

Climate Adaptation Cost Benefit Analysis



Climate Adaptation Decision Pathways

AECOM

Outline

1. The Context
2. Climate Risk and Adaptation
3. Decision Making Pathways

Coastal Settlements

Water Supply

Rail Networks

Cocos (Keeling) Islands - Climate Risk Assessment



- World Heritage – natural assets
- Population - 80% Cocos Malay
- Remote - middle of the Indian Ocean



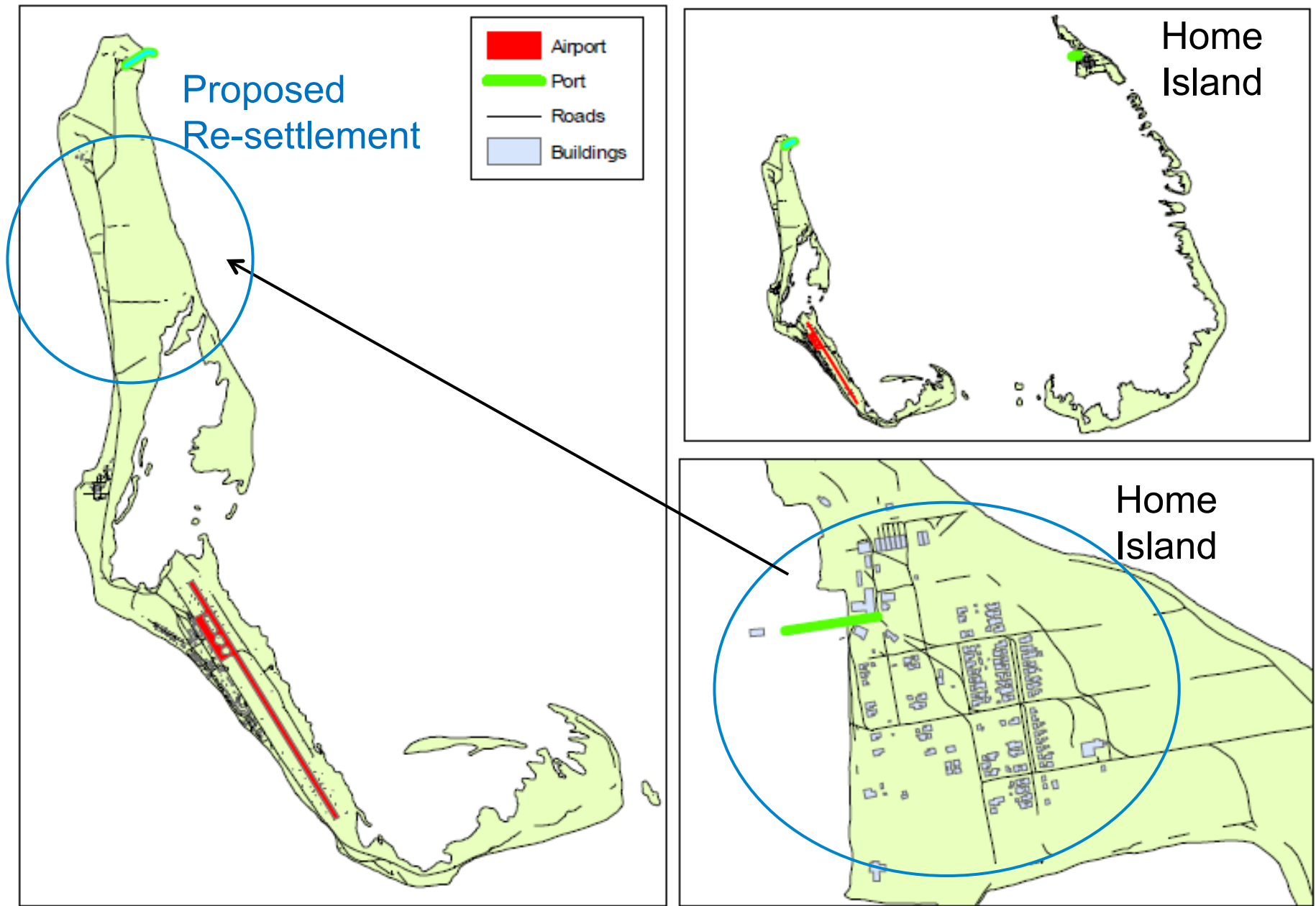
Risk to Infrastructure and Settlement

Climate Change Risk Assessment for the Cocos (Keeling) Islands

- Loss of buildings and facilities
- New port development
- Impacts to roads and airport
- Water security – island water lens
- Power security – diesel supply
- Emergency evacuation
- Heat waves – mental health



