

# **Health Impacts and Greenhouse Gas Reduction Caused by Using Wood Pellets for Domestic Heating in the City of Stuttgart**

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## **Abstract**

### **Background**

In Germany, the use of pellet firings is supported by policy, as this is an efficient measure to reduce CO<sub>2</sub> emissions. However, a problem are the higher emissions of air pollutants, especially PM2.5, caused by pellet heating systems compared to systems with oil or natural gas. These higher emissions lead to higher concentrations of primary and secondary PM2.5 and thus to more health impacts.

### **Objective**

We estimate as well the reduction of CO<sub>2</sub> emissions as the increase in health impacts for different scenarios of a future enhanced use of pellet firings in Stuttgart (Germany) and analyse, whether the welfare gains due to the CO<sub>2</sub> reduction outweigh the welfare losses of the additional health impacts.

### **Methods**

The change in background concentration of PM2.5 and PM10 caused by additional pellet firings is estimated with a statistical approach. State of the art concentration-response functions are used to determine health impacts. Health impacts are monetized with a ‘willingness to pay’ approach. To assess CO<sub>2</sub> emissions, marginal abatement costs to reach the EU long term objectives for climate protection are used.

### **Results**

For pellet firings without dust filter, monetized health impacts are about as high as the monetary value of the avoided greenhouse gases. Only pellet firings with filter show a significant net benefit.

### **Conclusion**

For Stuttgart, only pellet firings with dust filters should be permitted. Wood firings without filter, especially wood log firings, wood chip firings and open fire places should be banned.

**Keywords:** integrated assessment, health impacts, pellet firings, greenhouse gas emissions, damage costs, external costs

1    **1. Introduction**

2    In its national climate protection plan, the German government has set the aim of reducing  
3    German CO<sub>2</sub> emissions by at least 40% until 2030 compared to 1990. This is an ambitious aim;  
4    to limit negative macroeconomic impacts while pursuing this aim, it is important to choose the  
5    most efficient measures for reducing CO<sub>2</sub> emissions, i.e. those, that have the least costs per t of  
6    CO<sub>2</sub> reduced. One of the most efficient measures for reducing CO<sub>2</sub> emissions is the use of wood  
7    pellet firings instead of oil or gas fired heating facilities. Although the emissions of greenhouse  
8    gases caused by pellet firings are not zero, as life cycle emissions including harvesting of wood  
9    and production and transport of pellets have to be taken into account, the CO<sub>2</sub> emissions of  
10   pellet firings are much lower than those of oil and gas firings. Thus different promotions and  
11   subsidies like the market incentive programme (“Marktanreizprogramm”) or low interest loans  
12   from the government-owned KfW Bank are given to promote the use of pellet firings. These  
13   subsidies together with the expectation of the population, that fossil fuel prices will increase in  
14   the long run, has resulted in an increasing installation of pellet heating systems over the last  
15   decade, so that at the end of 2014 over 360 000 installed pellet fuel appliances in Germany have  
16   been installed.

17   However, a problem are the higher emissions of air pollutants caused by pellet heating systems  
18   compared to systems with oil or natural gas. Wood pellets are a solid fuel, which especially in  
19   smaller firings leads to more incomplete combustion than gaseous or liquid fuels and thus to  
20   more PM<sub>2.5</sub>, CO and NMVOC emissions. These higher emissions lead to higher concentrations  
21   of primary and secondary PM<sub>2.5</sub> and thus to more health impacts. A larger number of  
22   epidemiological studies, that prove the relationship between the exposure to fine particles and  
23   health impacts have meanwhile been conducted, recently the World Health Organization  
24   initiated two metastudies that confirm this relationship and recommend concentration-response  
25   functions (WHO, 2013a and 2013b) for assessing health impacts caused by fine particles.

26   Thus the question arises, how big the additional health impacts caused by a policy promoting  
27   wood pellet stoves are, and whether resp. under what conditions the benefits of a reduction of  
28   greenhouse gas emissions outweighs the additional health damage.

29   We analyze this question by estimating the health impacts and the reduction of CO<sub>2</sub> emissions  
30   for two scenarios, where the number of additional installed pellet firings differs. As  
31   investigation area we choose the city of Stuttgart, Germany. The city center is situated in a  
32   small basin surrounded by hills and open only to one side. Due to this situation the average

33 wind speed is very low. This sensitivity to air pollution explains, why Stuttgart is the city in  
34 Europe, where the PM10 limit – a daily average concentration of 50 $\mu\text{g}/\text{m}^3$  may only be  
35 exceeded during 38 days per year – is exceeded earlier than in any other EU city in each year.  
36 Thus we expect, that the health impacts caused by an emission of one kg of PM2.5 in Stuttgart  
37 are higher than in most other places in Europe.

## 38 **2. Emission Factors**

39 Particulate matter and CO<sub>2</sub> emissions produced by pellet boilers and other small boilers < 50  
40 kW in the city of Stuttgart are estimated. For this purpose the installation of two different  
41 commercially available pellet boilers is assumed; these are firstly new standard boilers with  
42 average emission factors for air pollutants and secondly low emission boilers with the lowest  
43 emission factors currently available on the market. In addition, in a further scenario the boilers  
44 are equipped with a small scale electrostatic precipitator (ESP). The average electricity  
45 consumption of an ESP is estimated as 24 kWh/a (Struschka et al, 2010). With an average  
46 emission factor of 546 g CO<sub>2</sub> per kWh produced in Germany in 2010 (UBA 2013) the ESP  
47 operation causes emissions of 13 kg CO<sub>2</sub> per year and boiler. As more and more renewable  
48 energies will be used for electricity production in Germany in the future, this value will decrease  
49 in the future. For the further calculations, these emissions are considered as negligible.

