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# **OF NEW BUILDINGS IN ANN ARBOR SUSTAINABLE UPGRADES**

### **FOR : THE CITY OF ANN ARBOR**



GRAHAM **SUSTAINABILITY INSTITUTE** UNIVERSITY OF MICHIGAN



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# **INTRODUCTION**

### **The City of Ann Arbor is committed to achieving carbon neutrality by 2030 through its A2ZERO Climate Action Plan.**

This goal cannot be met without addressing emissions from buildings, which account for 17% of total emissions in Michigan. In 2023, the City Council instructed the City to find incentives for residents and businesses to enhance emissions reductions by transitioning to sustainable heating and beneficial electrification.

However, there is currently no data on pathways for decarbonizing residential and office buildings in the city. Our work is timely and essential. We employ Life Cycle Assessment (LCA) and Life Cycle Cost (LCC) methods over 10, 15, and 20-year scenarios to identify cost-effective active and passive heating and cooling systems that mitigate the most carbon dioxide equivalent emissions in buildings.

The report will describe the LCA and LCC methods employed. We will also share preliminary results from a single-family house used as a case study. This research addresses the lack of legislation enforcing building decarbonization by providing evidence-based pathways for incentivizing the electrification of buildings.

### **WORKING DEFINITIONS SCOPE-3 EMISSIONS**

Scope 3 emissions are indirect greenhouse gas emissions that occur in the value chain of an organization, resulting from activities including procurement, transportation, employee commuting, product use, and disposal, among others. Categories of scope 3 emissions include: Purchased goods and services, Capital goods, Fuel- and energyrelated activities, Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting, Upstream leased assets, Downstream transportation and distribution, Processing of sold products, Use of sold products, End-of-life treatment of sold products, Downstream leased assets, Franchises, and Investments

### **LIFE-CYCLE ASSESSMENT (LCA)**

LCA is a method used to evaluate the environmental impacts of a product, process, or activity throughout its entire life cycle, from raw material extraction to end-of-life disposal or recycling. In the context of policy and incentives for the upgrading of new residential and office buildings, LCA provides insights into the environmental footprint of building materials, construction methods, and energy systems. In this project, LCA helped to estimate carbon dioxide (CO2) equivalent emissions for building construction and building operation for a given time (10, 15, and 20 years). This data helps the city of Ann Arbor and other stakeholders in selecting low-carbon alternatives.

**LIFE-CYCLE COST (LCC)**

LCC refers to the total cost incurred throughout the life cycle of a product, process, or system, including acquisition, operation, maintenance, and disposal or recycling costs. In the context of decarbonization policies and incentives for residential and office buildings, LCC serves as a vital tool for evaluating the economic feasibility of adopting sustainable building practices and technologies. In this project, LCC helped to estimate the cost of building construction and building operation for a given time (10, 15, and 20 years). This data can help the city of Ann Arbor and other stakeholders to make informed decisions that balance upfront costs with long-term savings, ensuring that investments in decarbonization efforts are economically viable.

# **WORKING DEFINITIONS**

### **PASSIVE DESIGN SYSTEMS**

This design constitutes architectural strategies that do not depend on mechanical systems like HVAC. These strategies include building massing, building envelopes, and lighting. Implementing an efficient passive design can notably decrease the requirement for technical systems, diminish energy consumption, and align with net-zero goals.  $\square$ 

# **ACTIVE SYSTEM**

Active systems refer to the mechanical systems used for heating, cooling, and ventilation. In regions like Michigan, especially in the City of Ann Arbor, these systems are needed for maintaining high levels of thermal comfort and indoor air quality throughout the year. They are essential during the very cold winters and the warm, humid summers.

#### **HIGH-PERFORMANCE BUILDII**  $\overline{\bullet}$

Designing a high-performance building requires understanding both active systems and passive design. Achieving an economical and ecologically feasible building depends on balancing these two aspects. A high-quality building envelope, through effective passive design strategies such as compactness, orientation, and insulation, can reduce the need for mechanical systems. The designer's goal is to balance passive design with active systems, considering initial costs, operating costs, and greenhouse gas emissions.