Infrastructure at Risk and Re-settlement

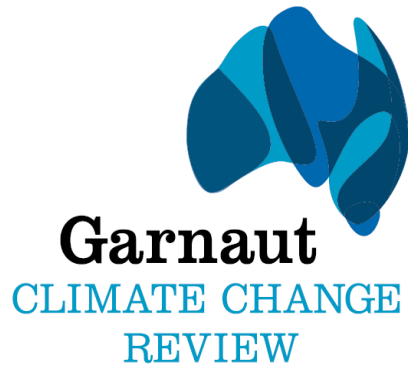


Climate Change Impacts

Melbourne Storms 2010



40% of Economic Climate Impacts are to Infrastructure



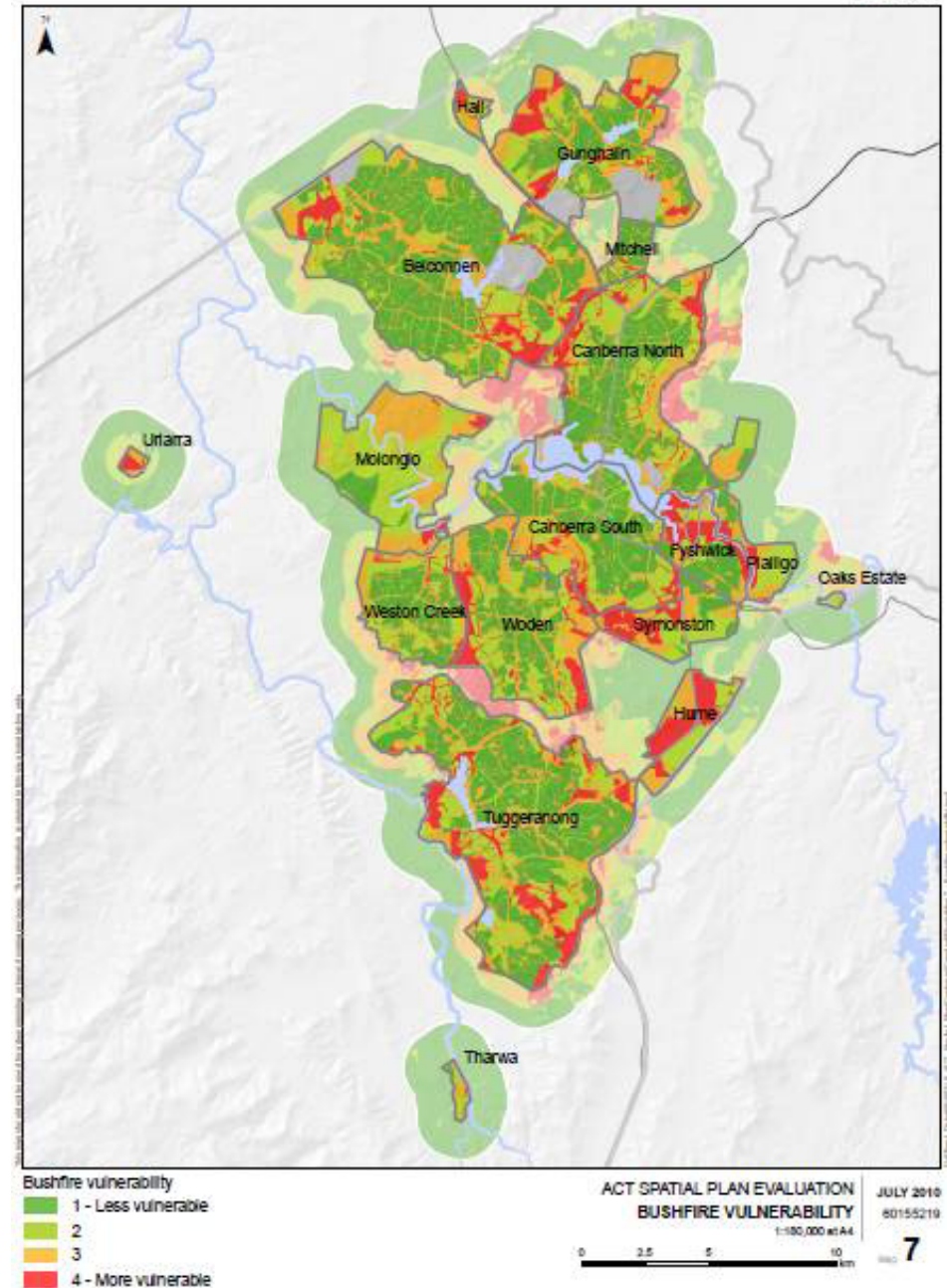
Infrastructure Impacted

- Buildings
- Electricity networks
- Water infrastructure
- Ports
- Roads and bridges
- Communications



Regional Planning

- Australian Capital Territory Climate Vulnerability Spatial Evaluation
- Peri-Urban Climate Change Risk Assessment for Melbourne
- Port Phillip Bay (Melbourne) Coastal Adaptation Decision Pathways Project
- Greater Sydney Climate Adaptation Strategy (developed project plan)



Sustainable Southbank Structure Plan



1.1 m Sea Level Rise by 2100
City of Melbourne
Australia 2009

Planning sustainable
infrastructure services



Figure 8.5 Proposed Integrated Sustainable Services Infrastructure

Environmental Impact Assessments

- Framework applied to following sectors:
 - Mining
 - Road
 - Rail
 - Ports
 - Water
 - Electricity and Gas Networks
 - Coastal Development
 - Major Buildings



Incorporating Climate Change Impacts and Adaptation in Environmental Impact Assessments

Opportunities and Challenges

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JEL Classification: Q51, Q54, Q58