50 The emission factors for particulate matter for different wood pellet firing techniques and the  
51 other heating installations are taken from (Struschka et al., 2010 and Struschka et al., 2007),  
52 they are shown in Table 1.

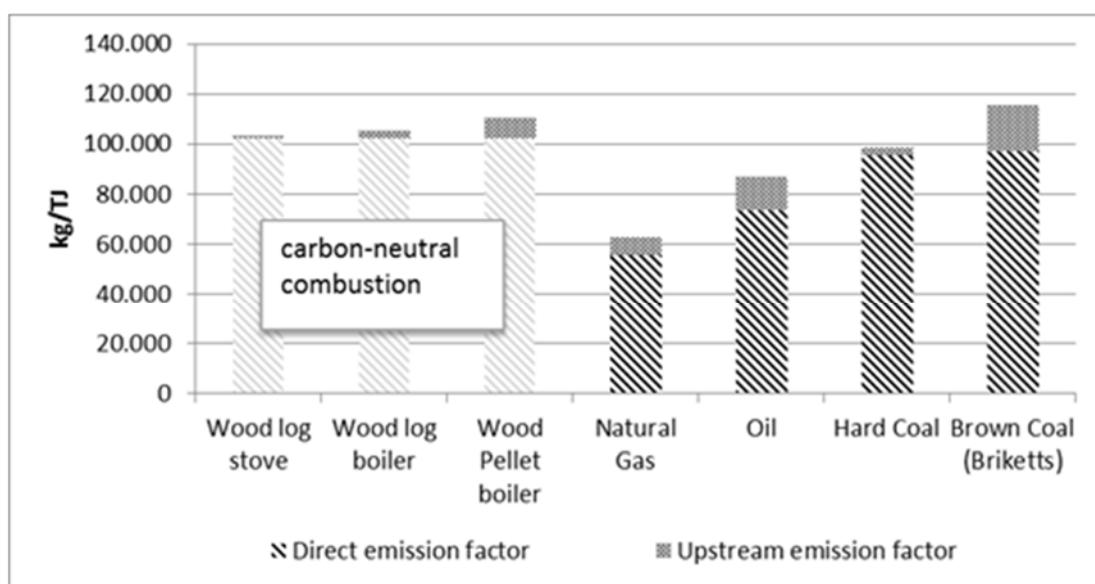
53 **Table 1:** average emission factors for particulate matter for different boilers (domestic and  
54 commercial boilers in Germany, 4-50 kW)

Boiler Type	TSP [kg/TJ]	PM10 [kg/TJ]	PM2.5 [kg/TJ]
<b>Oil boiler</b>	1,1	1,1	1,1
<b>Natural Gas boiler</b>	0,03	0,03	0,03
<b>low emission wood pellet boiler</b>	21	20	17
<b>low emission wood pellet boiler with ESP<sup>1</sup></b>	6	6	5
<b>Standard wood pellet boiler</b>	33	32	28
<b>Wood chip boiler</b>	43	40	37

<b>Tile stove (wood burning)</b>	125	124	120
<b>Manual feed wood boiler</b>	90	83	71
<b>Brown coal briquettes</b>	83	79	71
<b>Hard coal briquettes</b>	265	252	228

55 1) ESP- small scale electrostatic precipitator

56 The CO<sub>2</sub> emission factors for direct and upstream emissions are shown in Figure 1. The factors  
 57 for the upstream emissions were retrieved from (UBA 2013), they include harvesting and  
 58 transportation of biomass fuels, pellet production, extraction and distribution of fossil fuels. It  
 59 is important to remark that direct emissions from burning of biomass fuels were considered to  
 60 be carbon-neutral or having a net zero carbon footprint.