# **Problem Statement**

**The City of Ann Arbor faces a challenge in addressing scope 3 emissions, particularly in new construction projects where these indirect emissions are often overlooked yet substantial.Furthermore, there is a pressing need to identify cost-effective heating and cooling systems that reduce carbon dioxide equivalent emissions over the life cycles of the city's most prevalent building types (residential and office). This challenge is compounded by the demand for incentives and modifications within internal processes to support transitions to sustainable and clean heating, as well as beneficial electrification.**

### **GOALS**

**(i) Establish Carbon Emissions Reduction Scenarios**

**Develop and outline feasible scenarios for reducing carbon emissions across various building types prevalent in Ann Arbor, including commercial, residential, and industrial structures.**

**(ii) Provide Policy Recommendations**

**Offer strategic policy recommendations aimed at achieving the established emissions reduction scenarios.**

# **SIGNIFICANCE**

**This project is important to the city of Ann Arbor's Office of Sustainability and Innovations (OSI) and its A2ZERO Climate Action Plan. The project focuses on emissions in new building construction. Which is a gap in current sustainability efforts. Building emissions, although challenging to quantify and mitigate, represent 17% of emissions in the state of Michigan. This project proposes effective mitigation strategies, which aligns with Ann Arbor's goal of achieving carbon neutrality by 2030. Moreover, the project's outcomes will provide data and policy recommendations that can be adapted by other communities facing similar challenges. Overall the project contributes to broader regional and global efforts towards sustainability and climate resilience.**

### **METHODS**

This section elaborates on the methodologies employed, the (1) Heating and Cooling Systems Survey, which facilitated data collection for the case studies used to model (2) LCA, and (3) LCC.



### **HEATING AND COOLING SYSTEMS SURVEY**

We designed this survey to gather comprehensive information about buildings, including their size and the types of heating and cooling systems used. The data collected was used to populate the variables in our LCA and LCC)models.

#### **Plug-In message for survey recruitment**

We're looking for case studies for our Catalyst Leadership Circle project about strategies that have been implemented to decarbonize residential and office buildings in the City of Ann Arbor. Our goal is to create goals/standards for building decarbonization practices that could create the basis for future regulatory and/or incentive programs.

If you have any questions or concerns about this survey, please contact Nyasha Milanzi (CLC fellow) at **nmilanzi@umich.edu.**

By clicking the button below, you acknowledge:

- You reside in the City of Ann Arbor
- Your participation in the survey is voluntary.



### **CASE STUDY: SINGLE FAMILY HOUSE**

**The baseline building is a conventional single-family home near Ann Arbor, Michigan, designed to meet the building energy code for climate zone 5A. This typical 2024 construction features modern materials and techniques, prioritizing energy efficiency and comfort. The home spans 2400 square feet and includes four bedrooms, with a focus on traditional stick platform framing. Key elements include a well-insulated structure, medium-quality casement windows, and standard HVAC systems. While it does not have renewable energy technologies, the house is equipped with essential amenities and moderate-grade appliances.**





 single-family house, **(B)** Image **(A)** depicts the exterior of a baseline showcases its interior, and **(C)** presents the floor plan.

# **BASELINE BUILDING**





### **LCA AND LCC EQUATIONS & ASSUMPTIONS**

**Recap:** The LCA describes the estimated CO2 equivalent emission for building construction and building operation for a given time.

### **LCA = Em,I + Em,Op \* year**

**Em,I =** CO2 equivalent emission for building construction **Em,Op =** CO2 equivalent emission for building operation **Year =** Number of years of observation

**Assumptions:** The LCA used in this study is based on a static method (no dynamic changes like specific CO2 emissions).