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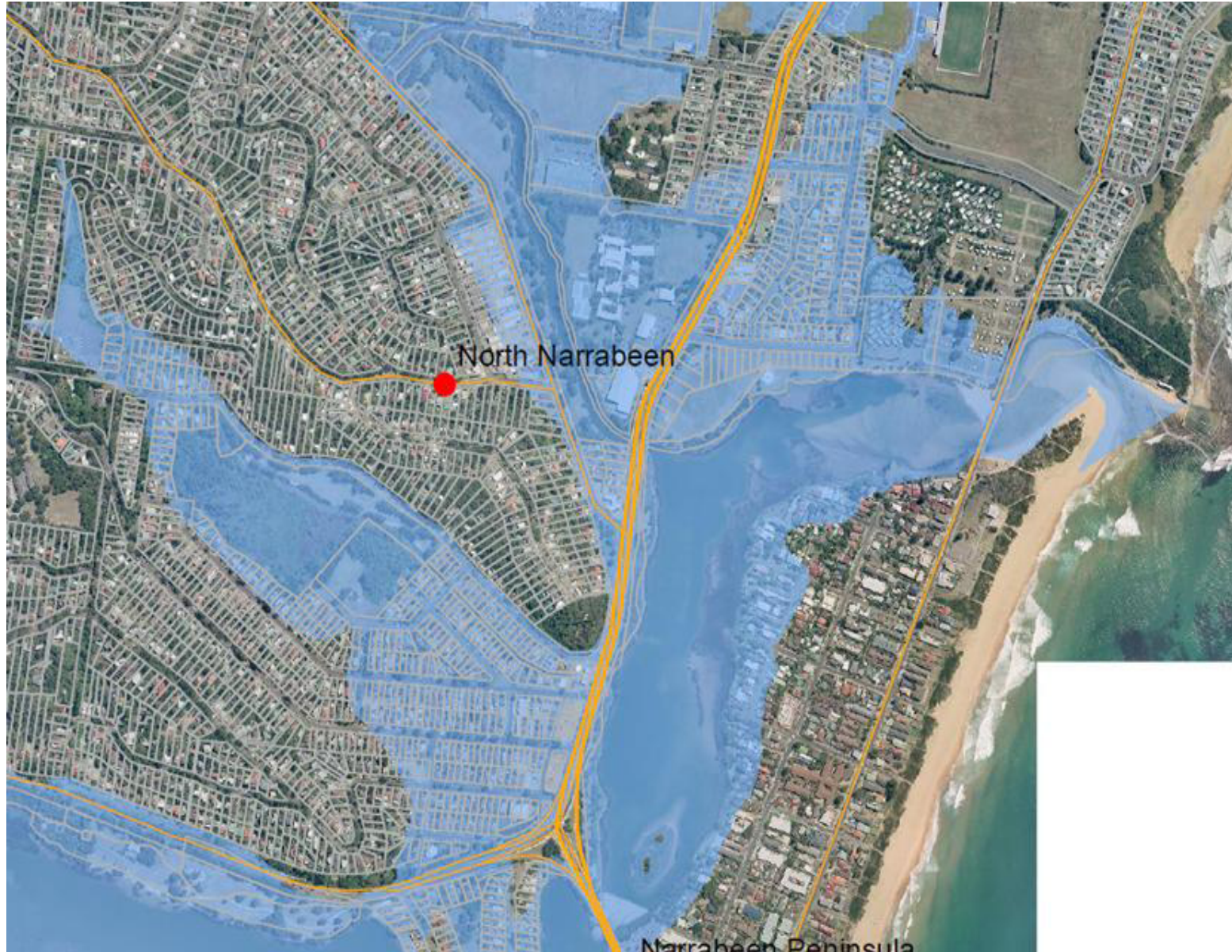


Climate Adaptation in Major Projects

- Draft Australian Standard AS5334 Climate Adaptation for Settlements and Infrastructure, Standards Australia
- Design Guidelines for Climate & Sustainability, Major Australian Port
- Over 20 major projects incorporating climate change adaptation – roads, rail, ports, mines, tunnels and bridges