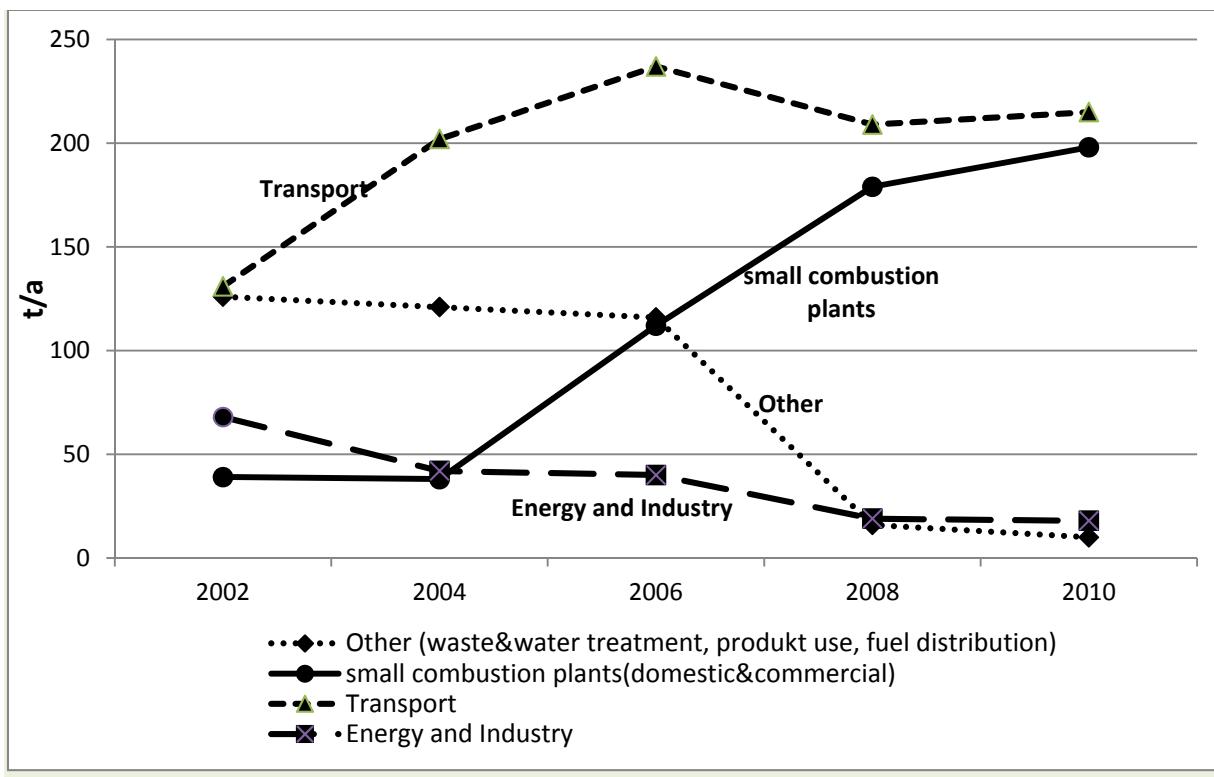


61 62 **Figure 1:** CO<sub>2</sub> emission factors for different domestic and commercial boilers, direct and upstream  
 63 processes (Struschka et al.2007), (UBA 2013)

### 64 3. PM10 emissions in Stuttgart 2010

65 As base year for generating scenarios, the year 2010 was chosen. Until 2010 214 pellets boilers  
 66 (2935 kW) were installed in Stuttgart. 209 boilers were used in residential buildings, the  
 67 remaining 5 pellet boilers were installed in the commercial sector (based on BA 2009).

68 In 2010 606,000 people lived in Stuttgart in 73,200 buildings with 298,300 flats; the population  
 69 has increased by 4% over the last decade (Federal Statistical Office, 2014). The PM10  
 70 emissions in the period 2000-2010 in Stuttgart are shown in Figure 2. Between 2002 and 2008  
 71 the PM10 emissions of small combustion plants increase continuously. This is caused by the  
 72 rising use of solid biomass fuels like for example split logs and wood chips.



73

74 Figure 2. PM10 emissions in Stuttgart (LUBW 2014)

75 The share of pellets of 0.2% on the final energy consumption of small combustion plants in  
 76 Stuttgart in 2010 is very low compared to natural gas with 77%, oil with 13% and solid fuels  
 77 with 9.8%. After wood stoves and oil fired installations the pellet stoves are the third-largest  
 78 source of PM10 emissions in Stuttgart as shown in Table 2.

79 **Table 2:** Share of fuels in small combustion plants (SCP) on PM10 emissions in Stuttgart  
 80 2010

	share of fuels on Emissions in %	share of fuels on heat consumption in SCP in %
<b>Oil</b>	4,6	13
<b>Natural Gas</b>	0,1	77
<b>Wood Pellets</b>	2,2	0,2
<b>solid Fuels (coal, other biomass fuels)</b>	93,1	9,8

81

82 **4. Reference and Intervention Scenarios**

83 The following analysis is focussing on the emission source sector ‘small combustion plants’ in  
84 Stuttgart, as pellet firings are only used in this sector. Three scenarios for the development of  
85 fuel use and of emissions in the sector small combustion plants for the years 2015, 2020 and  
86 2025 are generated:

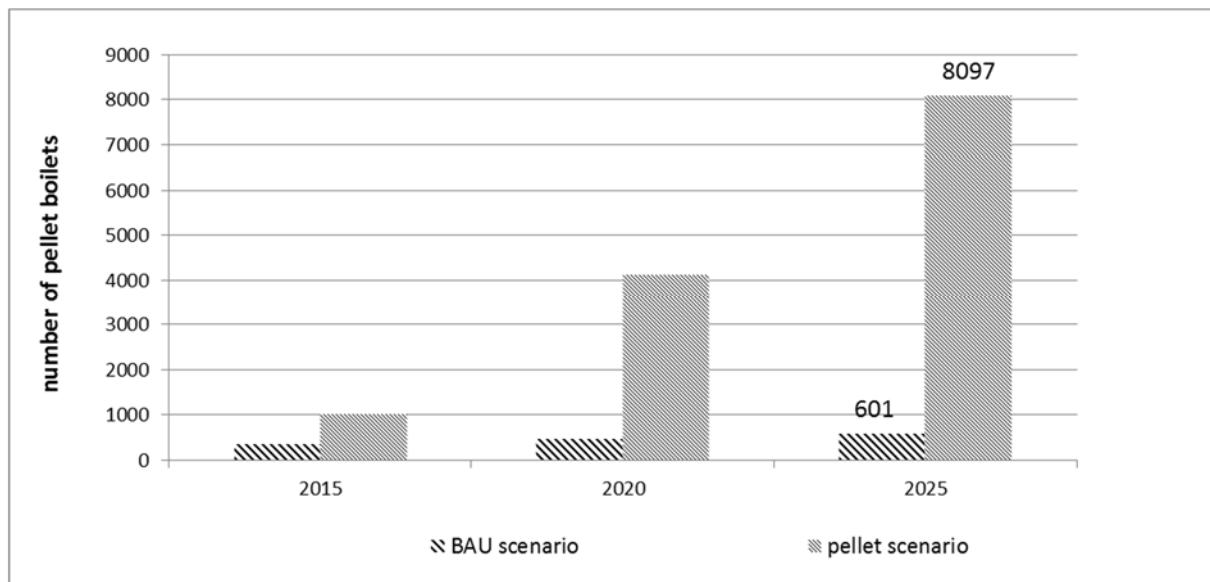
87 **Business as usual scenario (BAU):**

