

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



COBRA

Co-Benefits Risk Assessment
Health Impacts Screening and Mapping Tool



State and Local
Energy and Environment Program





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



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. Estimate where (e.g., in one or more counties or states, regionally, nationally) and what emission changes will take place
3. Enter the location, types, and quantity of emission changes expected from the policy or activity in COBRA
4. Select a discount rate in COBRA to appropriately discount the value of future benefits
5. Run the model
6. Review the results

This presentation will:

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

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





Step 1: Select analysis year



- COBRA contains detailed 2017 and 2025 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 | – Off-Highway |
| – Fuel Combustion - Electric Utility | – Other Industrial Processes |
| – Fuel Combustion - Industry | – Petroleum & Related Industries |
| – Fuel Combustion - Other | – Solvent Utilization |
| – Highway Vehicles | – Storage & Transport |
| – Metal Processing | – Waste Disposal & Recycling |
| – Miscellaneous | |
| – Natural Sources (Biogenics) | |

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



Step 2: 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



Step 2: 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)
<https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid>, or
 - EPA's AVOIDed Emissions and geneRation Tool (AVERT)
<https://www.epa.gov/statelocalenergy/avoided-emissions-and-generation-tool-avert>
 - More sophisticated approaches, such as those described in EPA guides:
 - *Assessing the Multiple Benefits of Clean Energy: A Resource for States*, Chapter 4 https://www.epa.gov/sites/production/files/2015-08/documents/epa_assessing_benefits.pdf
 - *Roadmap for Incorporating Energy Efficiency/Renewable Energy Policies and Programs into State and Tribal Implementation Plans*, Appendix I https://www.epa.gov/sites/production/files/2016-05/documents/appendixi_0.pdf



Step 3: Select and enter the types, location and quantity of emission changes expected



- 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





Step 4: 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





Step 4: 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 5: 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 6: View 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





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





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





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.



COBRA
Co-Benefits Risk Assessment
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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





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

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



Step 2: 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





Step 2: 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





Step 2: 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





Step 2: 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:
 - SO₂: **4.1 lbs. per MWh**
 - NO_x: **1.5 lbs. per MWh**
 - Percentage of electric generation that already comes from renewable sources in Michigan: **7.0%**

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



Step 2: Estimate where and what emissions changes will take place (cont'd)



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

$$10.0\% - 7.0\% = \mathbf{3.0\%}$$

- We calculate the reduction in MWh:

$$3.0\% \times 107 \text{ million MWh} = \mathbf{3.2 \text{ million MWh}}$$

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

$$\begin{aligned} \text{SO}_2: 3.2 \text{ million MWh} \times 4.1 \text{ per MWh} &= 13 \text{ million lbs.} \\ &= \mathbf{6,600 \text{ tons}} \end{aligned}$$

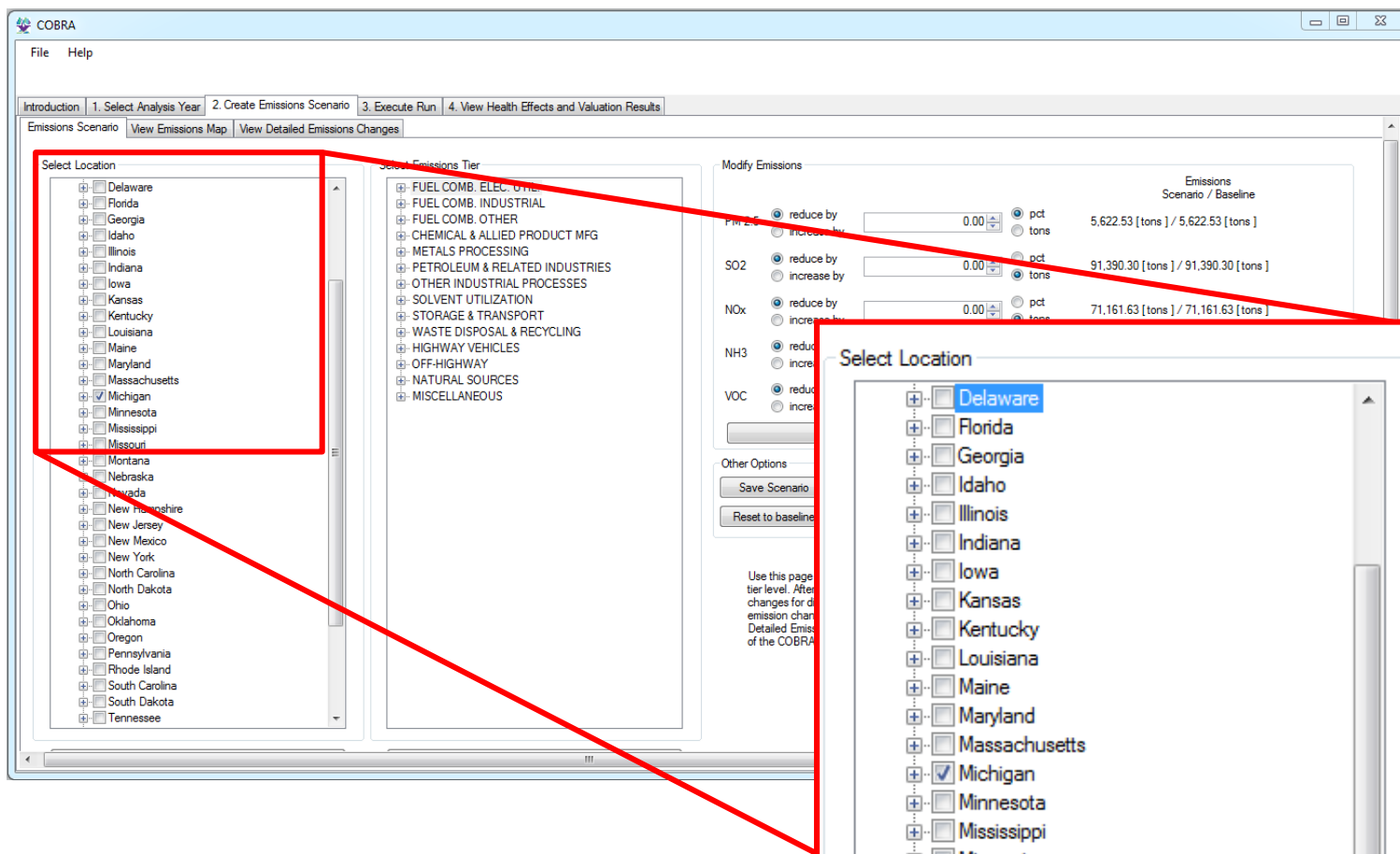
$$\begin{aligned} \text{NO}_x: 3.2 \text{ million MWh} \times 1.5 \text{ per MWh} &= 4.8 \text{ million lbs.} \\ &= \mathbf{2,400 \text{ tons}} \end{aligned}$$