**Recap:** The LCC describes the estimated cost for building construction and building operation for a given time.

### **LCC = Cost,I + Cost,Op \* year**

**Cost,I =** CO2 equivalent emission for building construction **Cost,Op =** CO2 equivalent emission for building operation **Year =** Number of years of observation

**Assumptions:** The LCC used in this study is based on a static method (no dynamic changes in energy cost).

- The cost includes estimations for materials and labor costs.
- The soft construction cost is not included.
- The cost of financing is not included in the calculation.



# **SUSTAINABLE UPGRADES DESCRIPTIONS**

#### **Baseline**

The baseline building meets the building code and includes several key components that influence its energy performance, comfort, and cost-efficiency. The walls and floors are insulated to an Rvalue of R20, while the roof has a higher insulation value of R38, providing excellent resistance to heat flow. The windows have a U-value of 0.29, indicating they allow minimal heat transfer, enhancing energy efficiency. The building's air tightness is measured at 0.18 air changes per hour (ACH), reflecting a highly airtight structure that minimizes heat loss. One mechanical unit manages ventilation, as night ventilation is not applicable. The heating system comprises one furnace and a type C3 chiller provides cooling. A gas heater supplies water heating, type W2. The building does not include a photovoltaic system for solar energy generation.

#### **Wall R30**

The building meets the building code (baseline), but the wall insulation is increased to an R-value of R30, offering superior resistance to heat flow and significantly enhancing thermal efficiency.

#### **Wall R38**

The building meets the building code (baseline), but the wall insulation is increased to an R-value of R38, offering superior resistance to heat flow and significantly enhancing thermal efficiency.

#### **Roof R 50**

The building meets the building code (baseline), but the roof insulation is increased to an R-value of R50, offering superior resistance to heat flow and significantly enhancing thermal efficiency.

#### **Roof R 60**

The building meets the building code (baseline), but the roof insulation is increased to an R-value of R60, offering superior resistance to heat flow and significantly enhancing thermal efficiency.

#### **Floor R30**

The building meets the building code (baseline), but the floor insulation is increased to an R-value of R30, offering superior resistance to heat flow and significantly enhancing thermal efficiency.

#### **Insulation Material Hemp wool R20**

The building meets the building code (baseline), but the wall insulation is upgraded to Hemp wool with an R-value of R20, offering excellent resistance to heat flow and significantly enhancing thermal efficiency.

#### **Insulation Material Hemp wool R30**

The building meets the building code (baseline), but the wall insulation is upgraded to Hemp wool with an R-value of R30, offering excellent resistance to heat flow and significantly enhancing thermal efficiency.

#### **Insulation Material Mineral Wool R20**

The building meets the building code (baseline), but the wall insulation is upgraded to Mineral Wool with an R-value of R20, offering excellent resistance to heat flow and significantly enhancing thermal efficiency.

#### **Insulation Material Mineral Wool R30**

The building meets the building code (baseline), but the wall insulation is upgraded to Mineral Wool with an R-value of R20, offering excellent resistance to heat flow and significantly enhancing thermal efficiency.

# **SUSTAINABLE UPGRADES DESCRIPTIONS**

#### **Window U0.21**

The building meets the building code (baseline), but the windows are upgraded from a U-value of 0.29 to 0.21. Since a smaller U-value indicates better insulation, this upgrade offers improved insulation and significantly enhances overall energy efficiency.

#### **Window U0.18**

The building meets the building code (baseline), but the windows are improved from a U-value of 0.29 to 0.18. Since a smaller U-value indicates better insulation, this upgrade significantly enhances overall energy efficiency.

#### **Air Tightness (Ach 0.1)**

The building meets the building code (baseline), but the air tightness is upgraded to 0.1 air changes per hour (ACH). Since a lower ACH value indicates better airtightness, this upgrade significantly improves the building's thermal efficiency and reduces heat loss.

#### **Night Ventilation**

The building meets the building code (baseline), but night ventilation is now incorporated. This feature allows for the cooling of indoor spaces by using cooler nighttime air, further enhancing thermal comfort and reducing cooling energy consumption.