88 Fuel demand and supply for small combustion plants in Stuttgart is assumed to follow the same  
89 trend development as the development in the whole of Germany, estimated by a scenario  
90 generated with the energy model TIMES (Blesl (2008), Blesl et al. (2008) and Blesl et al.  
91 (2010)). The scenario used as trend scenario is taking into account the EU and German policies  
92 for reducing greenhouse gases. The resulting energy consumption by fuel is shown in Table 3.  
93 Caused by a stagnating population and by the renovation of buildings, the energy consumption  
94 in small combustion plants is continuously decreasing. Oil firings are reduced with the highest  
95 rate, while for gas and logs the reduction is more moderate; pellets are the only fuel with an  
96 increasing consumption. The reason is, that only wood pellets (and not wood logs) are promoted  
97 by policy and further on, that comfort and handling are much better for pellets than for logs.  
98 For the installation of pellet boilers the growth rate for future years is assumed to be similar  
99 than from 2001 to 2010, so that in 2025 about 600 pellet firings will be installed.

100 **Pellet scenario:**

101 A stronger growth of pellet boilers in Stuttgart than in the BAU scenario is assumed based on  
102 expectations of the German Wood Pellet Association (DEPV e.V.). The DEPV assumes a  
103 continuous annual growth rate of 20% and expects therefore for the year 2020 about one million  
104 pellet installations in Germany (DEPV 2009). For Stuttgart, a similar trend will result in about  
105 8100 installed pellet firings in 2025. The pellet boilers will mainly replace oil firings, as in this  
106 case the room for the oil tank can be used for storing the pellets. The efficiency of both heating  
107 techniques (modern oil and pellets boilers) is in the same range between 93% and 95%. The  
108 energy consumption and number of pellet firings are shown in Table 4 and Fig. 3.

109 As there are significant differences across boilers regarding their emission factors (i.e., the  
110 amount of emissions released per unit), the pellet scenario is further diversified: in the ‘pellet  
111 scenario (standard boilers)’ firings with average emission factors are installed, in the ‘pellet  
112 scenario (low emission boilers)’ firings with the best available emission factors are used.



113

114 Figure 3: Development of pellet boilers in Stuttgart in the two scenarios (forecast-total stock),  
115 BAU = business as usual

116 Figure 4 compares the CO<sub>2</sub> emissions incl. upstream emissions from small combustion plants  
117 in Stuttgart for the two scenarios.

118 Table 3: Energy consumption in small combustion plants Stuttgart in the BAU scenario

Energy consumption in TJ	2010	2015	2020	2025
<b>Oil</b>	2461	1954	1374	1065
<b>Natural Gas</b>	10570	10153	9611	8368
<b>solid fuels (wood, some coal)</b>	1424	1382	1348	1276
<b>Pellets</b>	24	42	54	95
<b>Total</b>	<b>14479</b>	<b>13530</b>	<b>12387</b>	<b>10804</b>