[Note that 1 ton = 2,000 lbs.]



Step 3: Set up scenario in COBRA

(a) Location of emission changes expected





Step 3: Set up scenario in COBRA

(b) 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





Step 3: Set up scenario in COBRA

(b) Types of emission changes expected



COBRA

File Help

Introduction | 1. Select Analysis Year | 2. Create Emissions Scenario | 3. Execute Run | 4. View Health Effects and Valuation Results

Emissions Scenario | View Emissions Map | View Detailed Emissions Changes

Select Location

- ☐ Delaware
- ☐ Florida
- ☐ Georgia
- ☐ Idaho
- ☐ Illinois
- ☐ Indiana
- ☐ Iowa
- ☐ Kansas
- ☐ Kentucky
- ☐ Louisiana
- ☐ Maine
- ☐ Maryland
- ☐ Massachusetts
- ☒ Michigan
- ☐ Minnesota
- ☐ Mississippi
- ☐ Missouri
- ☐ Montana
- ☐ Nebraska
- ☐ Nevada
- ☐ New Hampshire
- ☐ New Jersey
- ☐ New Mexico
- ☐ New York
- ☐ North Carolina
- ☐ North Dakota
- ☐ Ohio
- ☐ Oklahoma
- ☐ Oregon
- ☐ Pennsylvania
- ☐ Rhode Island
- ☐ South Carolina
- ☐ South Dakota
- ☐ Tennessee

Select Emissions Tier

- ☒ FUEL COMB. ELEC. UTIL.
- ☒ FUEL COMB. INDUSTRIAL
- ☒ FUEL COMB. OTHER
- ☒ CHEMICAL & ALLIED PRODUCT MFG
- ☒ METALS PROCESSING
- ☒ PETROLEUM & RELATED INDUSTRIES
- ☒ OTHER INDUSTRIAL PROCESSES
- ☒ SOLVENT UTILIZATION
- ☒ STORAGE & TRANSPORT
- ☒ WASTE DISPOSAL & RECYCLING
- ☒ HIGHWAY VEHICLES
- ☒ OFF-HIGHWAY
- ☒ NATURAL SOURCES
- ☒ MISCELLANEOUS

Modify Emissions

Emissions Scenario / Baseline

PM 2.5 ☒ reduce by ☐ pct 5,622.53 [tons] / 5,622.53 [tons]

SO2 ☒ reduce by ☐ pct 91,390.30 [tons] / 91,390.30 [tons]

NOx ☒ reduce by ☐ pct 71,161.63 [tons] / 71,161.63 [tons]

NH3 ☒ reduce by ☐ pct

VOC ☒ reduce by ☐ pct

Select Emissions Tier

- ☒ FUEL COMB. ELEC. UTIL.
- ☒ FUEL COMB. INDUSTRIAL
- ☒ FUEL COMB. OTHER
- ☒ CHEMICAL & ALLIED PRODUCT MFG
- ☒ METALS PROCESSING
- ☒ PETROLEUM & RELATED INDUSTRIES
- ☒ OTHER INDUSTRIAL PROCESSES
- ☒ SOLVENT UTILIZATION
- ☒ STORAGE & TRANSPORT
- ☒ WASTE DISPOSAL & RECYCLING
- ☒ HIGHWAY VEHICLES
- ☒ OFF-HIGHWAY
- ☒ NATURAL SOURCES
- ☒ MISCELLANEOUS

Other Options

Save Scenario

Reset to baseline

Use this page to set the tier level. After changes for emission changes, click on the Detailed Emissions of the COBRA



Step 3: Set up scenario in COBRA

(c) Quantity of emission changes expected



COBRA

File Help

Introduction 1. Select Analysis Year 2. Create Emissions Scenario 3. Execute Run 4. View Health Effects and Valuation Results

Emissions Scenario View Emissions Map View Detailed Emissions Changes

Select Location

- ☐ Delaware
- ☐ Florida
- ☐ Georgia
- ☐ Idaho
- ☐ Illinois
- ☐ Indiana
- ☐ Iowa
- ☐ Kansas
- ☐ Kentucky
- ☐ Louisiana
- ☐ Maine
- ☐ Maryland
- ☐ Massachusetts
- ☒ Michigan
- ☐ Minnesota
- ☐ Mississippi
- ☐ Missouri
- ☐ Montana
- ☐ Nebraska
- ☐ Nevada
- ☐ New Hampshire
- ☐ New Jersey
- ☐ New Mexico
- ☐ New York
- ☐ North Carolina

