



Stacy Calles <cleanairgrants@gmail.com>

CMP Working Group_Cost Effectiveness Input for Tug and Tow

8 messages

Stacy Shull-Calles <cleanairgrants@gmail.com>

Tue, Sep 27, 2022 at 8:55 PM

To: "Damiano, Andrew@ARB" <andrew.damiano@arb.ca.gov>, "Bassette, Holmes@ARB" <holmes.bassette@arb.ca.gov>
 Cc: "Parent, Stephanie@ARB" <stephanie.parent@arb.ca.gov>, "Hilliard, Aaron@ARB" <aaron.hilliard@arb.ca.gov>, "Poggi, Anthony@ARB" <Anthony.Poggi@arb.ca.gov>, "Landberg, Earl@ARB" <earl.landberg@arb.ca.gov>, "Soriano, Bonnie@ARB" <Bonnie.Soriano@arb.ca.gov>

Hi Andrew - after our last conversation about CMP I started running CE calculations for several tug and tow vessels. I had mentioned that the tug / tow industry will have a difficult time being cost effective at the Tier 3 and Tier 2 to Tier 4 upgrade scenario (which represents many of the vessels I'm aware of). For example, one tug project that just got approved for around \$3 million just before the amended regulation, had a 6 year project life in order to get the full 80%. This will no longer be an option for many vessels with compliance dates of 2024, 2025, 2026, etc. I wish I had more time to show more calculations, if I have time I will try to send more (this is only a small snapshot that does not represent all vessels in the company fleet). There are certainly many others.

Perhaps this will guide conversations around the following:

1. Equitable funding opportunities across vessel categories (to INCLUDE tug and tow - PLEASE do not assume they are cost effective). Now there is legislation AB 179 that will prioritize Ferries, Excursions, Research and CPFV's. Tug and Tow, Crew and Supply, etc. need similar opportunities for equitable support.
2. Reducing surplus emission reduction requirements from 3 years to 2 or 1
3. Increasing the cost effectiveness CAP. This is super important.
4. Removing the 50% barrier of funding for "regulated vs non regulated". Many owners will not move forward at such a low amount, especially given that grant stacking is not an option, which leads to #5. Additionally, all vessels are regulated now.....So. This is a moot point.
5. Consider allowing grant stacking with VW. This would allow those Tier 2 vessels with earlier compliance dates to have a shot at upgrading. VW wont fund Tier 3 to Tier 4 - only Tier 2 and older.

Hope this information makes it to the CMP working group! As always, thanks for all that your team is doing.

Sample Calculations	Vessel #1	Vessel #2
Vessel Type	Tug	Tow
# of similar vessels in fleet	8	4
Baseline Tier	Tier 3	Tier 2
New Tier	Tier 4	Tier 4
Baseline HP	2610	850
New HP	2682	1000
Hours	2500	500
Exhaust	2500	500
Cost Per Vessel	\$ 3,500,000.00	\$ 2,600,000.00
Cost Per Engine	\$ 1,750,000.00	\$ 1,300,000.00
Compliance Date	12/31/2026	12/31/2025
Possible Completion Date	12/31/2024	12/31/2024
Reason?	Engines and gears are a year out	Engines and gears are a year out
Project Life	2 Years	1 Year
CE	\$ 47,192.00	\$ 508,798.00
CE Limit	\$ 30,000.00	\$ 30,000.00
Eligible Funding at 80%	\$ 889,974.00	\$ 61,000.00
Eligible Funding at 80%	\$ 889,975.00	\$ 61,000.00
Eligible Funding at 50%	\$ 874,999.00	\$ 61,000.00
Eligible Funding at 50%	\$ 875,000.00	\$ 61,000.00
CE at CE Cap @80%?	NO	NO

Owner cost to upgrade one vessel	\$ 1,720,051.00	\$ 2,478,000.00
Owner cost to upgrade all similar vessels	\$13,760,408.00	\$ 19,824,000.00

Stacy

Thanks,

www.cleanairgrants.com

Stacy Shull-Calles
CleanAir Grant Services
415-407-7057



Stacy Shull-Calles <cleanairgrants@gmail.com>

Tue, Sep 27, 2022 at 9:02 PM

To: Michiel Versteeg <mversteeg@saltchukmariness.com>, Sergiy Bondarenko <sbondarenko@saltchukmariness.com>

Cc: Brian Aucott <baucott@saltchukmariness.com>

Michiel - you rest up, just keeping you in the loop.

FYI - Below is the email I sent regarding the cost effectiveness calculations I planned to share with the state. The regulatory staff made some comments about tug and tow not having any issues being cost effective for funding. I told them that this assumption was (respectfully) incorrect, and I would present some calculation scenarios.

I'm rethinking our strategy as I'm completing cost effectiveness calculations for the fleet.