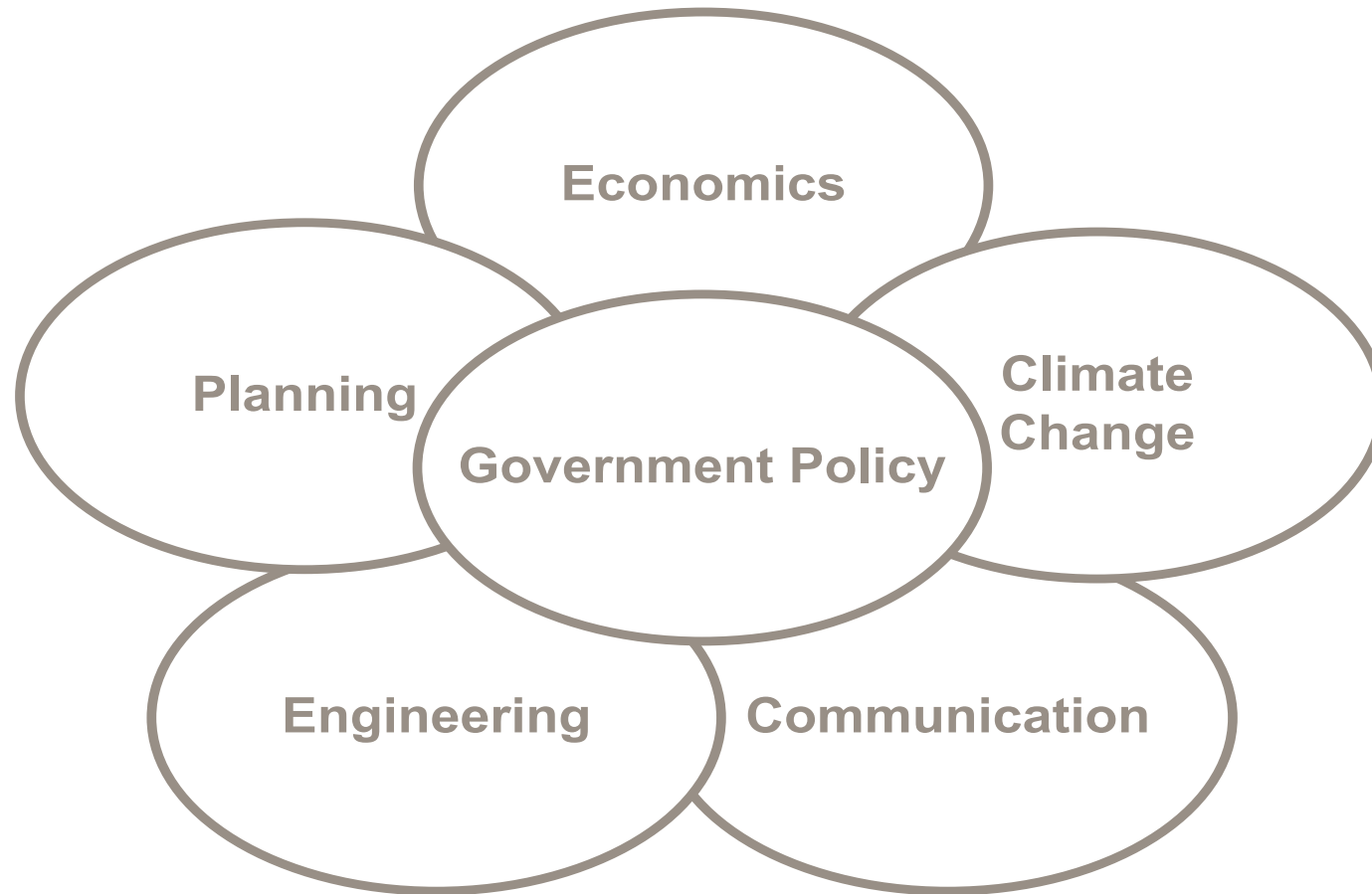


Coastal Adaptation to Changing Climate



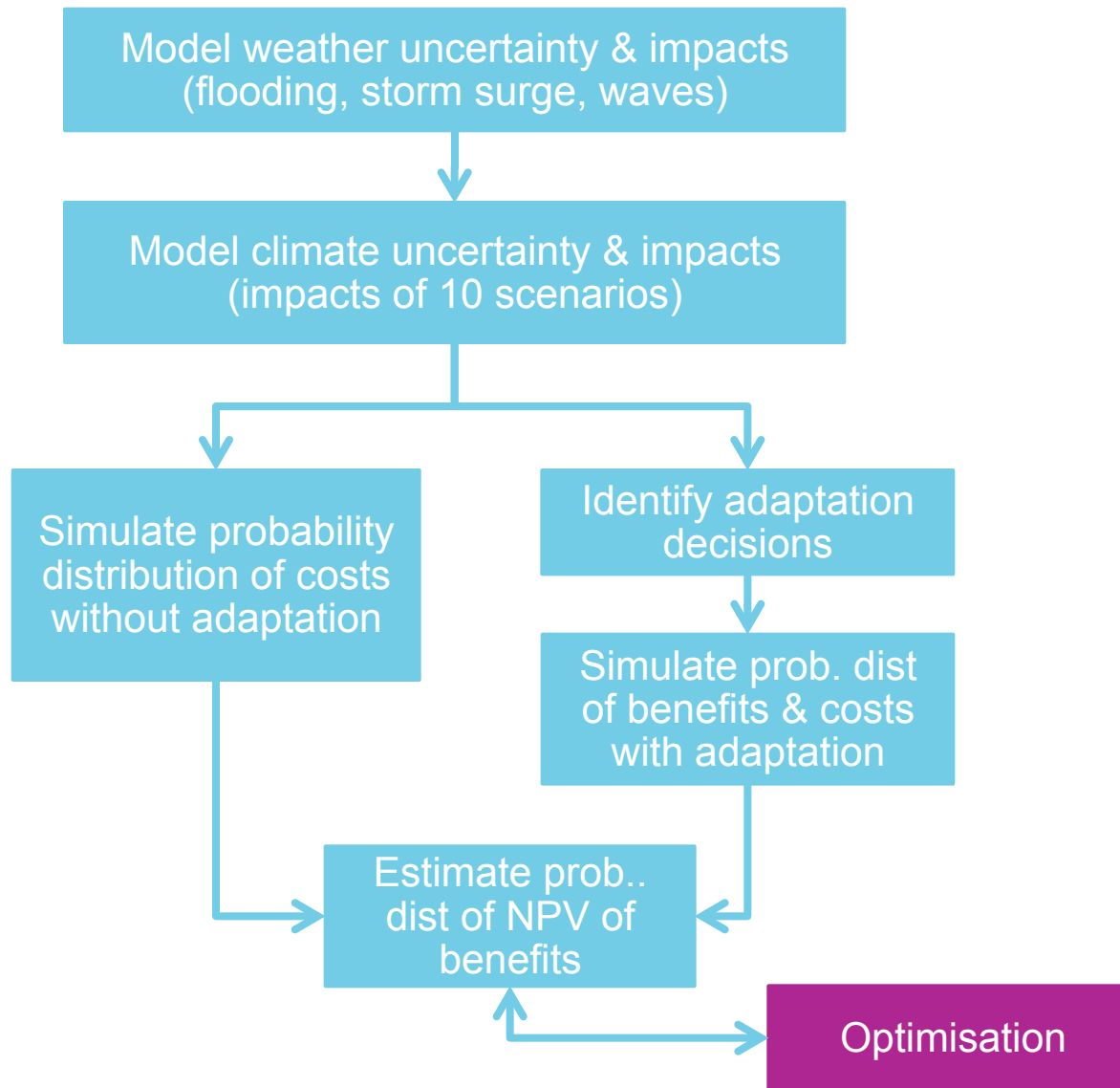
Narrabeen Lagoon, Sydney (Department of Climate Change)