Select Emissions Tier

- ☐ FUEL COMB. ELEC. UTIL.
- ☐ FUEL COMB. INDUSTRIAL
- ☐ FUEL COMB. OTHER
- ☐ CHEMICAL & ALLIED PRODUCT MFG
- ☐ METALS PROCESSING
- ☐ PETROLEUM & RELATED INDUSTRIES
- ☐ OTHER INDUSTRIAL PROCESSES
- ☐ SOLVENT UTILIZATION
- ☐ STORAGE & TRANSPORT
- ☐ WASTE DISPOSAL & RECYCLING
- ☐ HIGHWAY VEHICLES
- ☐ OFF-HIGHWAY
- ☐ NATURAL SOURCES
- ☐ MISCELLANEOUS

Modify Emissions

			Emissions Scenario / Baseline
PM 2.5	<input checked="" type="radio"/> reduce by	<input type="text" value="0.00"/>	<input checked="" type="radio"/> pct 5,622.53 [tons] / 5,622.53 [tons]
	<input type="radio"/> increase by		<input type="radio"/> tons
SO2	<input checked="" type="radio"/> reduce by	<input type="text" value="6600.00"/>	<input checked="" type="radio"/> pct 84,790.30 [tons] / 91,390.30 [tons]
	<input type="radio"/> increase by		<input type="radio"/> tons
NOx	<input checked="" type="radio"/> reduce by	<input type="text" value="2400.00"/>	<input checked="" type="radio"/> pct 68,761.63 [tons] / 71,161.63 [tons]
	<input type="radio"/> increase by		<input type="radio"/> tons
NH3	<input checked="" type="radio"/> reduce by	<input type="text" value="0.00"/>	<input checked="" type="radio"/> pct 1,026.10 [tons] / 1,026.10 [tons]
	<input type="radio"/> increase by		<input type="radio"/> tons
VOC	<input checked="" type="radio"/> reduce by	<input type="text" value="0.00"/>	<input checked="" type="radio"/> pct 1,777.46 [tons] / 1,777.46 [tons]
	<input type="radio"/> increase by		<input type="radio"/> tons

Apply Changes

Other Options

Save Scenario

Reset to baseline

Use this page to create an emissions scenario by applying emissions changes to a selected location and tier. After entering emission changes, click "Apply Changes." If you are entering different emission changes for different states or counties, you must click "Apply Changes" after entering each state or county. After making your emissions changes, you can review the scenario in the "View Emissions Changes" tab. For more information on creating an emissions scenario, see chapter 4 of the COBRA user manual.



Step 4: Select a discount rate




- 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 4: Select a discount rate (cont'd)



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% ☐ 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 <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 earn 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.

Run using above options



Step 5: Run the model



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

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Run using above options



Step 6: Review the results

(a) View in table form



COBRA

File Help

Introduction | 1. Select Analysis Year | 2. Create Emissions Scenario | 3. Execute Run | 4. View Health Effects and Valuation Results