Sergiy, I will call and bug you about this tomorrow. Brian - can we have a meeting with just our small group to discuss some thoughts I had. Even a quick 20 minute phone call would do.

[Quoted text hidden]

Brian Aucott <baucott@saltchukmariness.com>

Wed, Sep 28, 2022 at 9:19 AM

To: Stacy Shull-Calles <cleanairgrants@gmail.com>, Michiel Versteeg <mversteeg@saltchukmariness.com>, Sergiy

Bondarenko <sbondarenko@saltchukmariness.com>

Hi Stacy,

When would you like to meet? Tomorrow is fairly busy but I have time Friday afternoon.

Thanks.



Brian Aucott | Director of Capital Planning

baucott@saltchukmariness.com

Saltchuk Marine Shared Services, 450 Alaskan Way South, Suite #706, Seattle, WA 98104

T: +1 206-281-3999 M: +1 206-618-2852

www.saltchukmarine.com

From: Stacy Shull-Calles <cleanairgrants@gmail.com>

Sent: Tuesday, September 27, 2022 8:03 PM

To: Michiel Versteeg <mversteeg@saltchukmariness.com>; Sergiy Bondarenko <sbondarenko@saltchukmariness.com>

Cc: Brian Aucott <baucott@saltchukmariness.com>

Subject: Fwd: CMP Working Group_Cost Effectiveness Input for Tug and Tow

Caution: External Email

[Quoted text hidden]

Stacy Shull <cleanairgrants@gmail.com>

Wed, Sep 28, 2022 at 9:48 AM

To: Brian Aucott <baucott@saltchukmariness.com>

Cc: Michiel Versteeg <mversteeg@saltchukmariness.com>, Sergiy Bondarenko <sbondarenko@saltchukmariness.com>

Friday afternoon works fine. How about either noon or 1pst?

Stacy Calles
CleanAir Grant Services
415-407-7057
CleanAirgrants.com

On Sep 28, 2022, at 9:19 AM, Brian Aucott <baucott@saltchukmariness.com> wrote:

Hi Stacy,

When would you like to meet? Tomorrow is fairly busy but I have time Friday afternoon.

Thanks.



[Quoted text hidden]
[Quoted text hidden]

Brian Aucott <baucott@saltchukmariness.com> Wed, Sep 28, 2022 at 10:01 AM
To: Stacy Shull <cleanairgrants@gmail.com>
Cc: Michiel Versteeg <mversteeg@saltchukmariness.com>, Sergiy Bondarenko <sbondarenko@saltchukmariness.com>

Hello,

Either works, let's do 1pm.

Will you send the invite?

Thanks.



Brian Aucott | Director of Capital Planning

baucott@saltchukmariness.com

Saltchuk Marine Shared Services, 450 Alaskan Way South, Suite #706, Seattle, WA 98104

T: +1 206-281-3999 M: +1 206-618-2852

www.saltchukmarine.com

[Quoted text hidden]

Sergiy Bondarenko <sbondarenko@saltchukmariness.com> Wed, Sep 28, 2022 at 10:11 AM
To: Stacy Shull <cleanairgrants@gmail.com>
Cc: Brian Aucott <baucott@saltchukmariness.com>, Michiel Versteeg <mversteeg@saltchukmariness.com>

Noon works for me, pls consider 10 hrs time difference with Europe

Sent from my iPhone

On Sep 28, 2022, at 6:49 PM, Stacy Shull <cleanairgrants@gmail.com> wrote:

Friday afternoon works fine. How about either noon or 1pst?

[Quoted text hidden]

Brian Aucott <baucott@saltchukmariness.com> Wed, Sep 28, 2022 at 10:14 AM
To: Sergiy Bondarenko <sbondarenko@saltchukmariness.com>, Stacy Shull <cleanairgrants@gmail.com>

Cc: Michiel Versteeg <mversteeg@saltchukmariness.com>

I can do noon.

Thanks.



Brian Aucott | Director of Capital Planning

baucott@saltchukmariness.com

Saltchuk Marine Shared Services, 450 Alaskan Way South, Suite #706, Seattle, WA 98104

T: +1 206-281-3999 M: +1 206-618-2852

www.saltchukmarine.com

[Quoted text hidden]

Stacy Shull-Calles <cleanairgrants@gmail.com>

Wed, Sep 28, 2022 at 12:27 PM

To: Brian Aucott <baucott@saltchukmariness.com>

Cc: Sergiy Bondarenko <sbondarenko@saltchukmariness.com>, Michiel Versteeg <mversteeg@saltchukmariness.com>

Noon works, I will send an invite, and Sergiy, we can tack on a call with Milt regarding the Port of Oakland discussion either before or after, let me know.

I will send the invite.

[Quoted text hidden]

[Quoted text hidden]