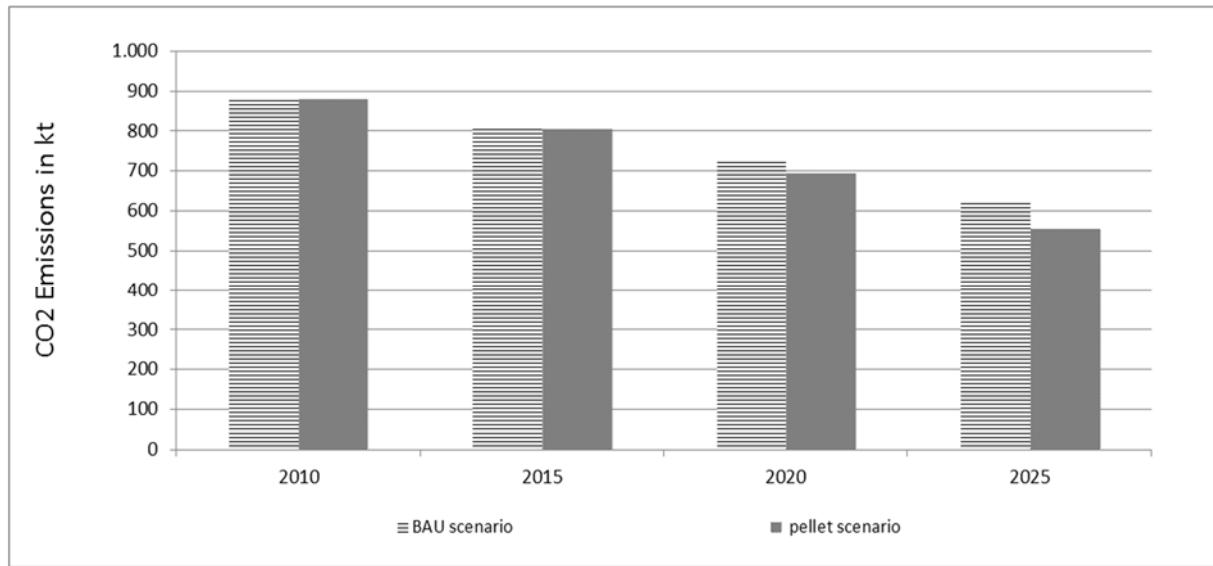
119

120 Table 4: Energy consumption in small combustion plants Stuttgart in the pellet scenario

Energy consumption in TJ	2010	2015	2020	2025
<b>Oil</b>	2461	1889	1003	286
<b>Natural Gas</b>	10570	10136	9546	8282
<b>solid fuels (coal, other biomass)</b>	1424	1382	1348	1276
<b>Pellets</b>	25	123	490	960
<b>Total</b>	<b>14479</b>	<b>13530</b>	<b>12387</b>	<b>10804</b>

121

122 As shown in Fig 4, the CO<sub>2</sub> emissions from small combustion plants in Stuttgart will be reduced  
123 already in the BAU scenario, caused especially by less oil firings. In the pellet scenario, there  
124 will be a further CO<sub>2</sub> reduction, for instance in the year 2025 by 65.5 kt or 10.6%.

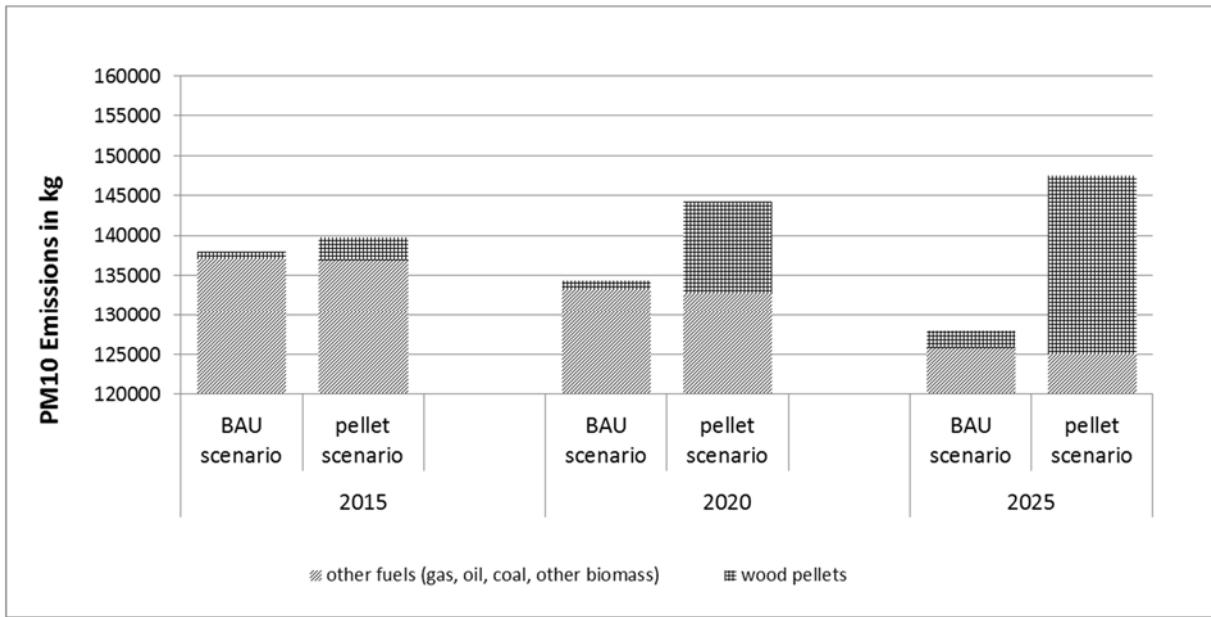


125

126 Figure 4: CO<sub>2</sub> Emissions in kt/a from small combustion plants in Stuttgart

127 On the other hand, PM2.5 and PM10 emissions will increase in the ‘pellet scenarios’ compared  
128 to the BAU scenario (Fig. 5). Increased use of pellets causes 2025 about 20 t/a more PM10  
129 emissions compared with emissions in the BAU scenario. Thus, the share of PM10 emissions  
130 from pellets boilers on total PM10 emissions from small combustion plants in Stuttgart in 2025  
131 in the pellet scenario will increase to 15%.

