**Co-benefits of Plus Energy Buildings in household and community level** 

Cultural-E workshop 9:30 - 11:00 CET

> 28 September 2022 Brussels and online

European Sustainable Energy Week #EUSEW2022





### Important information before we start







Your microphone will be muted and your camera will be off. If you would like to speak, please raise your hand and we will give you the floor

We will use Sli.do for real-time polls/ Q&A/ chat box. Further instructions will be give later



Sustainable plus energy neighbourhoods



## Important information before we start





### This workshop will be recorded





## Join at slido.com #Co-benefits





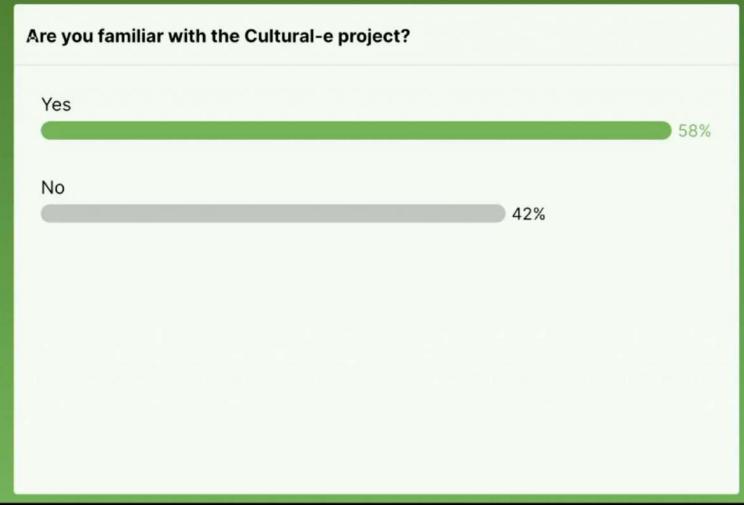


I Active poll



## Join at slido.com #Co-benefits







# Introduction to the project and outline of the workshop

Annamaria Belleri, project coordinator - EURAC



## Climate and cultural-based solutions for Plus Energy Buildings<sup>cultural</sup>

Main project objective:

to define modular and replicable solutions for residential Plus Energy Buildings (PEBs), accounting for climate and cultural differences, while engaging all key players involved in the building life cycle.

More info on our project website: <u>https://www.cultural-e.eu/</u>

Sign up to our bi-annual newsletter!



#### What is a Plus Energy Building (PEB)?







A Plus Energy Building is an energy efficient building that produces more final energy than it uses via locally available renewable sources over a time span of one year\*.



Positive balance reached by ensuring a good dynamic matching between load and generation providing building flexibility.



Positive balance reached by ensuring the lowest greenhouse gas emissions.

\*The definition applies to all-electric buildings and the energy balance is based on measured or predicted final energy between load and generation. In case of new buildings electrification is an inevitable process. In case other renewable energy vectors are used in the building (i.e. biomass, biogas...), final energy balance shall be zero.



 PEBs shall ensure an added value providing accessible, comfortable and healthy indoor environments. Energy generation shall be performed by renewable energy systems located within building footprint.

ЩÌ

It can be extended to adjacent lots as long as there is a physical connection and direct control of renewable energy generation system.



PEBs shall ensure an added value providing accessible, comfortable and healthy indoor environments.

PEB shall ensure an added value providing easy access to e-mobility



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N. 870072

#### www.cultural-e.eu

## How can PEB become the new building standard?



Put **user/households at the center** i) understanding user's needs and ii) guiding them towards better energy practices



Defining viable and tailorable technology concepts



**Integrated climate and cultural approach** that encompasses overall building configuration, technology selection, and user/systems interaction.



Define **viable business models** that include attractive financial mechanism and co-benefit evaluation



## How to identify and evaluate co-benefits related to Plus Energy Buildings?

## Guidelines for co-benefit evaluation





- to estimate the co-benefits associated with Plus Energy Buildings (PEBs) at household and community level
- to integrate the co-benefits associated with PEBs into business models and cost assessments
- to be presented within marketing strategies aimed at promoting the use and share of PEBs in the future



real estate agents, building occupants, policy makers and technology developers

## Group of Interest



What is it? An External Advisory Board made of internationally renowned external experts on the topic in question.