Integrated multidisciplinary approach



Fully addresses diverse technical issues by integrating disciplines into one economic framework

Overview of methodology



Damage costs increase as lagoon height increases

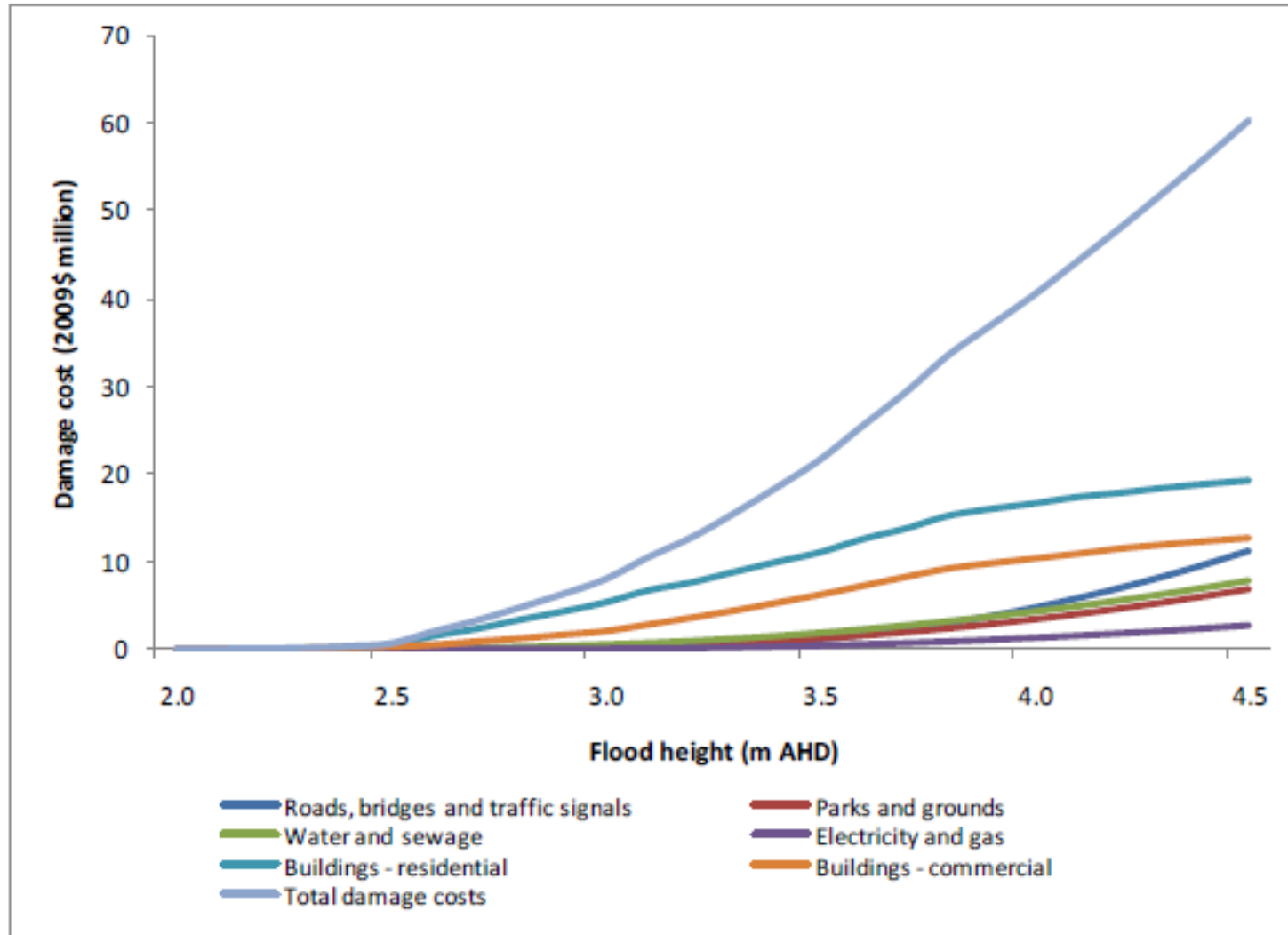
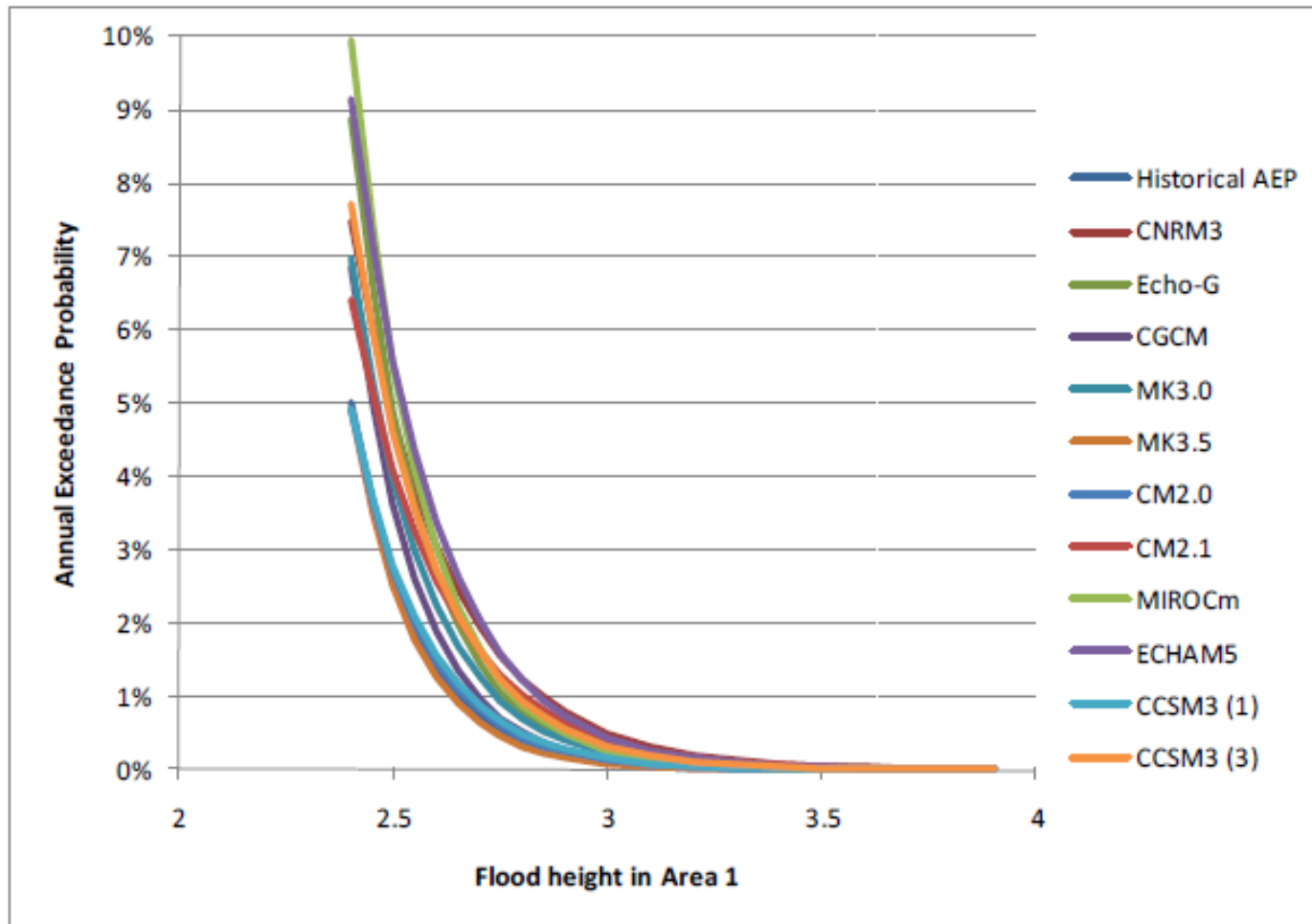