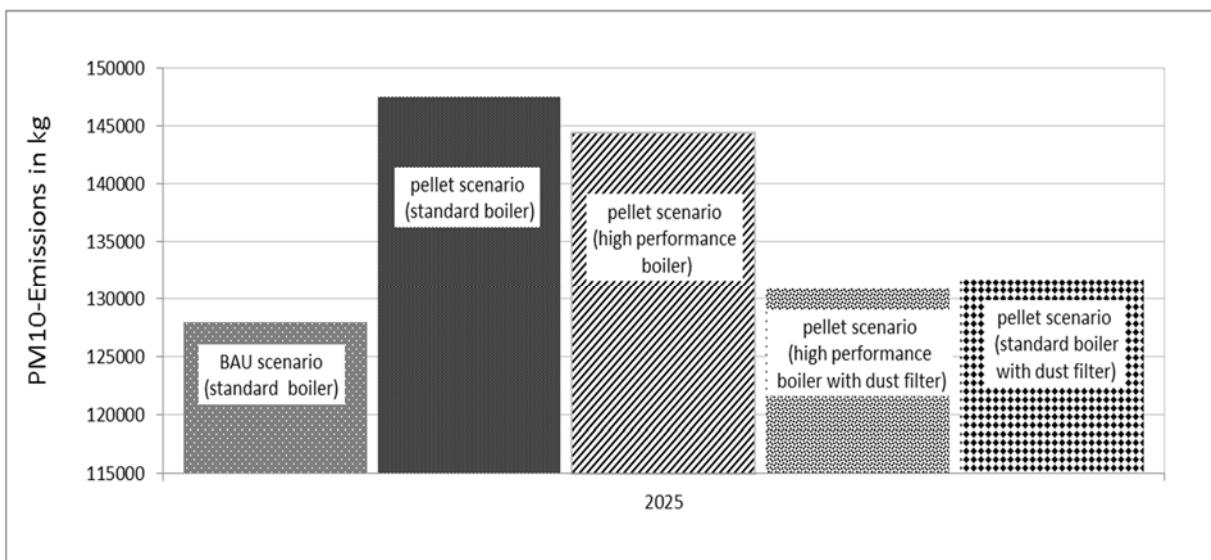
132 The development of the total PM10 emissions from small combustion plants in Stuttgart in the  
133 pellet scenario (standard boiler) is shown in Figure 5.



134

135 Figure 5: PM<sub>10</sub> emissions from small combustion plants in Stuttgart (standard boiler)

136 The PM<sub>10</sub> emissions during operation of a standard pellet boiler are nearly five times higher  
 137 than emissions from a low emission boiler with dedusting system (ESP) as shown in Table 1.  
 138 The calculated PM<sub>10</sub> emissions for all small combustion plants and the scenarios with different  
 139 boilers types and with and without dust filter are shown in Figure 6.



140

141 Figure 6: PM<sub>10</sub> emissions from small combustion plants in Stuttgart (boiler type comparison)  
 142 for 2025

## 143 **5 Human health impacts**

144 To estimate the health impacts, that are caused by the changes in PM<sub>2.5</sub> and PM<sub>10</sub> emission,  
 145 the 'impact pathway approach (IPA)' is used (Bickel, Friedrich, 2005). The analysis starts with  
 146 the changes in emissions calculated in Chapter 4. Then atmospheric models are used to estimate

147 the change in concentrations caused by the emission change. Health impacts are then derived  
 148 by applying concentration-response functions that are derived from epidemiological studies.  
 149 The next step is thus to estimate the changes in the background concentrations for PM2.5 and  
 150 PM10 that are caused by the increase in emissions estimated in chapter 5. What is needed are  
 151 the urban background concentration, as the concentration-response relationships used in the  
 152 next step – see below – represent a relation between health impacts and the background  
 153 concentration (and not the concentration in street canyons). Instead of using atmospheric  
 154 models, which – especially if applied to urban areas – give not very accurate results, we use  
 155 here a statistical approach. We chose two measurement stations, a rural station outside Stuttgart  
 156 and an urban background station in Stuttgart, to carry out a multi-attribute regression analysis,  
 157 where urban emissions and other parameters are related to the urban increment, which is the  
 158 difference in concentration between the rural and the urban background concentration. We used  
 159 the following equation:

$$C_{i\text{UrbInc}} = \omega_i + \phi_i \frac{E_{iUE}}{A_{UE} \cdot U_{avg}} + \gamma C_{i\text{rural}} \quad \text{Equation 1}$$

160 where

161  $C_{i\text{UrbInc}}$  = urban increment of pollutant i;

162  $E_{iUE}$  = total emission of pollutant i within an urban entity in tons;

163  $A_{UE}$  = area of the urban entity in  $\text{km}^2$ ;

164  $U_{avg}$  = average wind speed in m/s;

165  $C_{i\text{Rural}}$  = rural background concentration of pollutant i in  $\mu\text{g}/\text{m}^3$ ;

166  $\omega_i$ ,  $\phi_i$ , and  $\gamma_i$  = multiple-regression parameters for pollutant i. For PM10 the parameters are  
 167 15.27, 0.24 and -0.53.

168 A more detailed description of this approach can be found in Torras Ortiz and Friedrich (2013).  
 169 Inserting the changes in PM10 and PM2.5 emissions changes in the background concentration  
 170 are derived for the pellet scenarios.

171 The concentration-response functions used are derived from the WHO HRAPIE report (WHO  
 172 2013a). Results are changes in several health endpoints, e.g. years of life lost, new cases of  
 173 chronic bronchitis, hospital admissions due to respiratory or cardiovascular diseases, cough  
 174 days, days with restricted activities, bronchodilator use and more. The highest impact is chronic  
 175 mortality due to the long term exposure to PM2.5. The concentration-response functions used  
 176 are shown in Table 5 (WHO2013a, HEIMTSA 2011).