#### What is the aim?

- providing guidance and feedback to a specific topic,
- create a network of expert to exchange about cutting edge research in the topic area

#### How to subscribe?

Online:

https://docs.google.com/forms/d/e/1FAIpQLSdxrb-XeYui2yZUGo-7PUAf-02WvUxuJv3J5Cg9W3 3rBWht0g/viewform

#### or by filling the form at the registration desk

## Agenda



- 9:30 9:35 Brief introduction to the project and outline of the workshop Annamaria Belleri, Eurac Research
- 9:35 9:40 Introduction to the Co-benefits from Plus Energy Buildings Samar Thapa, Università Ca Foscari Venezia
- 9:40 10:00 Direct Costing methodology Francesco Bosello, Università Ca Foscari Venezia
- 10:00 10:20 Discrete Choice Experiments methodology Andrea Bigano, Mediterranean Centre for Climate Change
- 10:20 11:00 Discussion and Feedback

## Thank you for you attention!



Annamaria Belleri Eurac Research annamaria.belleri@eurac.edu







### Introduction to the Co-benefits of Plus Energy Buildings

## PEB co-benefit at household and society level: overview on design of experiment and expected results

Samar Thapa (UNIVE), Francesco Bosello (UNIVE), Andrea Bigano (CMCC), Aisling Sealy Phelan (CMCC), Anna Alberini (University of Maryland)

### Workshop on Co-benefits of Plus Energy Buildings in household and community level



### Co-benefits, the definition

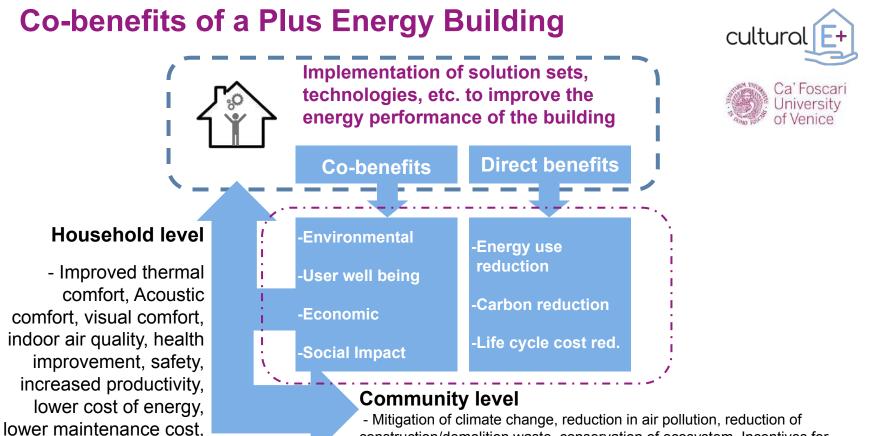




"The positive effects that a policy or measure aimed at one objective might have on other objectives, without yet evaluating the net effect on overall social welfare"

IPCC 5<sup>th</sup> Assessment Report (AR5)





construction/demolition waste, conservation of ecosystem, Incentives for construction, lower energy cost, improvement of social welfare, mortality/morbidity reduction and energy security



etc

#### Cultural-E Task 5.2 and 5.3 Proposed Approach







What co-benefits? **Community Level** What Methods? (that we interpret as Household Level «social») e.g. e.g. **Energy savings from more Emission savings from** • **Direct costing** more e-efficient building e-efficient building Some kind of «market More employment... or price» support for . . . Value to the building the evaluation exists «pricing» directly some of its features e.g.: Welfare gains from high indoor air • No direct evaluation quality **Discrete Choice** support from Welfare gains from better acoustic / • Experiment market transactions thermal comfort Sense of satisfaction of living in a low exists

> Value to the building willingness to pay for some of its features



28/09/2021 Workshop on Co-benefits of Plus Energy Buildings in household and community level

environmental impact house...