Figure 25: Total flood damage cost curve for the Narrabeen Lagoon area

Adding climate uncertainty to weather uncertainty

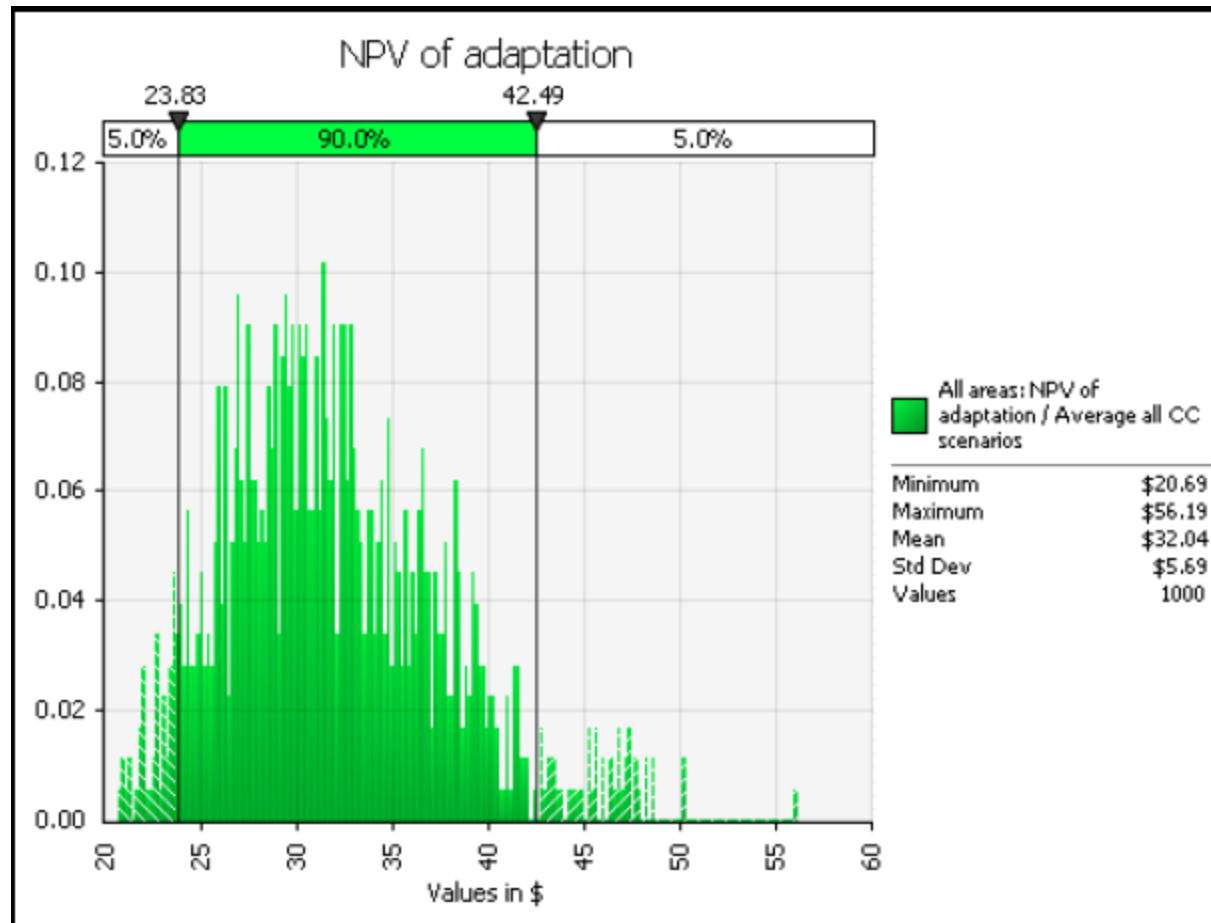
Figure 21: Shifts in extreme value distributions for floods in Area 1, for 10 OAOAGCM under the A1FI scenario