Table | Maps

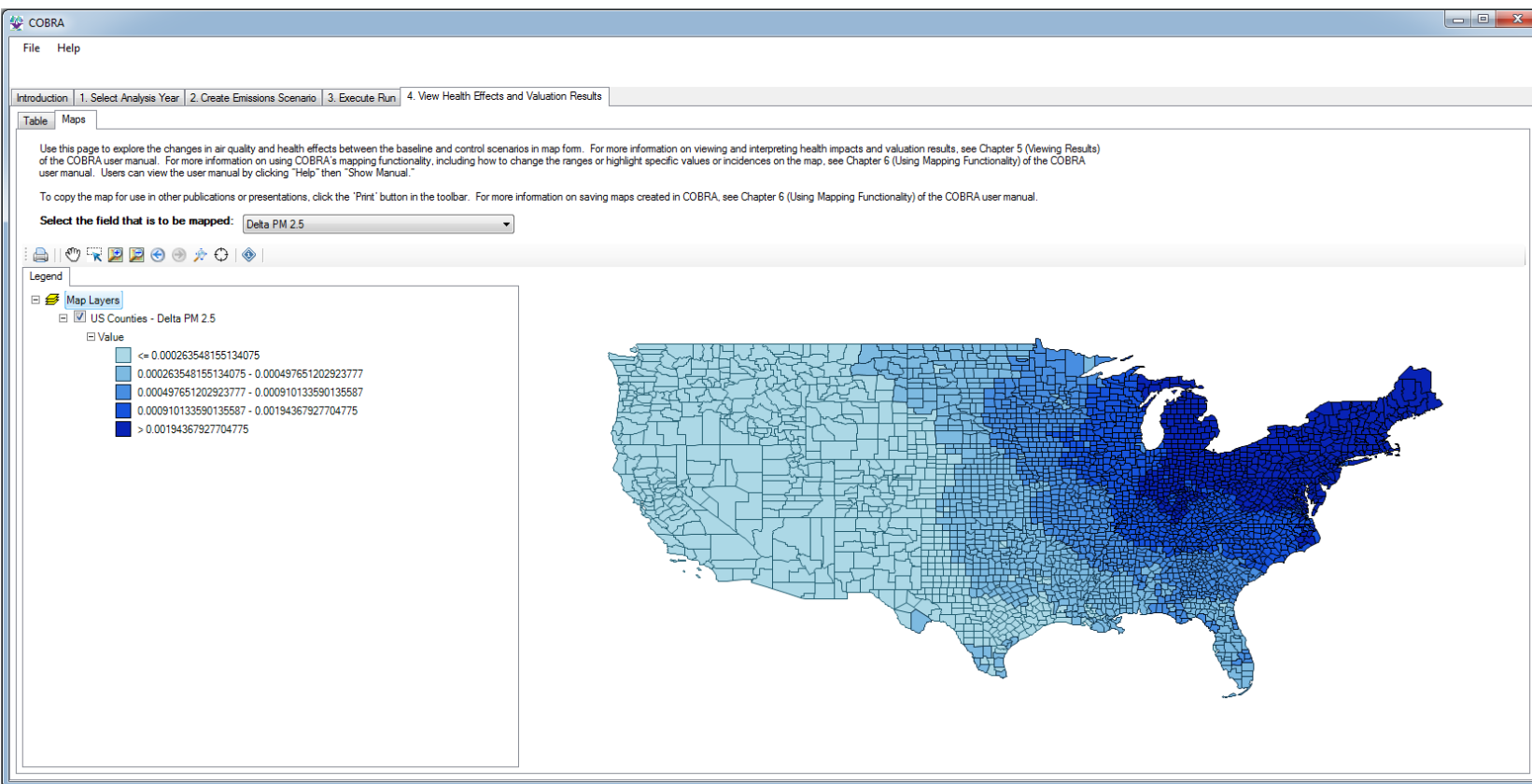
Export to CSV | Export to Excel

FIPS	State	County	Base PM 2.5	Control PM 2.5	Delta PM 2.5	\$ Total Health Benefits (low estimate)	\$ Total Health Benefits (high estimate)	Mortality (low estimate)	\$ Mortality (low estimate)	Mortality (high estimate)	\$ Mortality (high estimate)	Infant M
Contains: ▾	Contains: ▾	Contains: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾
			Total: 229,100,853.07			Total: 517,702,256.17		Total: 25,5035		Total: 226,043,088.72		Total: 57,6942
												Total: 511,355,612.14
01001	Alabama	Autauga County	10.291	10.291	0.0005	17,022.02	38,519.99	0.0019	16,785.1	0.0043	38,068.74	
01003	Alabama	Baldwin County	9.771	9.77	0.0004	59,073.4	133,507.7	0.0066	58,325.57	0.0149	131,980.21	
01005	Alabama	Barbour County	10.3	10.299	0.0005	8,022.48	18,144.47	0.0009	7,928.27	0.002	17,955.07	
01007	Alabama	Bibb County	10.316	10.316	0.0005	6,720.92	15,205.04	0.0007	6,636.2	0.0017	15,042.8	
01009	Alabama	Blount County	10.318	10.317	0.0007	23,045.35	52,144.33	0.0026	22,727.9	0.0058	51,539.87	
01011	Alabama	Bullock County	10.311	10.311	0.0005	3,176.47	7,174.67	0.0004	3,143.04	0.0008	7,108.62	
01013	Alabama	Butler County	10.066	10.066	0.0005	6,660.34	15,052.62	0.0007	6,593.94	0.0017	14,915.81	
01015	Alabama	Calhoun County	10.319	10.319	0.0006	42,581.74	96,376.54	0.0047	42,083.11	0.0108	95,417.6	
01017	Alabama	Chambers County	10.316	10.315	0.0006	14,133.86	31,902.15	0.0016	14,002.53	0.0036	31,620.1	
01019	Alabama	Cherokee County	10.186	10.186	0.0008	13,020.32	29,464.33	0.0015	12,875.6	0.0033	29,156.17	
01021	Alabama	Chilton County	10.362	10.361	0.0005	14,030.86	31,764.52	0.0016	13,851.57	0.0035	31,430.08	
01023	Alabama	Choctaw County	10.311	10.31	0.0005	3,696.24	8,370.82	0.0004	3,655.88	0.0009	8,286.32	
01025	Alabama	Clarke County	10.105	10.104	0.0005	6,924.81	15,682.07	0.0008	6,843.14	0.0018	15,513.71	
01027	Alabama	Clay County	10.322	10.321	0.0005	4,476.44	10,136.21	0.0005	4,425.47	0.0011	10,032.44	
01029	Alabama	Cleburne County	10.166	10.166	0.0007	6,072.04	13,745.7	0.0007	6,002.53	0.0015	13,603.47	
01031	Alabama	Coffee County	10.093	10.092	0.0005	13,937.49	31,515.51	0.0016	13,748.43	0.0035	31,153.54	
01033	Alabama	Colbert County	10.279	10.278	0.0006	20,287.66	45,819.97	0.0023	20,065.7	0.0051	45,362.15	
01035	Alabama	Conecuh County	10.038	10.037	0.0005	3,403.35	7,704.94	0.0004	3,364.73	0.0009	7,626.23	
01037	Alabama	Coosa County	10.36	10.36	0.0005	4,282.85	9,688.97	0.0005	4,242.86	0.0011	9,601.74	
01039	Alabama	Covington County	9.953	9.953	0.0005	13,153.73	29,736.74	0.0015	13,024.14	0.0033	29,465.38	
01041	Alabama	Crenshaw County	10.177	10.176	0.0005	3,966.27	8,973.1	0.0004	3,922.79	0.001	8,883.05	
01043	Alabama	Cullman County	10.281	10.28	0.0006	31,364.95	71,047.51	0.0035	30,987.36	0.0079	70,304.57	
01045	Alabama	Dale County	10.114	10.114	0.0005	12,196.1	27,518.49	0.0014	12,032.53	0.0031	27,203.91	



Step 6: Review the results

(b) View in map form





Step 6: Review the results



We calculated absolute emissions reductions of Michigan's renewable portfolio standard of 10%.

Annual Emission Reductions (short tons)

Pollutant	Amount
Sulfur Dioxide (SO ₂)	6,600
Nitrogen Oxides (NO _x)	2,400

COBRA (1) converted emissions reductions into air quality improvements, and (2) estimated annual adverse health impacts avoided.

Annual Adverse Health Impacts Avoided

Outcome	Number
Mortality	25.5 – 57.7
Asthma Exacerbations	625
Heart Attacks	3.3 – 31.0
Hospital Admissions	17.4
Acute Bronchitis	33.1
Respiratory Symptoms	1,027
Asthma ER Visits	13.0
Minor Restricted Activity Days	16,600
Work Days Lost	2,800

COBRA monetized the value or benefits of the avoided adverse health effects.