S Thapa (UNIVE), F. Bosello (UNIVE), A. Bigano (CMCC)

## Thank you for you attention!



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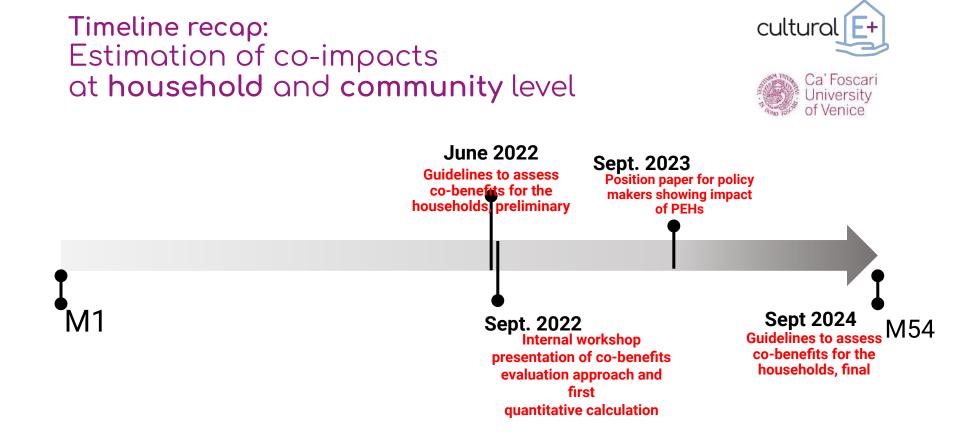
### Applying «direct costing» to evaluate co benefits of Plus Energy buildings

#### PEB co-benefit at household and society level: overview on design of experiment and expected results

Francesco Bosello (UNIVE), Andrea Bigano (CMCC), Aisling Sealy Phelan (CMCC), Anna Alberini (University of Maryland)

### Workshop on Co-benefits of Plus Energy Buildings in household and community level







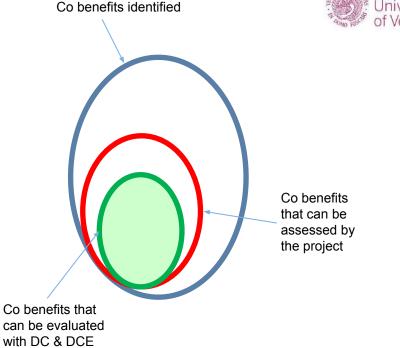
## What has been done





We selected what is suitable to an economic evaluation via direct costing and choice experiment from the list of benefits and co-benefits already identified in Cultural-E;

We **interacted with partners** to define building references, select co-benefits suitable for DCE.





#### Applying direct costing: what is needed?





	E + Building (A)	Reference Building (say «Net 0») (B)	(A) - (B)
Material use by source	??	??	<b>v</b>
Energy consumption	??	??	~
GHG emissions	??	??	<b>v</b>
Other emissions	??	??	

