

Brady Seals, Denise Grab, Mike Henchen Building Electrification Rocky Mountain Institute NACAA Climate Change Committee Call September 29, 2020



# AGENDA

- 1. Introductions
- 2. Why buildings?
- 3. State of play: decarbonization
- 4. Regulatory pathways
- 5. Roles for air regulators
- 6. Health co-benefits
  - Inside & outside
- 7. Questions & Discussion

Buildings: largest contributor to **climate change**: 40% of emissions

Buildings: the biggest opportunity to **directly impact people**: 90% of our time spent inside buildings.

Co-Benefits: opportunity **to impact lives**: improve the comfort, health and productivity

Healthy buildings: critical to the **just transition** of our energy system

# Why Buildings?



# Building Sector Snapshot



# The United States has reduced carbon emissions in the electricity sector, but not in the buildings sector

Annual CO<sub>2</sub> emissions from electric power and buildings sectors

Million metric tons CO<sub>2</sub>, US total, 2007–2019





#### Fuels burned in 70 million homes and businesses account for 10% of US carbon emissions



Breakdown of fuel emissions in buildings



Sources: EPA Greenhouse Gas Inventory, 2017 (excludes land use, land use change, and forestry); EIA Residential Energy Consumption Survey (RECS), 2015

# Ten states are responsible for 56% of direct building emissions nationally

#### Building greenhouse gas emissions by state

Million metric tons CO<sub>2</sub>e, 2017

% of US total



# Gas is responsible for the majority of direct building emissions

#### Greenhouse gas emissions by building fuel

Residential and commercial sectors, US, 2018



#### Low-Methane Scenario

Propane

**High-Methane Scenario** 

Gas Combustion

Methane Leakage



■ Oil

Note: "Direct" buildings-sector emissions refers to emissions from burning fuels, not those from electricity use. Source: RMI analysis

# Regulatory Solutions Snapshot





#### REGULATORY SOLUTIONS FOR BUILDING DECARBONIZATION: TOOLS FOR COMMISSIONS AND OTHER GOVERNMENT AGENCIES

BY SHERRI BILLIMORIA AND MIKE HENCHEN



#### **Resource Library available on the report website**

"Regulatory Solutions for Building Decarbonization: Tools for Commissions and Other Government Agencies" outlines 10 key strategies to support building decarbonization. In this library, we share resources from commissions, nonprofits, and media that expand on the themes and strategies introduced in our report.



#### Focus on Equity and Inclusion

Equity and inclusion must be considered throughout all the potential solutions in this framework; low- and moderateincome customers and disadvantaged communities cannot be an afterthought. Decision-making processes must meaningfully include the perspectives of multiple communities and programs must be designed to specifically support low-income and disadvantaged communities at risk of being left behind.

#### Z Equitable Building Electrification: A Framework for Powering Resilient Communities

Greenlining Institute and Energy Efficiency For All

Greenlining's Equitable Building Electrification Framework addresses the opportunities and challenges that electrification presents for low-income communities—70 percent of whom are renters. The framework finds that electrification can be a transformative force for low-income residents, and it explains the steps the state must take to ensure that electrification helps close the clean energy gap in California and provides relief to millions of residents facing energy insecurity in the current system.

This five-step framework presents a start-to-finish recipe for how the current goals of building electrification can be aligned with producing healthy homes, creating high-quality, local jobs that cannot be outsourced, and establishing stronger connections between everyday Californians and our climate change policies and goals.

#### Z Sacramento Wants to Electrify Its Homes, Low-Income Families Included

Justin Gerdes, Greentech Media

Sacramento Municipal Utility District (SMUD) attended Rocky Mountain Institute's eLab Accelerator to answer the question: how does a not-for-profit municipal utility that has committed to eliminate carbon from buildings ensure that its most disadvantaged customers aren't left behind during the transition? A guiding belief for SMUD was that lowand moderate-income households should be able to transition to gas-free electric appliances at the same rate as the rest of the population. The team saw potential benefits of that transition for building owners and tenants alike and developed a plan to integrate electrification into existing low-income efficiency efforts.



# Framing what's needed





# Focus on equity & inclusion





# Align decarbonization regulatory work across state and local agencies





#### Pathways for Gas Utilities in a Carbon-Free Future

Modernize utility business models



#### PATH 1 TRANSFORMATION

Gas utilities transform their business models to thrive in a carbon-free future with new offerings.