Annual Benefits (2010, \$1,000s)

Dollar Value
\$226,000 – \$511,000
\$36.5
\$397– \$3,690
\$587
\$16.1
\$29.3
\$5.54
\$1,150
\$447
<i>total</i> \$229,000 - \$517,000

* Don't forget to consider the caveats from slides 14 through 16

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.



COBRA
Co-Benefits Risk Assessment
Health Impacts Screening and Mapping Tool



State and Local
Energy and Environment Program





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 http://awea.files.cms-plus.com/FileDownloads/pdfs/AWEA_Clean_Air_Benefits_WhitePaper%20Final.pdf.



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

A screenshot of the COBRA software application window. The window has a title bar with the text "COBRA" and standard Windows window controls. Below the title bar is a menu bar with "File" and "Help". A tabbed interface shows four tabs: "Introduction", "1. Select Analysis Year", "2. Create Emissions Scenario", and "4. View Health Effects and Valuation Results". The "1. Select Analysis Year" tab is active. Inside this tab, there are two sub-tabs: "Basic Options" and "Advanced Options". The "Basic Options" sub-tab is selected. The main content area contains the text "Choose an Analysis Year:" followed by a paragraph explaining that the user should select a year to estimate health impacts, and that the software will use baseline data for that year. Below the text is a dropdown menu showing "2025" and a button labeled "Apply Analysis Year Data".

COBRA

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



Step 2: 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





Step 2: Estimate where and what emission 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





Step 2: 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 MW 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 <http://www.awea.org/4q2013>.



Step 2: 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





Step 2: 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
 - Convert emissions reductions to tons

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



Step 2: Estimate where and what emissions changes will take place (cont'd)



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

State/County	SO ₂	NO _x
Texas	31,738.6	12,722.9
Oklahoma*	0.75	64.75

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



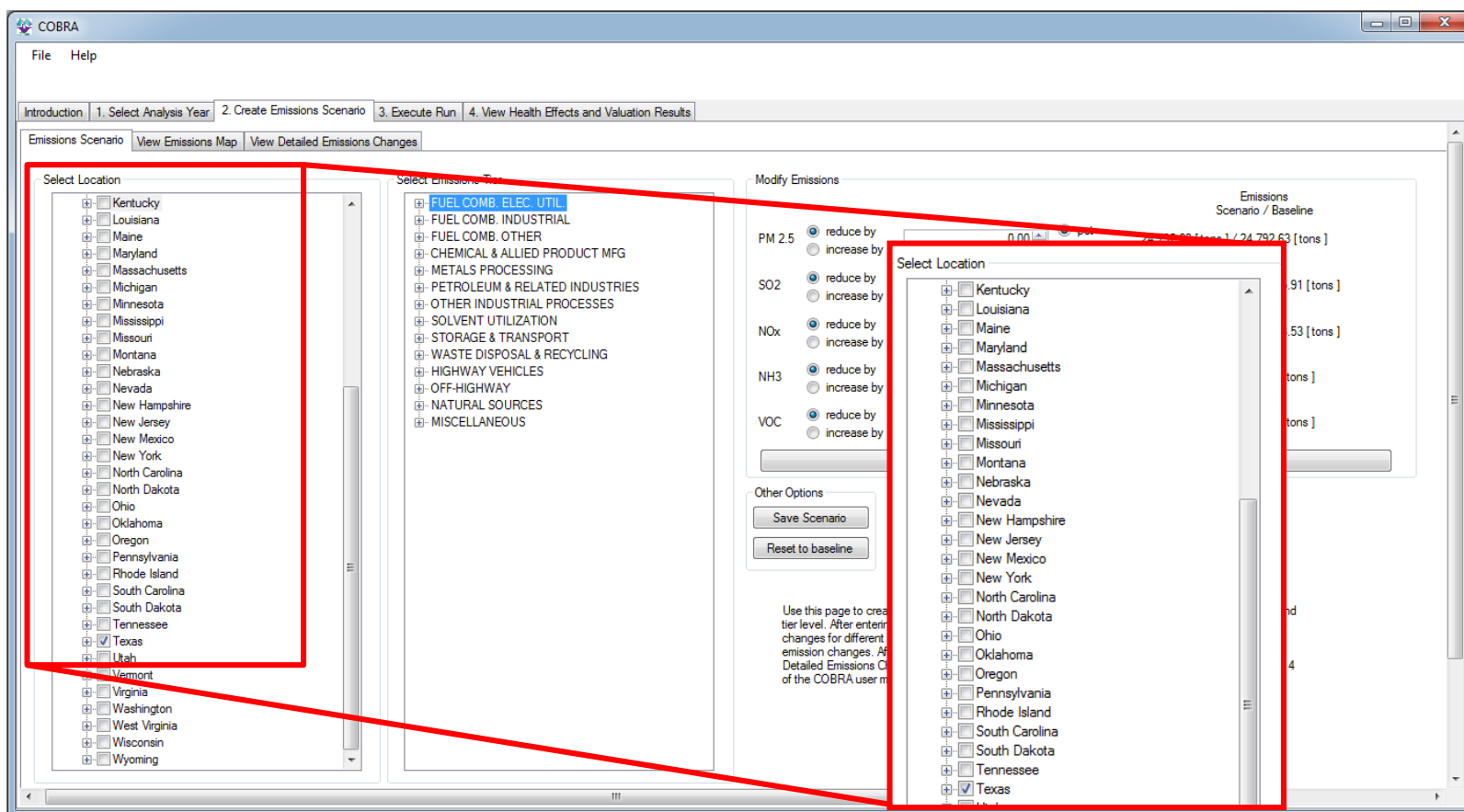


Step 3: Set up scenario in COBRA

(a) Location of emission changes expected



- Emission reductions in all affected states are input at the state level





Step 3: Set up scenario in COBRA

(b) Types of emission changes expected (cont'd)