(A) – (B) is what we shall evaluate economically

#### The evaluation should be conducted over the life cycle...



#### Direct costing: which co benefits and how?



Co-benefit	Indicator	Direct support for the assessment
Reduction of construction material and	Kg of various waste categories produced over the life cycle ( $\Delta$ of a	Standard Waste Treatment Cost (from the literature, Vázquez-López et al., 2020
demolition waste.	PEB wrt a NZEB).	)
Lower operational and maintenance	Hours of operational and maintenance over the life cycle ( $\Delta$ of a	Average market value of those services.
costs.	PEB wrt a NZEB).	
Mitigation of climate change.	Kg of CO2 equivalent emissions over the life cycle (Δ of a PEB wrt	The social cost of carbon (from the literature, Rennert & Kingdon 2019)
	a NZEB).	
Employment creation.	Number of jobs over the life cycle ( $\Delta$ of a PEB wrt a NZEB).	The average wage in the relevant economic sector. EUROSTAT data
Improvement of social welfare.	MWh of energy consumed over the life cycle (Δ of a PEB wrt a	Translated in terms of reduced energy poverty □ assessing the effect of energy
	NZEB).	savings on the budget of households belonging to the lowest income deciles.
Reduction of air pollution.	Kg of particulate matter emitted over the life cycle ( $\Delta$ of a PEB wrt	The external or social cost of PM10 emissions or equivalent, €39.2. (CE Delft,
	a NZEB).	2018)
Reduced ozone depletion.	Kg of CFC equivalent substances emitted over the lifecycle ( $\Delta$ of a	The external or social cost of emitting additional kg of CFC or equivalent,
	PEB wrt a NZEB).	€30.40. (CE Delft, 2018)
Reduced formation potential of	Kg of Ethen equivalent emissions over the life cycle ( $\Delta$ of a PEB	The external or social cost of Photochemical oxidant formation is given as $\pounds 1.15$
tropospheric ozone photochemical	wrt a NZEB).	per kg of non-methane volatile organic compounds (NMVOC) emitted. (CE Delft,
oxidants.		2018)
Reduced acidification potential.	Kg of Phosphate equivalent emitted over the life cycle ( $\Delta$ of a PEB	The external or social cost of a unit of sulphur dioxide emissions is $\pounds 4.97$ per kg.
	wrt a NZEB).	(CE Delft, 2018)
Reduced eutrophication potential.	Kg of phosphate equivalent emitted over the life cycle ( $\Delta$ of a PEB	The external or social cost of freshwater eutrophication is given as €1.86 per kg of
	wrt a NZEB).	phosphate equivalent (CE Delft, 2018)
Reduced abiotic depletion potential for	Kg of Antimony equivalent emitted over the life cycle ( $\Delta$ of a PEB	The external or social cost of resource use, minerals and metals is given as ${\bf \&1.64}\ per$
non-fossil resources.	wrt a NZEB).	kg of Sb equivalent. (Trinomics, 2020)
Reduced abiotic depletion potential for	Mj of energy use over the life cycle ( $\Delta$ of a PEB wrt a NZEB).	The external or social cost of fossil resource use is given as €0.0013 per Mj.
fossil resources.		(Trinomics, 2020)
Reduced water use.	$M^3$ of fresh water use over the life cycle ( $\Delta$ of a PEB wrt a NZEB).	The external or social cost of water use is given as €0.00499 per m3 of water
		equivalent. (Trinomics, 2020)



## A working example





**Direct costing assessment** of the Global Warming Potential (GWP) embedded in the warming/cooling/insulating technologies applicable to a Mediterranean "low rise" building, with:

NFA of 700 m2, service life is 20 years.

The technology consists in a mix of: active window system (AWS Eurofinestra), a 200 m2 photovoltaics system for energy generation, an 80 Kg stainless steel storage system, a 600 m2 heating floor panel distribution system, a 1Kg-7kW heat pump Air-Water heating system, a 5000 m<sup>2</sup>/h mechanic ventilation system.



## The direct of mix an extended or said di impact, of state of the second second

discount rate %

SCC (dollar per tonne)

LRSS1 med price carbon emissions

SCC (dollar per kg)

Source: Rennert & Kingdom (2019)

The direct costing method attaches to the technological mix an external cost due to its global warming potential, or said differently, to its originated climate change impact, of \$312 to \$4689.

5

14

0.014

\$875.35

0.005

\$312.62

Note that this is not yet a co-benefit measure. To translate the costs of carbon emissions into a co-benefit it is necessary to compare this value with what a NZEB can originate...