Adaptation options

Adaptation Measure	Dimensions (m)	Timing
Lagoon opening	70.0 width	2035
Lakeside levee	2.7 height	2010
Progress Park levee	2.5 height	After 2100
Nareen Creek levee	2.3 height	After 2100
Flood awareness	Not applicable	2010
Planning control	Height not modelled	2010

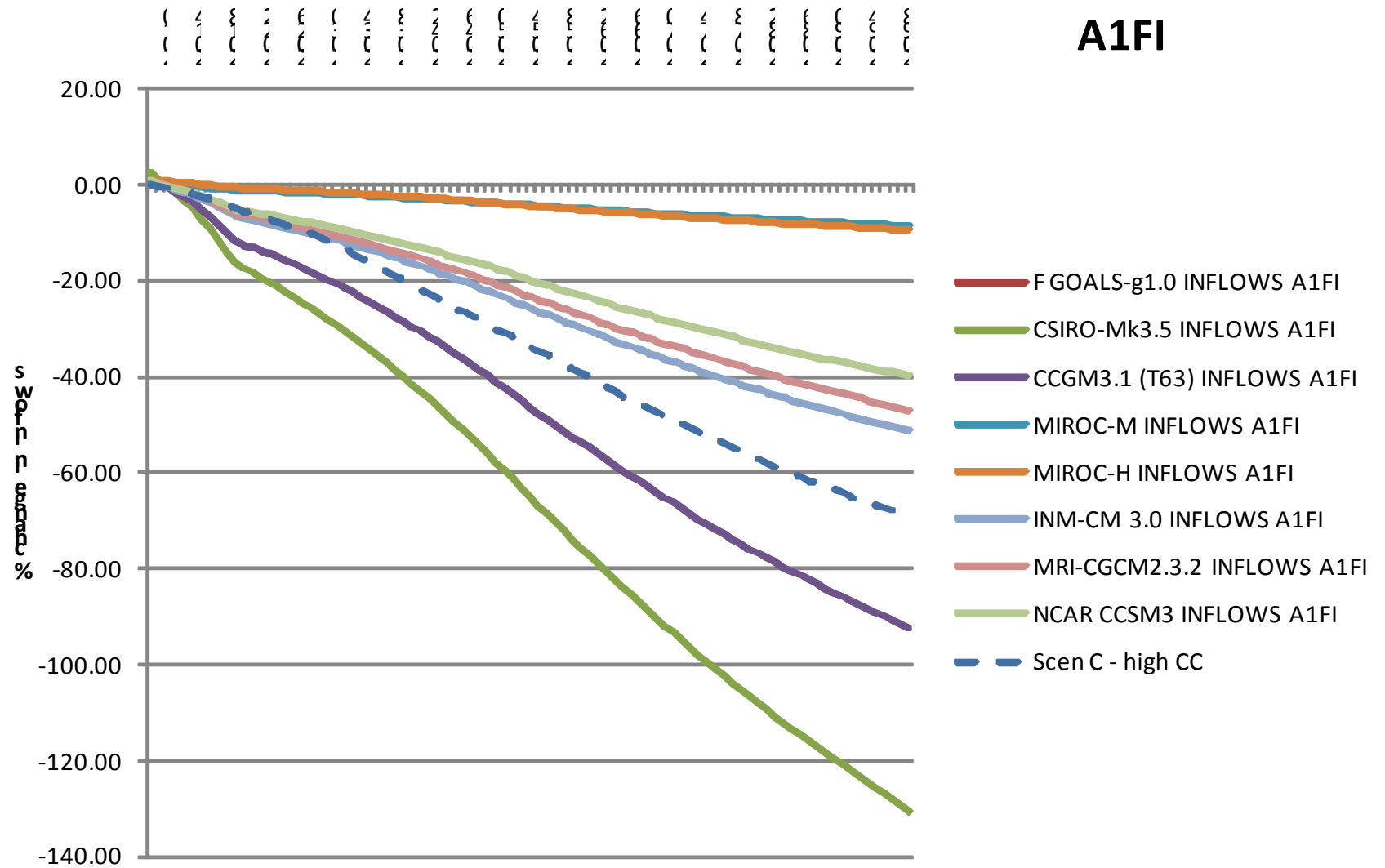
90% likely that NPV of adaptation between \$23m and \$42m