177 Table 5: concentration response functions used to estimate health effects of PM2.5 and PM10.

Health effect	Relative Risk	Age Group	Population	Impact Function
PM2.5				

Health effect	Relative Risk	Age Group	Population	Impact Function
Mortality (all cause)	6% (95% CI: 2%, 11%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{2.5}$	Adults 30 years and older	General Population	953 life years lost per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{2.5}$ increase for one year per 100000 people aged >29 years
Work loss days (WLDs)	4.6% (95% CI: 3.9%, 5.3%) increase per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{2.5}$	15-64 Years	General Population	20,700 (95% CI: 17,600, 23,800) additional work lost days per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{2.5}$ per 100,000 people aged 15-64 in the general population per year
Minor Restricted Activity Days (MRADs)	7.4% (95% CI: 6.0%, 8.8%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{2.5}$	18-64 Years	General Population	57,700 (95% CI: 46,800, 68,600) additional MRADs per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{2.5}$ per 100,000 adults aged 18-64 (general population) per year
Restricted activity days (RADs)	4.75% (95% CI: 4.17%, 5.33%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{2.5}$	18-64 Years	General Population	90,200 (95% CI: 79,200, 101,300) additional RADs per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{2.5}$ per 100,000 adults aged 18-64 (general population) per year
<b>PM10</b>				
Infant Mortality	4% (95% CI: 2%, 7%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	1 month to 1 year	General Population	5.8 (95% CI: 2.9, 10.2) additional infant deaths per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 live births, per year
Chronic bronchitis	22% (95% CI: 2%, 38%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	Adults aged 18 years and older	General Population without symptoms (90% of population)	86 (95% CI 7.8, 150) new cases of chronic bronchitis per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 at-risk adults aged 18 and older, per year
Cardiovascular hospital admissions	0.6% (95% CI: 0.3%, 0.9%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	All Ages	General Population	4.3 (95% CI: 2.2, 6.5) additional emergency cardiac hospital admissions per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 people (all ages) per year
Respiratory hospital admissions	0.9% (95% CI: 0.7%, 1.0%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	All Ages	General Population	5.6 (95% CI: 4.3, 6.2) additional emergency respiratory hospital admissions per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 people (all ages) per year
Asthma medication use among asthmatic children	0.4% (95% CI: -1.7%, 2.6%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	5-14 Years	Children with Asthma (14.4% of children aged 5-14 in EU27)	14,600 (95% CI: -62,050, 94,900) additional days of bronchodilator usage per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 children aged 5-14 years meeting the PEACE study criteria, per year
Bronchodilator usage among asthmatic adults	0.5% (95% CI: -0.5%, 1.5%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	20 years and older	Adults with asthma (10.2% of adults aged 20 and older in EU27)	91,300 (95% CI: -91,300, 274,000) additional days of bronchodilator usage per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 adults aged 20 and older with well-established asthma, per year
Lower respiratory symptoms including cough among children	3.4% (95% CI: 1.7%, 5.1%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	5-14 Years	General Population	186,000 (95% CI: 93,100, 279,000) additional lower respiratory symptom days per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ per 100,000 children aged 5-14, per year
Lower respiratory symptoms (including cough) in symptomatic adults	1.2% (95% CI: 0.1%, 2.2%) change per 10 $\mu\text{g}/\text{m}^3 \text{PM}_{10}$	Adults	Adults with chronic respiratory symptoms (30% of adults)	131,000 (95% CI: 11,000, 241,000) additional lower respiratory symptom days per 10 $\mu\text{g}/\text{m}^3$ increase in $\text{PM}_{10}$ , per 100,000 adults with chronic respiratory symptoms, per year

178

179 To be able to compare resp. add the different health impacts, they are transformed in a common  
 180 unit, DALYs (disability adjusted life years). DALYs are the sum of YOLL (years of life lost  
 181 due to premature deaths) and YLD (years lived with disability). YLD are the product of the  
 182 number of incidents times the average duration of an incident (in fraction of years) and a  
 183 disability weight between zero and one representing the severity of the incident (e.g., new case  
 184 of chronic bronchitis, cough day, hospital admission due to cardiovascular diseases) (see e.g.  
 185 WHO, 2009). In 2015 a reduction of emissions and health impacts occurs for the scenarios with  
 186 dust filters, as in the BAU scenario standard boilers are used, and the much lower emissions of

187 boilers with dust filters compensate the effect of the higher number of boilers in the pellet  
188 scenario.

189 Table 6: additional DALYs caused by the pellet scenarios compared to the DALYs in the BAU  
190 scenario

Scenario	DALYS/a		
	2015	2020	2025
Pellet scenario (standard boilers)	6,5	35,0	69,4
Pellet scenario (low emission boilers)	5,1	29,5	58,5
Pellet scenario (standard boilers with dust filter)	-0,7*	6,3	13,2
Pellet scenario (low emission boilers with dust filter)	-1,1*	4,8	10,1

191

192 The pellet scenarios reduce the CO2 emissions by 6 kt in 2015, 32,5 kt in 2020 and 65,5 kt in  
193 2025. The differences between the pellet scenarios are negligible, the dust filters will increase  
194 CO2 emissions in 2025 by about 0,1 kt. .