## A working example

po per tor

\$75 per ton

The Range of Values of the SCC

40,000

30,000

20,000

10.000

0

Number of trials

Culturol

of Venice

3 50

0.05

\$3,126.24

2.5

75

0.075

\$4,689.36



## Thank you for you attention!



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### Applying Discrete Choice Experiments to evaluate the co-benefits of Plus Energy Buildings

#### PEB co-benefit at household and society level: overview on design of experiment and expected results

Francesco Bosello (UNIVE), **Andrea Bigano (CMCC)**, Aisling Sealy Phelan (CMCC), Anna Alberini (University of Maryland)

Workshop on Co-benefits of Plus Energy Buildings in household and community level



## DCE- the general plan





- Two countries, France and Germany, to capture heterogeneity across EU building stocks (climate, fuels, average age, national energy efficiency policies)
- Two samples of 1000 respondents each;
- Selection and possible clustering of relevant co-benefits;
- Definition of the questionnaire, including realistic ranges for attributes;
- Consider different kind of split samples (e.g. people who did upgrades in their home in terms of efficiency, indoor comfort, etc. vs. people who did not)
- Testing with laypersons and developers of nZEB/ Plus Energy Buildings (databases available)
- Administration of the questionnaire by a reputable survey company using Computer Assisted Web Interviewing (CAWI) procedures;
- Econometric analysis of collected data and WTP estimation.



F. Bosello (UNIVE), A. Bigano (CMCC)

## Latest developments for DCE (discrete choice experiments)

- general section of the questionnaire
- First tentative identification of attribute levels and their realistic ranges (with WP5 partners)
- Considered expanding the scope of the energy balance and adaptability attributes.
- Considered refining the cost attribute to accommodate different types of dwellers.





## Identifying Co-benefits: from clusters...





Indoor Air Quality Cluster
Indoor air quality
Health improvement
Improvement of health conditions / Reduction of work
leave (smart working)
Reduction of psychological effects
Increase in productivity (smart working)
Building's real estate value Cluster
Easier to sell / rent at higher real estate prices
Increase in the value of the building
Energy consumption Cluster
Reduction of energy consumptions
Reduction of energy consumption costs
Lower cost of energy
Less need for energy subsidies
Reduction of dependence on fossil fuels

Indoor Comfort Cluster
Thermal comfort
Acoustic comfort
Visual comfort/quality of natural light indoor
Local Pollution reduction Cluster
Biodiversity protection
Environmental resources protection
Conservation of ecosystems
Energy security
Easy of use
Lower maintenance costs
Reduction of CO2 emissions
Resilience to climate change
Safety



## ...to (semi-final) selection

- ENERGY BALANCE: the difference between energy produced from renewable sources and energy consumed
- Indoor Environmental Quality: Indoor air quality (IAQ), thermal comfort, visual comfort and acoustic comfort)
- ADAPTABILITY: the ability of the building to adapt to user needs. It includes the control that a user can exercise over a technology and how the presence of this technology offers more possibilities to the user (columns then purchase of electric car, etc.)
- PRICE (investment cost and ordinary/ extraordinary maintenance - O&M (LCC), but also rental costs)







## Questionnaire structure 1/3



Ice-breaking /general guestions (Likert scale or multiple choice)

- Do you own or do you rent your main household dwelling
- Did you move in the last 10 years? (Includes leaving parents' house or student housing)
- Are you planning to move in the next 5 years?
- Tell us about
  - the main features of your place
  - your familiarity with energy efficiency
  - your familiarity with efficient buildings (NZEB /Plus Energy)
  - your familiarity with energy districts/communities

  - your own experience with energy efficiency practices in buildings
    any public financial support you may have received to install renewable energy in your home
    your interest in joining a positive energy district sharing renewable energy—as a supplier or simply user of such energy



## Questionnaire structure 2/3



Tell us about your familiarity with co-benefits, in terms of:

- natural light in your home
- · air quality in your home
- indoor air quality issues you may have experienced in your home (mildew, dampness, odours etc.)
- your experiences with blackouts or brownouts in the last 12 month
- your awareness about the share of energy inputs (natural gas, oil, coal) that must be imported
- your expectations about having to cut down heating or delivery delays or interruptions.