- Since renewable energy programs affect electricity generation, the affected emissions category is “fuel combustion from electricity generation”
- This category includes fuel choices (e.g., gas, coal)
- Since all fuel sources could be affected by the renewable energy program, select the “fuel combustion from electricity generation” category





Step 3: Set up scenario in COBRA

(b) Types of emission changes expected (cont'd)



- Select emissions category for each affected state or county

COBRA

File Help

Introduction 1. Select Analysis Year 2. Create Emissions Scenario 3. Execute Run 4. View Health Effects and Valuation Results

Emissions Scenario View Emissions Map View Detailed Emissions Changes

Select Location

- ☐ Kentucky
- ☐ Louisiana
- ☐ Maine
- ☐ Maryland
- ☐ Massachusetts
- ☐ Michigan
- ☐ Minnesota
- ☐ Mississippi
- ☐ Missouri
- ☐ Montana
- ☐ Nebraska
- ☐ Nevada
- ☐ New Hampshire
- ☐ New Jersey
- ☐ New Mexico
- ☐ New York
- ☐ North Carolina
- ☐ North Dakota
- ☐ Ohio
- ☐ Oklahoma
- ☐ Oregon
- ☐ Pennsylvania
- ☐ Rhode Island
- ☐ South Carolina
- ☐ South Dakota
- ☐ Tennessee
- ☒ Texas
- ☐ Utah
- ☐ Vermont
- ☐ Virginia
- ☐ Washington
- ☐ West Virginia
- ☐ Wisconsin
- ☐ Wyoming

Select Emissions Tier

- ☒ FUEL COMB. ELEC. UTIL.
- ☐ FUEL COMB. INDUSTRIAL
- ☐ FUEL COMB. OTHER
- ☐ CHEMICAL & ALLIED PRODUCT MFG
- ☐ METALS PROCESSING
- ☐ PETROLEUM & RELATED INDUSTRIES
- ☐ OTHER INDUSTRIAL PROCESSES
- ☐ SOLVENT UTILIZATION
- ☐ STORAGE & TRANSPORT
- ☐ WASTE DISPOSAL & RECYCLING
- ☐ HIGHWAY VEHICLES
- ☐ OFF-HIGHWAY
- ☐ NATURAL SOURCES
- ☐ MISCELLANEOUS

Modify Emissions

Emissions Scenario / Baseline

PM 2.5 ☒ reduce by ☐ increase by 0.00 pct 24,792.63 [tons] / 24,792.63 [tons]

SO2 ☒ reduce by ☐ increase by

NOx ☒ reduce by ☐ increase by

NH3 ☒ reduce by ☐ increase by

VOC ☒ reduce by ☐ increase by

Other Options

Save Scenario

Reset to baseline

Select Emissions Tier

- ☒ FUEL COMB. ELEC. UTIL.
- ☐ FUEL COMB. INDUSTRIAL
- ☐ FUEL COMB. OTHER
- ☐ CHEMICAL & ALLIED PRODUCT MFG
- ☐ METALS PROCESSING
- ☐ PETROLEUM & RELATED INDUSTRIES
- ☐ OTHER INDUSTRIAL PROCESSES
- ☐ SOLVENT UTILIZATION
- ☐ STORAGE & TRANSPORT
- ☐ WASTE DISPOSAL & RECYCLING
- ☐ HIGHWAY VEHICLES
- ☐ OFF-HIGHWAY
- ☐ NATURAL SOURCES
- ☐ MISCELLANEOUS

Use this page to create tier levels. After entering changes for different state emission changes, see Detailed Emissions Changes tab. For more information on creating an emissions scenario, see Chapter 4 of the COBRA user manual.

Step 3: Set up Scenario in COBRA

(c) Quantity of emission changes expected (cont'd)



- Enter emission changes for each affected state or county

COBRA

File Help

Introduction 1. Select Analysis Year 2. Create Emissions Scenario 3. Execute Run 4. View Health Effects and Valuation Results

Emissions Scenario View Emissions Map View Detailed Emissions Changes

Select Location

- ☐ Kentucky
- ☐ Louisiana
- ☐ Maine
- ☐ Maryland
- ☐ Massachusetts
- ☐ Michigan
- ☐ Minnesota
- ☐ Mississippi
- ☐ Missouri
- ☐ Montana
- ☐ Nebraska
- ☐ Nevada
- ☐ New Hampshire
- ☐ New Jersey
- ☐ New Mexico
- ☐ New York
- ☐ North Carolina
- ☐ North Dakota
- ☐ Ohio

Select Emissions Tier

- ☐ FUEL COMB. ELEC. UTIL.
- ☐ FUEL COMB. INDUSTRIAL
- ☐ FUEL COMB. OTHER
- ☐ CHEMICAL & ALLIED PRODUCT MFG
- ☐ METALS PROCESSING
- ☐ PETROLEUM & RELATED INDUSTRIES
- ☐ OTHER INDUSTRIAL PROCESSES
- ☐ SOLVENT UTILIZATION
- ☐ STORAGE & TRANSPORT
- ☐ WASTE DISPOSAL & RECYCLING
- ☐ HIGHWAY VEHICLES
- ☐ OFF-HIGHWAY
- ☐ NATURAL SOURCES
- ☐ MISCELLANEOUS

