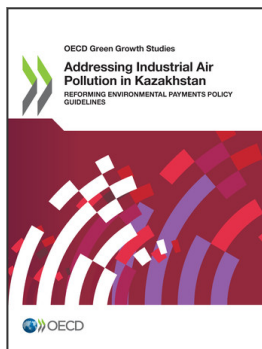


Annex C. Illustration of a penalty calculation with a gravity component

Table A C.1. Calculations based on the BEN model

Inputs	
Initial capital investment	USD 100 000
One-time, non-depreciable expenditure	USD 80 000
Annual operating and maintenance expenditure	USD 10 000
Non-compliance date	01/06/2005
Compliance date	01/12/2008
Estimated penalty payment date	30/01/2009
Discount rate	9.1%
Outputs	
<i>Present values as of non-compliance date</i>	
Capital and one-time costs in the absence of non-compliance (A)	USD 102 091
Capital and one-time costs with delayed compliance (B)	USD 88 199
Avoided annually recurring costs (C)	USD 16 453
Economic benefit as of non-compliance date (A-B+C)	USD 30 345
<i>Final economic benefit as of the estimated penalty payment date</i>	<i>USD 41 769</i>

Source: (OECD, 2009^[1]).



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