## Questionnaire structure 3/3



- Section on Discrete Choice Experiments
- ideally in three versions, depending on actual cost of surveys
  - Renters: price attribute in terms of  $\Delta$  in rents
  - Owners stayers: price attribute in terms of  $\Delta$  in renovation costs
  - Owners movers: price attribute in terms of  $\Delta$  in real estate prices
- Section on Socio-demographic questions
  - Household composition and age of its members
  - Education
  - Employment
  - Income





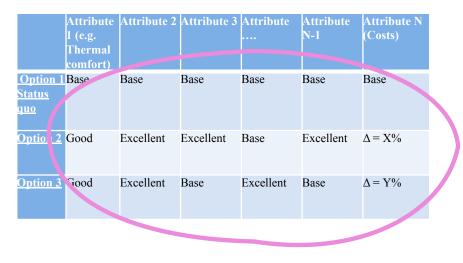
### Choice card example

Which do you prefer: would you prefer to stay with the current situation (option 1), or would you go for option 2, or option 3? Please keep in mind that if you choose to stay with the current situation, you get no additional benefits in terms of comfort or air quality or ability of the house to accommodate other needs such as more precise remote controlling of the indoor conditions or the ability to recharge an electric vehicle in your parking lot, no savings in energy consumption, and your household would not face any additional costs.

[] Option 2

[] Option 3

[] neither – I prefer the current situation



Attribute levels to be described to respondents through clear text and visual aids



## The issue of the cost attribute





• The identification of the cost attribute is crucial and problematic:



- it drives WTP
- It varies with categories of responders

•We propose to have three different versions of choice cards for renters, stayer-owners and mover-owners, as respondent will realistically envisage the cost categories they are likely to face.

•Most likely, the respondents will be either renters or stayers-owners, hence we'll need to go in most cases for variations in rents or in renovation costs.

•In any case pre-testing is crucial to determine the most suitable format for this attribut





## Next Steps for DCE





- Finalise all refinements of the questionnaire
  - assess the state of the housing market at this unusual time and determine whether it is a good time to ask people to answer questions about the potential purchase of a home
  - assess whether renters appreciate energy efficiency and the opportunity to participate in a PED, or the split incentive problems renders interferes with these incentives
  - consider supplementing DCE with alternate valuation methods
- Start pre-testing
- Finalise the choice of the survey company and launching the survey



## Thank you for you attention!



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## Time for an interactive poll

#### Go to the website sli.do and insert the code #Co-benefits

or scan the QR code in the next slide with your phone





Join at slido.com #Co-benefits

Cultural-



performing a deep energy efficiency renovation in an existing building

don't know / not sure

I Active poll

18%

upgrading an already efficient building (e.g. class A) to Plus Energy performance levels

12%

71%

#### I Active poll



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What is the most appealing feature of Plus Energy Buildings for resident households? (It is possible to select multiple options)

the negligible energy costs

the indoor comfort

the idea of contributing to decarbonising the planet

33%

the extra security stemming from self generated energy and the access to energy districts

17%

other (please specify in the chat)

∩%

83%

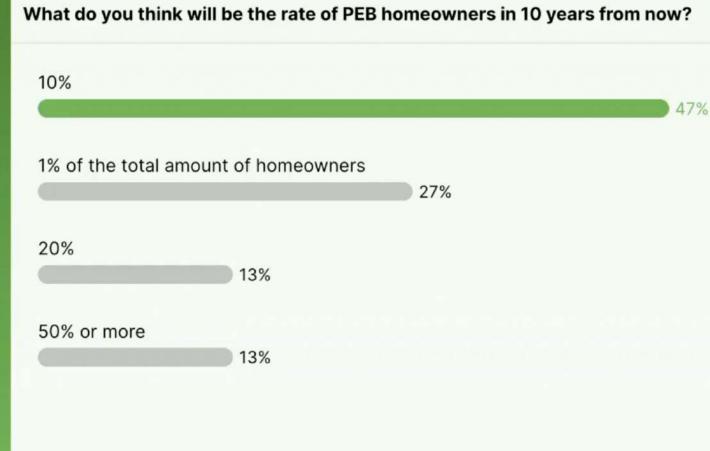
72%

#### I Active poll



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## Thank you for joining us today cultural

More information can be found at https://www.cultural-e.eu/