#### **Heat Recovery HRV**

The building meets the building code (baseline), but air handling is upgraded with a Heat Recovery Ventilator (HRV). This system improves indoor air quality and energy efficiency by recovering and reusing heat from outgoing air to precondition incoming fresh air.

#### **Energy Recovery ERV**

The building meets the building code (baseline), but air handling is upgraded with an Energy Recovery Ventilator (ERV). This system improves indoor air quality and energy efficiency by recovering both heat and moisture from outgoing air to precondition incoming fresh air, enhancing comfort and reducing energy consumption.

#### **Split System (Split System (h5)**

The building meets the building code (baseline), but the heating unit is replaced with a Split System (h5). This upgrade provides more efficient heating and cooling by separating the system into individual indoor and outdoor units, offering enhanced comfort and control.

#### **Air-to-Water Heat Pump (h7)**

The building meets the building code (baseline), but the heating unit is replaced with an Air-to-Water Heat Pump (h7). This upgrade enhances energy efficiency by using air as a heat source to provide both heating and hot water, offering a more sustainable and cost-effective solution.

#### **Geothermal Heat Pump (h6)**

The building meets the building code (baseline), but the heating unit is replaced with a Geothermal Heat Pump (h6). This upgrade enhances energy efficiency by utilizing the stable temperature of the ground to provide heating and cooling, offering a sustainable and highly efficient solution.



# **SUSTAINABLE UPGRADES DESCRIPTIONS**

#### **Ceiling Fan (c6)**

The building meets the building code (baseline), but the chiller (c3) is replaced with a Ceiling Fan (c6).

#### **Split System (c2)**

The building meets the building code (baseline), but the chiller (c3) is replaced with a Split System (c2).

#### **Air to Water HP (c5)**

The building meets the building code (baseline), but the chiller (c3) is replaced with an Air-to-Water Heat Pump (c5).

#### **WW Heat Pump (w4)**

The building meets the building code (baseline), but the water heating system is upgraded with a Water-to-Water Heat Pump (w4), replacing the Gas (w2) heater.

#### **WW Solar (Gas) (solar 2)**

The building meets the building code (baseline), but the water heating system is upgraded with a Water-to-Water Solar Heater (solar 2), replacing the Gas (w2) heater.

#### **WW Solar Heat Pump (solar 4)**

The building meets the building code (baseline), but the water heating system is upgraded to a Water-to-Water Solar Heat Pump (solar 4), replacing the Gas (w2) heater.

#### **Photovoltaic**

The building meets the building code (baseline), but a photovoltaic (PV) system is now installed, providing renewable energy.

#### **Combination 1**

The building meets the building code (baseline), but the insulation is upgraded with a combination of Wall R30 and Roof R50, significantly improving thermal efficiency and energy performance.

#### **Combination 2**

The building meets the building code (baseline), but the insulation is upgraded to Combination 2 with Wall R30, Roof R50, and Windows U 0.21, significantly enhancing thermal efficiency and overall energy performance.

#### **Combination 3**

The building meets the building code (baseline), but the insulation and energy efficiency are upgraded to Combination 3 with Wall R30, Roof R50, Windows U 0.21, and Air Tightness of ACH 0.1, significantly enhancing thermal performance and reducing heat loss.

#### **Combination 4**

The building meets the building code (baseline), but the insulation and energy efficiency are upgraded to Combination 4 with Wall R30, Roof R50, Windows U 0.21, Air Tightness of ACH 0.1, and Air Handling with an Energy Recovery Ventilator (ERV), significantly enhancing thermal performance and indoor air quality.

#### **Combination 5**

The building meets the building code (baseline), but the insulation and energy efficiency are upgraded to Combination 5 with Wall R30, Roof R50, Windows U 0.21, Air Tightness of ACH 0.1, Air Handling with an Energy Recovery Ventilator (ERV), and a Heating Unit with an Air-to-Water Heat Pump, significantly enhancing thermal performance and energy efficiency.