#### PATH 2 MANAGED TRANSITION

Gas system winds down as energy shifts to electricity; new earnings opportunities for gas utilities to manage an effective transition; workers supported with transition plan and secure benefits.

#### **DEAD-END PATHS**

#### PATH 3 Failure to mitigate climate change.

Failure to mitigate climate change. Continued widespread gas use contributes to unsustainable emissions and climate change well in excess of manageable levels.

**PATH 4 Gas utility death spiral.** Gas utility death spiral. Customers defect from the gas system, raising prices, straining the utility business, challenging customer affordability, and leaving employees unsupported.

**PATH 5 Overreliance on RNG.** Utilities pursue RNG to maintain today's business model, leading to either path 3 (because available RNG is insufficient to eliminate emissions) or path 4 (because high-cost RNG spurs more electrification).

# **Air Regulators**

#### PLAY A CRITICAL ROLE





#### 2017 NITROGEN OXIDES (NO<sub>x</sub>) OUTDOOR EMISSIONS (TONS/DAY)



## **Electric Heat Pump Technology is Efficient and Available**



**Hot Water** 



#### **Heating and Cooling**



#### DRAFT

CALIFORNIA

# Introducing all-electric new construction by 2023 & all-electric appliance replacement by 2025 can reduce annual $CO_2$ emissions by ~20% in 2030





Sources: CARB, CEC 2019, Synapse Energy Economics 2018 Assumptions:

--Leveraging Synapse report of net 7 MMT annual CO2e reduction by 2030, if 30% of stock goes electric --Assume 30% of res/comm buildings electrified by 2030 (5% per year from 2025) and all-electric new construction DRAFT

CALIFORNIA

# Introducing all-electric new construction by 2023 and all-electric appliance replacement by 2025 can reduce <u>NOx emissions</u> by ~27% in 2030



Remaining Emissions

Avoided emissions - all-electric new construction <u>To be quantified</u>



Assumptions:

--Average 20 Year Appliance Life, 5% Stock Turnover per Year

--Above numbers reflect projected 'Residential' and 'Service & Commercial' NOx emissions.

# **Actions** To Reduce Building Emissions



### Foundational steps: Set Indoor Air Quality Guidelines & Revisit Ambient Standards

Indoor Guidelines (NO <sub>2</sub> )		
	Short-term (1-hour) ppb	Long-term (annual) ppb
WHO	100	20
Canada	90	11

Outdoor Standards (NO <sub>2</sub> )			
	Short-term (1-hour) ppb	Long-term (annual) ppb	
California	180	30	
US (EPA)	100	53	
Canada	60	17	
Australia (current)	120	30	
Australia (requested)	72	9	

What agencies can set indoor air quality guidelines?

Start a process to review NO<sub>2</sub> standards based on the latest science

Other countries (Canada, Australia) have already started this process



# Air regulators can address appliance emissions

#### Address outdoor air pollution



Water heaters, dryers, furnaces

- States+Regions: Set a zero-NOx and/or zero-CO<sub>2</sub> emission standard
- 2. EPA (Clean Air Act):
  - a) NSPS for NOx from appliances
  - b) Cross-State Pollution
  - c) Regional Haze

#### Address indoor air pollution



#### Stoves

- Update indoor AQ guidelines for NO<sub>2</sub> & CO using latest science & quantify health costs
- 2. Set emission standards based on indoor AQ guidelines or venting to outdoors

1000

Interagency coordination

Support building code regulators to:

- a) adopt all-electric new construction code
- b) eliminate gas stove pollution via ventilation standards



## How air districts can help decarbonize buildings

Issue zero-NOx appliance emission standards Include Building Decarbonization as a key emissions reduction strategy in future plans and align with climate targets

Create/update indoor air quality guidelines based on latest science,

Support energy agencies in strengthening building code updates including all-electric new construction and stronger ventilation requirements for kitchen appliances

Support and prioritize building electrification incentives in environmental justice communities





# Health Co-Benefits



# Why Air Quality & Health?

- Greatest environmental risk factor for early death
- Buildings are now the most important sector to address as other sectors have been regulated
- Electrifying buildings reduces
  emissions indoors and outdoors
- New opportunities for collaboration
- Policy driver: creates new avenues for regulation





