

## Appendix C-2

DOF Comments to the At Berth SRIA and CARB Responses

## **Addressing Department of Finance Comments**

**The SRIA must include non-annualized capital costs. Capital costs are almost half of the direct costs of the package. However because new facilities are required for compliance, these capital costs may not be spread evenly across the effective period of the regulation as ARB assumes, but will depend on the availability of parties to finance up-front costs. The SRIA should disclose the cost of capital construction to the year the money will actually be spent, as well as the assumed amortization.**

In the SRIA, staff assumed that capital costs for infrastructure and equipment for shore power and capture and control systems would be financed with interest. If the regulated entities are not able to obtain loans then the upfront costs in a given year would be higher than the annualized cost.

Table 1 shows the annualized and the upfront cost in the year incurred for infrastructure and equipment for vessel and terminal operators, and ports. The costs in each year account for the aggregated and compounded annual growth factors.

Table 1: Direct Costs for Infrastructure and Equipment to Vessel Operators, Terminal Operators, and Ports on Financed and Upfront Basis (in Thousands)\*

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
<b>Vessel Operators</b>														
Financed	\$7,550	\$8,086	\$12,573	\$13,037	\$13,523	\$14,032	\$14,682	\$15,135	\$15,615	\$16,121	\$16,654	\$17,214	\$17,936	\$182,157
Upfront	\$58,304		\$32,399											\$90,703
<b>Terminal Operators</b>														
Financed					\$7,846	\$7,923	\$100,126	\$101,199	\$102,283	\$103,384	\$104,501	\$105,730	\$106,944	\$739,937
Upfront					\$97,831		\$1,148,405							\$1,246,235
<b>Ports</b>														
Financed	\$6,603	\$6,845	\$7,097	\$7,359	\$36,985	\$37,522	\$42,522	\$43,183	\$43,859	\$44,554	\$45,266	\$46,046	\$46,836	\$414,676
Upfront	\$107,967				\$479,971			\$71,775						\$659,714

\*Costs for each year (financed and upfront) take into account the annual aggregated and compounded growth factors.