COBRA model, please select a discourt rate to use in this COBRA session.            Image: The image of th



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	COBRA	
	File Help	
	Introduction 1 Select Analysis Year 2 Create Emissions Scenario 3 Execute Run 4 View Health Effects and Valuation Results	
	Select Discount Rate	
	In order to run the COBRA model, please select a discount rate to use in this COBRA session.	
	③ 3% ⑦ 7%	
	COBRA estimates the economic value of current and future avoided deaths and illnesses expected based on emissions reductions in the year 2025. Emission reductions require investments and, like all investments, there are trade-offs, or opportunity costs, of picking one investment over another, each with their own set and schedule of expected benefits. To reflect the opportunity costs of the investments foregone by investing in emission reductions and to figure out how much future benefits are worth today, COBRA users must select a discount rate.	
	Rather than using just a single rate, EPA's Guidelines for Preparing Economic Analyses (available at <a href="https://www.epa.gov/environmental-economics/quidelines-preparing-economic-analyses">https://www.epa.gov/environmental-economics/quidelines-preparing-economic-analyses</a> ) recommend that analysts use a bounding approach to discounting, developing an upper and lower bound for their estimates. They advise use of both:	
	<ul> <li>- a 3% rate, reflecting the interest rate consumers might earn on Government backed securities, and</li> <li>- a 7% rate, reflecting the opportunity cost of private capital, based on estimates from the Office of Management and Budget.</li> </ul>	
	NOTE: A higher discount rate favors those investments with immediate benefits and reduces the value of future benefits more than a lower discount rate, which places a greater value on future benefits to society	r.
	For more information on discount rates and how EPA uses them in monetizing health benefits, see the User Manual.	
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$\langle \vee$	Run using above options	