# Health Impacts from Indoor Air Pollution











# HEALTH EFFECTS FROM GAS STOVE POLLUTION

PUBLISHED MAY 5, 2020

# **Report Summary**

Synthesizes 8 key findings:



- 1. Indoor air unregulated
- 2. Gas stoves emit numerous pollutants
- 3. Indoor air pollution can reach levels that would be illegal outdoors
- 4. Well-documented health risks
- 5. Children particularly at risk
- 6. Lower-income households may be at higher risk
- 7. Ventilation important but not sole strategy
- 8. Electric cooking is cleaner option

#### **Spotlights 4 case studies of action:**

- Canada
- California
- Massachusetts Medical Society
- Environmental justice communities

#### **Provides practical recommendations for:**

- Policymakers
- Individuals
- Healthcare professionals
- Researchers & funders





# Indoor Air Quality is Often Worse than Outdoor Air Quality

We spend up to **90%** of our time indoors



EPA states indoor pollutant levels may be **2 to 5** and as much as **100 times** higher indoors than outdoors

> 100x 5x 5x ↓ ↓ ↓

Homes with gas stoves have **50 - 400%** higher NO<sub>2</sub> emissions than homes with electric stoves





#### **Indoor NO<sub>2</sub> Emissions from Gas Stoves Often Exceed Outdoor Standards**

Outdoor Standards for NO <sub>2</sub>	1-hr average (ppb)
US National Standard (EPA)	100
Canadian National Standard	60
California State Standard	180
Indoor Guidelines for NO <sub>2</sub>	1-hr average (ppb)
Canada	90
World Health Organization	106

Measured NO <sub>2</sub> Emissions from Gas Stoves	Peak (ppb)
Baking cake in oven	230
Roasting meat in oven	296
Frying bacon	104
Boiling water	184
Gas cooktop - no food	82–300
Gas oven - no food	130–546





### 3 Main Factors Why Children are More Susceptible to Illnesses Associated with Air Pollution than Adults





# **Health Effects of NO<sub>2</sub> in Children May Include:**





## Lower-income Households May be at a Higher Risk of Exposure to Gas Stove Pollution

#### FACTORS CONTRIBUTING TO HIGHER LEVELS OF NO<sub>2</sub> IN HOMES:



Smaller unit size



Using the stove/ oven for supplemental heat



More people per home



Higher exposure to outdoor pollution



Older homes, inadequate ventilation



Greater asthma burden



# **Recommendations for Individuals**

To reduce or eliminate exposure to gas stove pollution





# **Recommendations for Policymakers**

Indoor Air Quality Guidelines	Regulators and building commissions adopt health-based guidelines that protects the most sensitive populations
<b>Building Codes</b>	Must require adequate ventilation & other protections (such as low-level CO detectors, automatic ventilation)
Warning Labels	Regulators require manufacturers to warn consumers about the dangers of gas stove pollution
Incentives	Financial incentives, such as tax credits or rebates, should be made available (plug-in induction cooktop or for switching to electric)
Public Buildings & Funds	Eliminate gas stove pollution as soon as practical (including in schools & low-income housing). Funds should not be used to purchase/install appliances that could pose a health risk.
Property Owners	Require property owners to provide notice to tenants about the gas stove pollution risk. (include options: induction cooktops, stove replacement, ventilation to outdoors.



# Health Impacts from Ambient Air Pollution





# New study links COVID-19 to NO<sub>2</sub>



Emory university peer-reviewed study published last week in The Innovation (Cell Press) A **4.6 ppb reduction** in long-term exposure to NO<sub>2</sub> would have avoided **14,672 US deaths** among those who tested positive for the virus

= 44.7 avoided deaths per million US residents as of mid-July 2020

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# **Upcoming study**

**Environmental Health Letters (peer-review)** 



#### HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH

# **C-CHANGE**

CENTER FOR CLIMATE, HEALTH, AND THE GLOBAL ENVIRONMENT

- First ever inventory of stationary source emissions over last decade
- State-specific, county-level data
- Decline of coal, relative importance of other sectors
- Quantification of health
  impacts
  - Early deaths
  - Health burden (\$Billions)





# **THANK YOU**

bseals@rmi.org dgrab@rmi.org mhenchen@rmi.org