



MEMORANDUM

TO: Climate Action Steering Committee (CASC)
FROM: Pamela Braff, Climate Program Manager, City of Olympia
DATE: October 14, 2021
SUBJECT: Building Electrification Cost Assessment Proposal

REQUESTED ACTION

Review and discuss a proposal from the City of Olympia to support and fund a regional building electrification cost assessment.

BACKGROUND

Purpose

After electricity, natural gas represents the second largest source of greenhouse gas emissions from the built environment in the Thurston region (21%). As electricity is increasingly produced by low-carbon sources such as wind and solar, shifting more appliances and heaters to electricity will substantially reduce local greenhouse gas emissions. Phasing out natural gas is identified in the Thurston Climate Mitigation Plan as a key strategy to achieve the most substantial reductions in local greenhouse gas emissions.

In June 2021, Olympia City Council approved a referral request from Councilmember Lisa Parshley, directing Olympia staff to develop a scope, schedule, and budget to conduct an impact assessment of requiring non-fossil fuel source heating and power in new commercial and residential development. The referral also requested that the draft proposal be presented at the Climate Action Steering Committee for regional consideration.

Proposed Electrification Cost Assessment

Olympia staff worked with an environmental economics firm, ECONorthwest, to develop budget and timeline estimates for the electrification cost assessment. ECONorthwest provided the City with a draft scope of work, outlining a proposed approach to address two questions:

- 1) Will requiring building electrification rather than fuel-powered appliances (such as stoves, air circulation, and water heaters) for new construction change the costs associated with building housing, commercial development, or mixed-use development in Thurston County?
- 2) What range of utility cost savings or additions would be possible from using electric appliances rather than fuel-powered appliance counterparts for new residential, commercial, or mixed-use development in Thurston County?

The proposed assessment would take five to seven months to complete and cost \$30,475. If split equally across all four partners, the cost per jurisdiction would be \$7,619.

REQUESTED ACTION

Decision 1:

- **Option 1A: Support developing a building electrification cost assessment as a useful tool to inform regional implementation of the Thurston Climate Mitigation Plan.**

Considerations:

- Provides useful information at a regional scale to address questions that have been raised by community members; could inform future actions.
- Focuses limited resources and attention on a topic that is controversial among community stakeholders.

- **Option 1B: Don't support developing a building electrification cost assessment as a useful tool to inform regional implementation of the Thurston Climate Mitigation Plan.**

Considerations:

- Individual jurisdictions may still pursue an assessment, or choose to move ahead with building electrification without an assessment.

Decision 2: if Decision 1 has unanimous agreement

- **Option 2A: Jointly fund a building electrification cost assessment.**

Considerations:

- Demonstrates strong regional support for information to inform future policy.
- Ties limited resources to an assessment that may not be of equal interest to all jurisdictions.

- **Option 2B: Do not jointly fund a building electrification cost assessment.**

Considerations:

- If one or more jurisdictions choose to fund a proposal independently, results of the assessment could still be reported to the CASC at a future meeting.