#### View in table form



COBRA

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Fil	e Help														
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	FIPS	State	County	Base PM 2.5 Contro	ol PM 2.5 Delta	PM 2.5 \$ Tota	al Health Benefits (low estimate) \$1	'otal Health Benefits (high estimate)	Mortality (low estimate)	\$ Mortality (low estimate)	Mortality (high estimate)	\$ Mortality (high estimate)	Infant Mortality	\$ Infant Mortality	y
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							Total: 379,950,725.54	Total: 859,627,002.72	Total: 39.4546	Total: 373,564,448.57	Total: 89.5414	Total: 847,795,961.34	Total: 0.1091	Total: 1,151,309.	
•	01001	Alabama	Autauga County	10.528	10.526	0.0017	51,815.01	117,341.28	0.0054	51,012.09	0.0122	115,871.28	0	152.5	9
	01003	Alabama	Baldwin County	10.491	10.489	0.0018	204,116.58	461,662.31	0.0212	201,185.32	0.0481	455,851.96	0.0001	. 572.5	7
	01005	Alabama	Barbour County	9.821	9.82	0.0013	20,549.54	46,628.6	0.0021	20,280.38	0.0049	46,109.21	0	45.4	1
	01007	Alabama	Bibb County	10.724	10.722	0.002	25,966.14	58,870.46	0.0027	25,610.81	0.0061	58,214.11	0	62.9	2
	01009	Alabama	Blount County	10.125	10.123	0.0019	61,207.58	138,503.93	0.0064	60,319.23	0.0145	136,825.23	0	171.2	.2
	01011	Alabama	Bullock County	10.395	10.393	0.0012	8,276.14	18,740.87	0.0009	8,178.36	0.002	18,553.96	0	18.4	.4
	01013	Alabama	Butler County	9.911	9.909	0.0016	21,682.52	49,042.5	0.0023	21,440.2	0.0051	48,559.69	0	45.	6
	01015	Alabama	Calhoun County	9.694	9.693	0.0013	95,125.06	215,807.04	0.0099	93,922.83	0.0226	213,530.24	0	228.0	2
	01017	Alabama	Chambers County	10.319	10.318	0.0014	31,463.17	71,069.55	0.0033	31,124.85	0.0074	70,380.19	0	56.8	9
	01019	Alabama	Cherokee County	9.774	9.773	0.0015	23,951.38	54,242.92	0.0025	23,652.8	0.0057	53,623.85	0	46.3	8
	01021	Alabama	Chilton County	10.668	10.666	0.0019	49,266.44	111,583.68	0.0051	48,608.21	0.0117	110,369.54	0	136.2	.3
	01023	Alabama	Choctaw County	10.718	10.715	0.0022	18,838.85	42,623.43	0.002	18,620.3	0.0045	42,173.69	0	34.6	4
	01025	Alabama	Clarke County	10.708	10.705	0.0021	31,022.28	70,292.28	0.0032	30,614.99	0.0073	69,488.09	0	74.1	.5
	01027	Alabama	Clay County	9.841	9.84	0.0014	12,515.12	28,335.01	0.0013	12,367.24	0.003	28,039.71	0	25.0	3
	01029	Alabama	Cleburne County	9.68	9.679	0.0014	12,231.8	27,707.21	0.0013	12,079.62	0.0029	27,405.17	0	24.6	.3
	01031	Alabama	Coffee County	9.763	9.762	0.0014	37,531.31	84,884.53	0.0039	36,971.79	0.0089	83,846.1	0	122.6	.5
	01033	Alabama	Colbert County	10.989	10.987	0.0024	83,150.67	187,859.45	0.0087	82,153.36	0.0196	185,852.31	0	168.0	8
	01035	Alabama	Conecuh County	10.527	10.525	0.0017	13,834.8	31,312.92	0.0014	13,666.77	0.0033	30,975.07	0	31.5	2
	01037	Alabama	Coosa County	10.448	10.447	0.0016	12,371.11	27,986.99	0.0013	12,239.52	0.0029	27,710.36	0	17.	.1
	01039	Alabama	Covington County	9.767	9.765	0.0015	39,924.56	90,330.48	0.0042	39,494.69	0.0094	89,453.54	0	76.8	.4
	01041	Alabama	Crenshaw County	9.995	9.994	0.0015	12,156.01	27,536.65	0.0013	12,006.89	0.0029	27,238.04	0	26.4	3
	01043	Alabama	Cullman County	10.206	10.204	0.0019	93,664.73	212,476.33	0.0098	92,470.41	0.0222	210,159.15	0	217.3	3
	01045	Alabama	Dale County	9.654	9.653	0.0013	32,533.38	73,439.35	0.0034	32,034.29	0.0077	72,515.14	0	111.4	3
	01047	Alabama	Dallas County	10.735	10.733	0.0019	52,490.26	119,242.81	0.0055	51,876.47	0.0125	118,080.99	0	135.3	5
	01049	Alabama	DeKalb County	9.848	9.846	0.0016	63,894.74	144,553.68	0.0067	62,979.79	0.0151	142,844.13	0	184.	.5 👻





# Step 4: View Health Effects and Valuation Results



		)				
	We used AVERT to the emissions red due to an increase capacity of 1,000	o calculate luctions ed wind MW.	COBRA (1) converted emission reductions into air quality improvements, and (2) estimation annual adverse health impact	COBRA monetized the value or benefits of the avoided adverse health effects.		
	Annual Emission	Reductions	Annual Adverse Health Imp	acts Avoided	Annual Benefits (2017, \$1,000s)	
	(short tor	ns)	Outcome	Number	Dollar Value	
	Pollutant	Amount 16,180	Mortality	39 - 90	\$37,564 - \$847,796	
	Sulfur Dioxide (SO <sub>2</sub> )		Asthma Exacerbations	1,281	\$82	
	Nitrogen Oxides	6,749	Heart Attacks	5 - 44	\$657 - \$6,101	
	(NO <sub>x</sub> )		Hospital Admissions	25	\$950	
			Acute Bronchitis	68	\$37	
	Note: These reduct	tions are	Respiratory Symptoms	2,120	\$66	
	aggregated across	all affected	Asthma ER Visits	21	\$10	
ΥY	states.		Minor Restricted Activity Days	32,331	\$2,457	
			Work Days Lost	5,443	\$976	
				tota	\$379,951 - \$859,672	

\* Don't forget to consider the caveats from slides 16 through 18

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