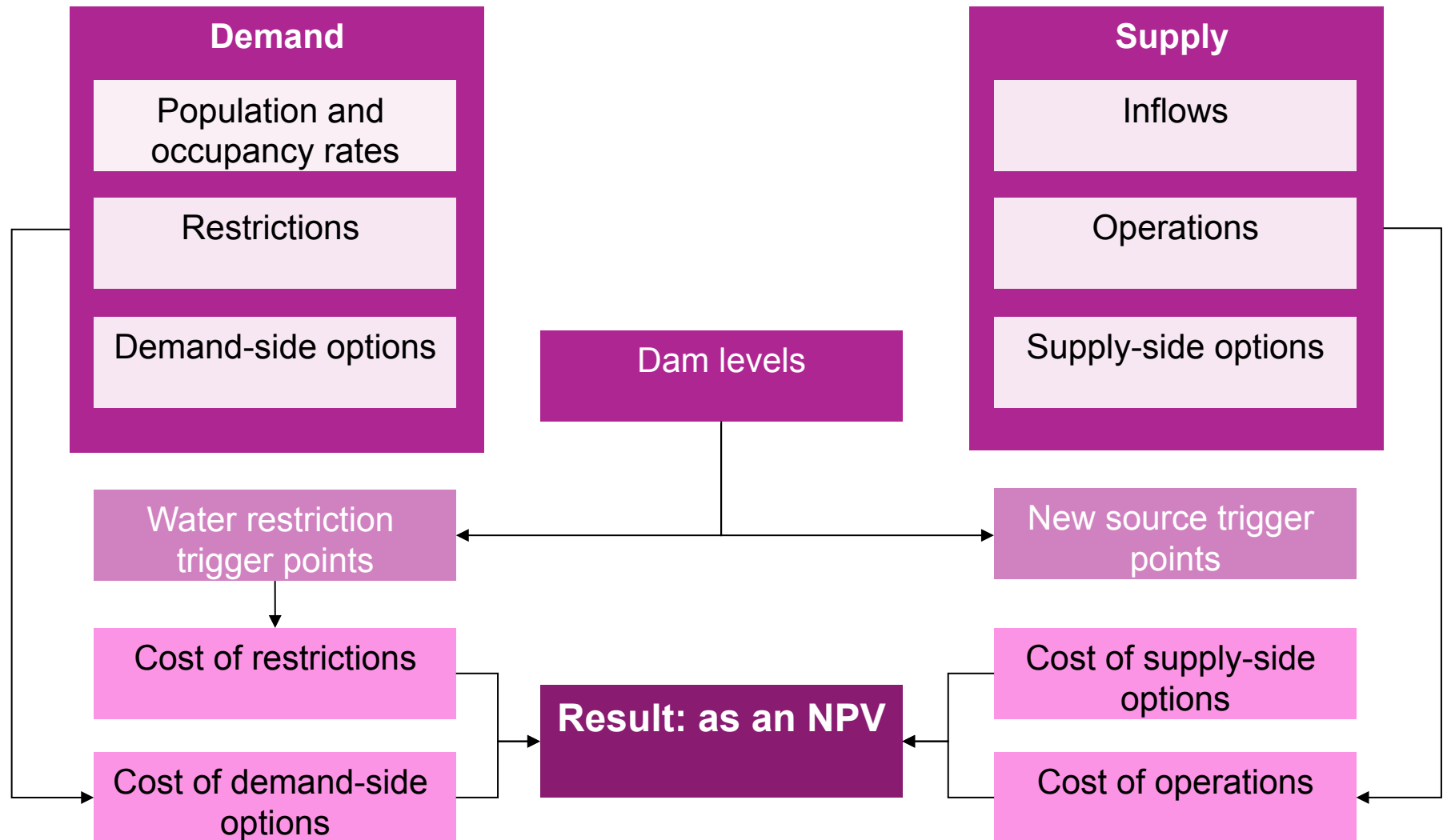
Central Highlands Water Supply & Demand Adaptation CBA



Changes to inflows from A1FI Scenario



Economic Model to Balance Demand and Supply



Central Highlands Water Context

- Goldfields Superpipe is a new water supply to CHW as an adaptation response to recent drought
- Superpipe has provided CHW with a 30-40 year buffer to the changing climatic conditions
- Not all water authorities have access to new water supply options such as the 'Superpipe'

Commuter Rail Networks – Adaptation CBA



No modal
shift included

High Temperature Impacts to Rail Operations

Temperature thresholds		Passenger Weighted Delay Minutes per Event (historic)	Average number of events per year			
			1970 - 2009 (historic)	2009 (historic)	2100 (A1FI) High GHG	2100 (A1B) Mod GHG
Single days	>34.5°C to <37°C	91,702	7	14	48	27
	>37°C to <40°C	277,313	3	7	33	16
	>40°C	490,092	0	4	20	7
Three consecutive days	>34.5°C to <37°C	507,463	0	2	16	7
	>37°C to <40°C	1,021,273	0	1	8	2
	>40°C	3,599,598	0	1	3	1

Adaptation Options Assessed

ADAPTATION OPTION	LOW GHG SCENARIO (A1B)		HIGH GHG SCENARIO (A1FI)	
	Net Present Value (\$M)	Benefit Cost Ratio	Net Present Value (\$M)	Benefit Cost Ratio
Option 1 - Concrete Sleepers	-\$120	0.09	-\$115	0.12
Option 2 - Replace air conditioning	-\$80	0.13	-\$75	0.18
Option 3 - Regenerative Breaking	\$107	1.70	\$107	1.70
Option 4 - Cabling	\$1	1.27	\$4	1.78
Option 5 - Protect equipment	-\$295	0.01	-\$242	0.01
Option 6 - Behaviour change program	-\$29	0.04	-\$28	0.05

Summary

The climate is changing...

So are the opportunities:

- Climate resilience response required
- Integrate climate resilience into existing decision making processes
- Consider spectrum of decision making needs (simple versus complex CBA)