#### 195 **4. Assessment of results**

196 We have thus quantified the benefits for climate protection, i.e. the reduction of CO2 emissions,  
197 but also the additional health damage occurring when increasing the number of pellet firings.  
198 To find out, whether the overall environmental performance is positive or negative (i.e. the  
199 external costs are positive or negative), we have to compare the benefits caused by the CO2  
200 emission reduction with the health damage caused by the increase of emissions of air pollutants.  
201 The only way to do this with a quantitative method is to transform the indicators involved (t of  
202 CO2 reduced, DALYs) into a common measurement unit. Here we choose monetary values (€),  
203 as these are defined independently from the assessment. For monetizing health impacts, the  
204 standard approach in environmental economics, i.e. contingent valuation, is used. The basic  
205 methodology is to measure preferences by asking a representative part of the population about  
206 their willingness to pay to avoid the health risk to be assessed. We use the results of a contingent  
207 valuation study from Desaigue et al. (2007) and use benefit transfer methods to transform the  
208 study result to the current year resulting in a monetary value of 60000 €<sub>2010</sub> (sd 37500€<sub>2010</sub> -  
209 96000€<sub>2010</sub>) per DALY for 2010. Assuming, that the willingness to pay increases with income  
210 and that the future economic growth rate will be 1,5 %/a, the values for future years are shown  
211 in Table 7 . For CO2 emissions, a damage cost approach and contingent valuation cannot be  
212 used, as estimations of the marginal damage costs of releasing an additional t of CO2 show a  
213 very big uncertainty range of more than 3 orders of magnitude. Instead we use a damage cost

approach. The EU has stated as long term aim to contribute to limiting the increase of the earth's surface temperature compared to preindustrial times to 2° within an international strategy. This is equivalent to not exceeding a CO<sub>2,eq</sub> concentration of ca. 450 ppm. We can now replace the marginal damage costs by the marginal avoidance costs to reach this aim, thereby assuming that the set aim is pareto optimal. To estimate the marginal avoidance costs, we use a meta study of Kuik et al. 2009, who found marginal avoidance costs of 252 €<sub>2010</sub>/t CO<sub>2e</sub> (143-443 €<sub>2010</sub>/t CO<sub>2e</sub>) in 2050. The numbers in parenthesis represent the range, i.e. the highest and lowest value in the primary studies analysed. Discounting this rate with 5%/a results in the values for marginal avoidance costs as shown in Table 7.

Table 7: monetary unit values per DALY and per avoided t of CO<sub>2</sub>

	<b>2015</b>	<b>2020</b>	<b>2025</b>
Damage costs per DALY in 1000€/DALY	63 (40-228)	72 (45-115)	81 (51-130)
Marginal avoidance costs in €/t CO <sub>2</sub>	45 (26-81)	58 (33-103)	74 (42-131)

With these monetary factors we can estimate the monetary values for health impacts and climate benefits for the scenarios (Table 8). For the monetary values for the greenhouse gas emissions a range of values is given. For the estimation of the uncertainty of monetary values of the health impacts a geometric standard deviation of 2,78 is estimated (Spadaro and Rabl, 2008), this uncertainty covers the whole impact pathway from emissions to health impacts (and not only the monetary value).. .

Table 8: Monetary values of additional health impacts and avoided greenhouse gas emissions for different pellet scenarios.

	<b>2020</b>	<b>2025</b>
Reduction of greenhouse gas emissions – all pellet scenarios in Mio € <sub>2010</sub>	-1,89 (-1,07--3,35)	-4,85 (-2,76--8,62)
Additional health impacts for the pellet scenario (standard boilers) in Mio € <sub>2010</sub>	2,51 (0,90-6,98)	5,61 (2,02-15,60)
Additional health impacts for the pellet scenario (low emission boilers) in Mio € <sub>2010</sub>	2,12 (0,76-5,89)	4,73 (1,70-13,15)
Additional health impacts for the pellet scenario (standard boilers with dust filters) in Mio € <sub>2010</sub>	0,45 (0,16-1,25)	1,07 (0,38-2,97)

Additional health impacts for the pellet scenario (low emission boilers with dust filters) in Mio € <sub>2010</sub>	0,34 (0,12-0,94)	0,82 (0,29-2,28)
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234 The results show, that the welfare losses due to health impacts caused by additional pellet firings  
235 without dust filter are as high or in tendency even a bit higher than the welfare gains caused by  
236 the reduction of greenhouse gases. Significant increases in welfare are only possible with low  
237 emission boilers with dust filters.

238 **4. Conclusions**

239

240 For the city of Stuttgart, the use of pellet firings without dust filter leads to severe health impacts  
241 caused by PM2.5 emissions. These impacts outweigh the benefits of the reduction of CO<sub>2</sub>  
242 emissions. Thus, it would be favorable for Stuttgart to decide, that only pellet stoves with dust  
243 filters would be permitted in the city area.

244 Other types of wood firings, e.g. log firings, have higher emission factors than pellet firings  
245 (see Table 1), thus it is even more important to reduce or ban these types of firings that currently  
246 are the cause for more than 90% of the PM emissions of small combustion in Stuttgart.

247 Most other cities show better meteorological conditions, e.g. a higher average wind speeds, than  
248 the city of Stuttgart. Thus health impacts are lower. Thus there might be a tendency for a slight  
249 net benefit in other cities, indicating that pellet boilers with the best available low emission  
250 technology without filter might be used; however log firings without filter should still not be  
251 permitted.

252

253 **References**

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