Modify Emissions

			Emissions Scenario / Baseline
PM 2.5	<input checked="" type="radio"/> reduce by	0.00	pct 24,792.63 [tons] / 24,792.63 [tons]
	<input type="radio"/> increase by		tons
SO2	<input checked="" type="radio"/> reduce by	31738.60	pct 111,947.31 [tons] / 143,685.91 [tons]
	<input type="radio"/> increase by		tons
NOx	<input checked="" type="radio"/> reduce by	12722.90	pct 122,620.63 [tons] / 135,343.53 [tons]
	<input type="radio"/> increase by		tons
NH3	<input checked="" type="radio"/> reduce by	0.00	pct 6,244.00 [tons] / 6,244.00 [tons]
	<input type="radio"/> increase by		tons
VOC	<input checked="" type="radio"/> reduce by	0.00	pct 5,586.20 [tons] / 5,586.20 [tons]
	<input type="radio"/> increase by		tons

Apply Changes

Other Options

Do not forget to enter and click **Apply Changes** for each state/ county

Step 3: Set up scenario in COBRA

Repeat for all affected states/counties
(cont'd)



- Enter emission changes for each affected state or county
- Do not forget to enter and click **Apply Changes** for each state/ county
- In this example, after entering changes for Texas:
 - Click **Apply Changes**
 - Unselect Texas
 - Select Oklahoma
 - Enter Oklahoma emissions changes in Fuel. Comb. Elec. Util. tier
 - Click **Apply Changes**
 - Proceed to step 4





Step 4: Select a discount rate



- 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 4: Select a discount rate (cont'd)



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% ☐ 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 <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 earn 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.

Run using above options



Step 5: Run the model



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% ☐ 7%

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For more information on discount rates and how EPA uses them in monetizing health benefits, see the User Manual.

Run using above options



Step 6: Review the results

(a) View in table form



COBRA

File Help

Introduction | 1. Select Analysis Year | 2. Create Emissions Scenario | 3. Execute Run | 4. View Health Effects and Valuation Results

