



**MEMORANDUM**

**DATE:** February 16, 2022

**TO:** Assembly

**FROM:** Alexandra Pierce, Tourism Manager

**SUBJECT:** Dock Electrification Funding in MPF Proposal, Supplemental Information

This memo is supplemental information to the Marine Passenger Fee proposal submitted for public review on Feb 1, 2022, which proposes to allocate \$2.64 million to dock electrification funding.

To advance CBJ's goals on dock electrification, AEL&P has requested funding for a transformer with an integral Load Tap Changer that they advise is necessary for expansion of dock electrification. Staff has recommended allocating a \$1.64 million grant for the purchase and installation of this transformer capable of powering multiple docks at the same time and connecting ships more quickly. Staff has also recommended an additional \$1 million for the electrification project, nominally for design costs.

These costs are grouped together to allow for some flexibility. While the current proposal reflects the full cost of the transformer, AEL&P is able to purchase it in two installments: \$800K in both FY23 and FY24. This would allow CBJ to allocate additional funds to design if needed or to provide matching funds for any future grant opportunities.

As noted in my memo in the February 7 Assembly packet, it is prudent to continue to seek grant funding in parallel with exploring other funding mechanisms including debt financing, passenger fees, and dockage fees. Given Assembly support for dock electrification and a readily available funding source (passenger fees), CBJ should prioritize project development. As we get closer we get to a shovel-ready plan, the project becomes more attractive for grant funding, AND the Assembly has better information to make decisions using real numbers when considering all possible funding options. The intention is to return to the Assembly at a later date with detailed proposal of a specific procurement method and options for financing construction of the project.