



MEMORANDUM

DATE: March 7, 2024

TO: Assembly Committee of the Whole

FROM: Alexandra Pierce, Tourism Manager

SUBJECT: Dock Electrification Project Status

At the March 11 COW, the Committee will receive a presentation from AEL&P on dock electrification project status and next steps for constructing shore power at the city-owned cruise ship docks. AEL&P will be available to answer the Assembly's questions about power capacity, overall electrification strategy, timelines, and constraints. I would like to call your attention to several key points:

1. **AEL&P Agreement:** Docks & Harbors and AEL&P recently signed a Memorandum of Agreement for shore power design. The agreement allows AEL&P to contract with an engineering firm for comprehensive design of a shore power system for the city docks. As the infrastructure owner, it is important that AEL&P manage this phase of the project.
2. **Timeline:** The design project kicked off on March 8, and is expected to take about a year to complete. The timeline for starting construction is largely driven by the lead time on transformers (discussed below). Staff will have more clarity on the construction timeline as we work through the design process.
3. **Project Costs:** Current estimates are approximately \$29 million for the Alaska Steamship (north) Dock and \$26 million for the Cruise Ship Terminal (south dock).
4. **Transformers:** In order to construct shore power at the city docks, AEL&P will need load tap changer transformers at all docks, including for the existing system at the Franklin Dock. These are long lead time items (approximately 2 years). The Assembly approved funding for the Franklin Dock transformer in the FY23 MPF budget. That transformer is currently in fabrication. Transformers for the 16B docks will be ordered midway through the design process, once we have enough information to confirm the exact configuration needed for the project.
5. **Passenger Fee Funding:** There is currently \$5.7 million in the dock electrification CIP. Staff has requested an additional \$5 million in the FY25 passenger fee budget. This is sufficient to cover design, order transformers for the 16B docks, and start construction. We are also using the existing CIP as matching funds in grant applications.

6. **Additional Funding:** Staff are pursuing every relevant grant funding opportunity. Currently, Engineering & Public Works and Docks & Harbors staff are collaborating on an EPA Clean Ports grant. We will continue to pursue all available funding options while working through the design process. As we move through that process, staff will periodically update the Assembly on project costs and funding status. If CBJ is unsuccessful in obtaining outside funding, or the funding received does not cover full construction costs for both docks, staff will present the Assembly with options for debt financing and ask the Assembly to make a decision to fund one or both docks.

There is no Assembly action recommended at this time. Upcoming Assembly actions include review of the passenger fee budget, appropriation for transformers, and appropriations of any external funding received. Deputy Mayor Hale has requested quarterly COW updates on this project.