#### **Combination 6**

The building meets the building code (baseline), but the insulation and energy efficiency are upgraded to Combination 6 with Wall R30, Roof R50, Windows U 0.21, Air Tightness of ACH 0.1, Air Handling with an Energy Recovery Ventilator (ERV), and a Heating Unit with a Geothermal Heat Pump, significantly enhancing thermal performance and overall energy efficiency.



# **SUSTAINABLE UPGRADES SCENARIOS (**FIRST SET**)**



# **SUSTAINABLE UPGRADES SCENARIOS** (2ND SET)





#### **THE LCA AND LCC VALUES FOR EACH SUSTAINABLE UPGRADE FOR 10, 20, AND 30 YEAR SCENARIOS.**





Geothermal heat pump scenario r**educes environmental impact by 44.73%** compared to baseline but is **2.80% more expensive**.

The hemp wool R20 scenario shows a **2.82% lower environmental impac**t but is **1.05% more costly** compared to the baseline scenario.

The air-to-water heat pump has a **higher environmental impact than the geothermal heat pump by 7.42% .** However, it is **0.60% less expensive t**han the geothermal heat pump.

**The plot indicates that most technologies have LCC values between 245 and 255 \$/sf, suggesting similar financial returns. Decisions on choosing technologies may be driven more by factors like environmental impact or operational benefits rather than cost differences.**

### **LCA/LCC 10 Year Scenario**



Other Scenarios Baseline Hemp wool R20 Energy Recovery ERV Air-to-Water Heat Pump Geothermal Heat Pump Combination 5 Ο Ο Combination 6

### LCA/LCC 15 Year Scenario





**The plot indicates that most technologies have LCC values between 255 and 265 \$/sf, suggesting similar financial returns. Decisions on choosing technologies may be driven more by factors like environmental impact or operational benefits rather than cost differences.**

### LCA/LCC 20 Year Scenario





**The plot indicates that most technologies have LCC values between 260 and 270 \$/sf, suggesting similar financial returns. Decisions on choosing technologies may be driven more by factors like environmental impact or operational benefits rather than cost differences.**

#### **The table illustrates the initial total embodied emission, the additional embodied emission for each sustainable upgrade and the annual operation cost. The values are shown per square foot floor area.**



\*embodied energy for technical equipment not included

\*\* calculation without government incentive



**Combination 6 leads to a significant increase in CO2 emissions per square foot, indicating a substantial environmental impact despite potential benefits.**

**The geothermal heat pump scenario matches baseline CO2 emissions with potential operational benefits.**







Sustainable Upgrades

#### **The table illustrates the initial cost, the additional cost for each sustainable upgrade and the annual operation cost. The values are shown per square foot floor area. The estimated payback period is shown**









# **FINDINGS**

### These are the LCA and LCC analysis key findings for sustainable building upgrades



**The investment into the geothermal heat pump is relatively high. The air-to-water heat pump has a shorter payback period and a smaller initial cost.**



**The use of insulation materials made of a natural material like hemp wool reduces the initial CO2 emission. However, the CO2 emission from building operations is not reduced.**



**The ERV system is highly recommended because of its efficient reduction in emission and cost for building operation**



**The investment into an air-to-water heat pump has a relatively short payback time**



**Combinations of sustainable upgrades (Combination 5+6) have a significant reduction in CO2 emission for building operation. The payback period is also relatively short (compared to other upgrades). However, the initial cost is relatively high.**



**The use of a ceiling fan instead of an AC unit reduces initial cost, operation cost, and emission. It reduces thermal comfort in the cooling season**



**Window upgrades show moderate improvements in LCA but at a slightly higher cost.**



The return on investment for upgrades is not significant. Therefore, the main incentives may be reducing emissions and improving health benefits.



# **Reference** References



**03** the internationally respected standard EN 15804. The data is updated in the year 2022





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