Table Maps

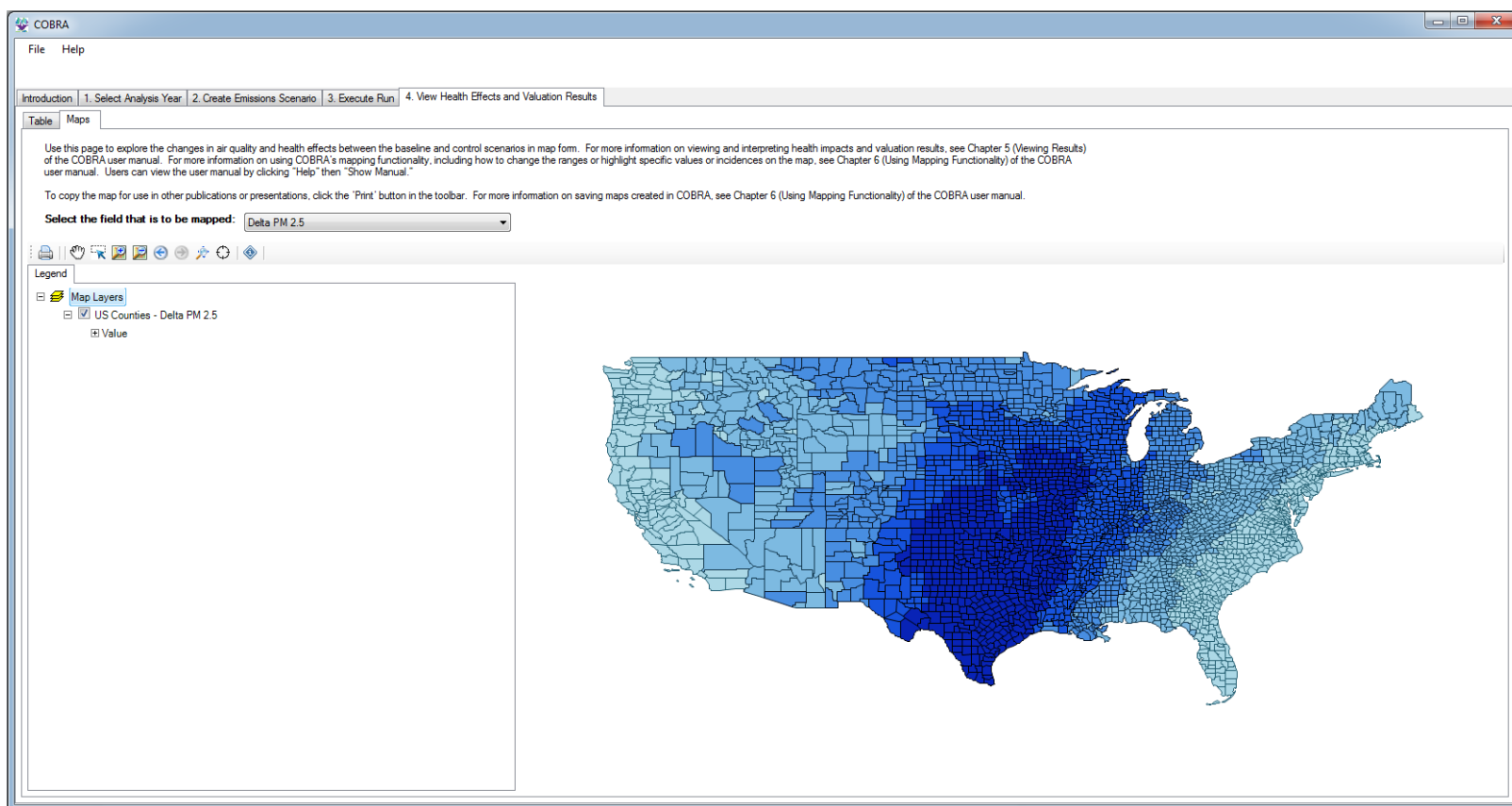
Export to CSV Export to Excel

	FPS	State	County	Base PM 2.5	Control PM 2.5	Delta PM 2.5	\$ Total Health Benefits (low estimate)	\$ Total Health Benefits (high estimate)	Mortality (low estimate)	\$ Mortality (low estimate)	Mortality (high estimate)	\$ Mortality (high estimate)	Infant M
	Contains: ▾	Contains: ▾	Contains: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾	Equals: ▾
	Total: 488,304,330.44						Total: 1,103,747,964.61		Total: 54,245.2		Total: 480,786,146.11		Total: 1,089,559,792.66
+	01001	Alabama	Autauga County	10.291	10.289	0.0018	63,082.63	142,752.19	0.007	62,204.63	0.0159	141,079.89	
	01003	Alabama	Baldwin County	9.771	9.769	0.0019	254,100.15	574,271.14	0.0283	250,883.41	0.0641	567,700.81	
	01005	Alabama	Barbour County	10.3	10.298	0.0015	23,097.62	52,239.77	0.0026	22,826.38	0.0058	51,694.47	
	01007	Alabama	Bibb County	10.316	10.314	0.0021	28,707.42	64,945.7	0.0032	28,345.54	0.0072	64,252.69	
	01009	Alabama	Blount County	10.318	10.316	0.0021	75,469.1	170,761.76	0.0084	74,429.51	0.019	168,782.26	
	01011	Alabama	Bullock County	10.311	10.31	0.0015	9,451.61	21,348.21	0.0011	9,352.15	0.0024	21,151.68	
	01013	Alabama	Butler County	10.066	10.064	0.0019	24,534.41	55,448.45	0.0027	24,289.84	0.0062	54,944.94	
	01015	Alabama	Calhoun County	10.319	10.317	0.0017	117,918.89	266,888.35	0.0131	116,538.08	0.0298	264,232.82	
	01017	Alabama	Chambers County	10.316	10.314	0.0017	39,015.79	88,063.9	0.0044	38,653.26	0.0098	87,285.31	
	01019	Alabama	Cherokee County	10.186	10.184	0.002	33,873.54	76,653.75	0.0038	33,497.02	0.0086	75,852.04	
	01021	Alabama	Chilton County	10.362	10.36	0.002	53,577.05	121,292.65	0.006	52,892.44	0.0135	120,015.59	
	01023	Alabama	Choctaw County	10.311	10.308	0.0023	18,378.62	41,621.48	0.0021	18,177.92	0.0046	41,201.29	
	01025	Alabama	Clarke County	10.105	10.102	0.0023	31,767.12	71,940.04	0.0035	31,392.5	0.008	71,167.74	
	01027	Alabama	Clay County	10.322	10.32	0.0017	13,916.14	31,510.8	0.0016	13,757.68	0.0035	31,188.22	
	01029	Alabama	Cleburne County	10.166	10.164	0.0018	16,066.31	36,370.29	0.0018	15,882.4	0.0041	35,993.95	
	01031	Alabama	Coffee County	10.093	10.091	0.0016	44,739.11	101,163.86	0.005	44,132.24	0.0113	100,001.96	
	01033	Alabama	Colbert County	10.279	10.276	0.0026	88,013.85	198,779.11	0.0098	87,050.92	0.0222	196,792.97	
	01035	Alabama	Conecuh County	10.038	10.036	0.0019	13,613.63	30,820.06	0.0015	13,459.11	0.0034	30,505.24	
	01037	Alabama	Coosa County	10.36	10.359	0.0017	13,943.92	31,544.78	0.0016	13,813.73	0.0035	31,260.77	
	01039	Alabama	Covington County	9.953	9.951	0.0018	45,250.2	102,297.05	0.0051	44,804.42	0.0114	101,363.53	
	01041	Alabama	Crenshaw County	10.177	10.175	0.0016	13,303.14	30,096.25	0.0015	13,157.3	0.0034	29,794.24	
	01043	Alabama	Cullman County	10.281	10.279	0.0021	105,274.48	238,465.26	0.0117	104,007.14	0.0266	235,971.62	
	01045	Alabama	Dale County	10.114	10.113	0.0015	37,256.23	84,062.2	0.0041	36,756.56	0.0094	83,101.26	
	01047	Alabama	Dallas County	10.297	10.295	0.002	49,424.39	111,995.72	0.0055	48,897.17	0.0125	110,962.04	



Step 6: Review the results

(b) View in map form





Step 6: Review the results



We used AVERT to calculate the emissions reductions due to an increased wind capacity of 1,000 MW.

Annual Emission Reductions (short tons)

Pollutant	Amount
Sulfur Dioxide (SO ₂)	31,739
Nitrogen Oxides (NO _x)	12,788

Note: These reductions are aggregated across all affected states.

COBRA (1) converted emissions reductions into air quality improvements, and (2) estimated annual adverse health impacts avoided.

Annual Adverse Health Impacts Avoided

Outcome	Number
Mortality	54 - 123
Asthma Exacerbations	1,701
Heart Attacks	7 - 62
Hospital Admissions	36
Acute Bronchitis	90
Respiratory Symptoms	2,799
Asthma ER Visits	28
Minor Restricted Activity Days	41,771
Work Days Lost	7,058

COBRA monetized the value or benefits of the avoided adverse health effects.

Annual Benefits (2010, \$1,000s)

Dollar Value
\$480,786 - \$1,089,560
\$99
\$804 - \$7,474
\$1,224
\$44
\$80
\$12
\$2,877
\$1,127
total \$487,054 - \$1,102,497

* Don't forget to consider the caveats from slides 14 through 16



How Can I Learn More?

Visit Our Website:

<https://www.epa.gov/statelocalenergy/co-benefits-risk-assessment-cobra-screening-model>

Contact Us:

Denise Mulholland

EPA State and Local Energy and Environment Program

(202) 343-9274

Mulholland.Denise@epa.gov



COBRA

Co-Benefits Risk Assessment
Health Impacts Screening and Mapping Tool



State and Local
Energy and Environment Program