

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered as of the 11th day of January, 2024 (“**Effective Date**”), by and between **Alaska Energy Authority**, a corporation organized and existing under the laws of the State of Alaska, USA (“**AEA**”); Chugach Electric Association, Inc., an Alaska nonprofit electric cooperative corporation, organized and existing under the laws of Alaska (“**Chugach**”); and Princess Cruise Lines, Ltd, Bermuda Company (“**Princess**”). AEA, Chugach, and Princess referred to individually as a “**Party**” and collectively as the “**Parties**”. Please see Section 2, “General Provisions,” for certain other defined terms used in this MOU.

RECITALS

WHEREAS, the Parties are implementing a project to perform electric distribution system improvements between Portage and Whittier and to provide shore-to-ship power facilities on the Princess cruise ship dock in Whittier (“**Project**”);

WHEREAS, the Parties desire to memorialize their respective roles and obligations during preliminary work and negotiations with respect to the Project;

WHEREAS, this MOU will replace the previous MOU signed by the Parties. The Parties believe this MOU provides mutual benefit and agree to the terms and conditions provided below.

NOW, THEREFORE, in consideration of the mutual understandings contained herein, the Parties hereby agree as follows:

1. **MOU signed by the Parties.** The Parties believe this MOU provides mutual benefit and agree to the terms and conditions provided below.

Terms and Conditions.

- a. **AEA’s Role and Responsibilities.** AEA submitted a grant application for \$10,000,000 under the 2022 Port Infrastructure Development Program (PIDP). AEA was not successful in securing a PIDP grant; however, the Alaska Legislature appropriated \$5,000,000 of Commercial Passenger Vessel (CPV) money toward the project. AEA’s application shall designate the requested funds to be used for the purpose of providing electric service connections in the Port of Whittier for ship power. AEA shall negotiate on a commercially reasonable basis and execute grant agreements with Chugach and Princess, including pass-through of certain funding obligations. AEA shall be responsible for compiling and completing any reports required by the appropriating agency or Legislature. The amount of funding conveyed from AEA to Chugach and Princess through the grant agreement shall be net of AEA’s grant administration costs, which shall be no more than five percent (5%) of the total appropriation. A preliminary project budget is included in this MOU.

- b. **Chugach's Role and Responsibilities.** Chugach shall negotiate and execute, on a commercially reasonable basis, a grant agreement with AEA. Chugach shall provide AEA with information and/or any reports required by the agency. Chugach shall provide matching funds, if required, in the amount of up to \$1,000 000 for the project. Chugach shall also negotiate and execute an appropriate interconnection agreement with Princess. Chugach will own and operate the electric distribution system on the utility side of the meter, including the meter. Chugach's obligations under this paragraph shall be expressly conditioned upon and subject to Chugach's prior receipt of any board, regulatory, or other third-party approvals legally required in connection with this MOU, or the agreements referenced herein.
- c. **Princess's Role and Responsibilities.** Princess owns the dock upon which the shore power equipment will be located and agrees to provide the spaces necessary to complete the grant funded project and to own and operate the equipment on the customer's side of the electric meter. Princess agrees such terms shall be included in the interconnection agreement negotiated with Chugach. Princess will provide matching funds of \$6,000,000 to the project.

2. General Provisions.

- a. **Term and Termination.** The rights and obligations of the Parties contained in this MOU shall expire upon the execution of the grant agreements and interconnection agreements required to be negotiated herein. This MOU may be terminated by written notice of any Party at any time prior to the date on which AEA submits its complete application to the U.S. Maritime Administration without any obligation or liability to the other Parties.
- b. **Amendments.** This MOU may be amended by written mutual agreement of the Parties.
- c. **Governing Law/Jurisdiction/Venue.** This MOU, for all purposes, shall be construed in accordance with the laws of Alaska without regard to conflicts of law principles. Any action or proceeding by any of the Parties arising under or relating to this MOU shall be brought only in a state or federal court located in Anchorage, Alaska. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.
- d. **Reasonable Best Efforts.** The Parties will use their reasonable best efforts to effectuate the intent and purpose of this MOU.
- e. **No Third-Party Beneficiaries.** Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this MOU.
- f. **Limitation of Liability.** No Party shall be liable in an action initiated by one against the other for special, indirect, or consequential damages resulting from or arising out

of this MOU, including, without limitation, loss of value, loss of production, loss of financial advantage loss of profit or business interruptions, however such damages may be caused. Each Party waives the right to bring any claim or action for any special, indirect, or consequential damages resulting from or arising out of this MOU.

- g. No Assignment.** Neither this MOU, nor any rights or obligations hereunder may be assigned, delegated, or conveyed by either Party without the prior written consent of the other Party.
- h. Costs and Expenses.** Each Party shall be responsible for its own costs and expenses associated with pursuing the proposed transactions described in this MOU, including without limitation (i) the performance of its obligations under this MOU, (ii) pursuing any approvals necessary to effectuate this MOU, and/or (iii) resolving any disputes between the Parties that arise out of this MOU.

3. Contact Information.

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Robert Morgenstern
Princess Cruise Lines, Ltd.
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- 4. Counterparts.** This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same agreement. A signed copy of this MOU delivered by fax, email, or other means of electronic transmission, shall be deemed to have the same legal effect as delivery of an original signed copy of this MOU.

In the eventuality of another cruise ship pursuing a dock electrification project in Whittier, this MOU shall be revised to encompass all parties.

5. **Budget.**

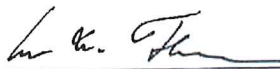
Cost Category	Budget	Current matching Funds	Additional Funds required
HAP Dock Electrical Improvements	\$ 9,700,000	\$ 6,000,000	
Transformer	\$ 1,700,000		
Design and Engineering	\$ 700,000		
Mobile CPD (electric-powered version)	\$ 1,000,000		
Other Associated Electrical Equipment	\$ 3,200,000		
Construction: trenching, cabling, etc.	\$ 2,600,000		
Contingency	\$ 500,000		
Chugach Upland Improvements	\$ 5,170,000	\$ 1,000,000	
Administration fees	\$ 175,000		
Land, Structure, Right Of Way	\$ 175,000		
Engineering fees	\$ 675,000		
Project inspection fees	\$ 375,000		
Site work	\$ 90,000		
Demolition and removal	\$ 450,000		
Construction	\$ 1,970,000		
Equipment	\$ 790,000		
Contingency	\$ 470,000		
Project Management (AEA - 5%)	\$ 250,000		
AK state legislature		\$ 5,000,000	\$ 3,120,000
ORIGINAL TOTAL	\$ 15,120,000	\$ 12,000,000	\$ 3,120,000

EV stations not to be paid for by CPV.

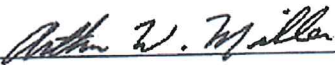
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum of Understanding to be executed as of the Effective Date by their respective officers thereunto duly authorized.

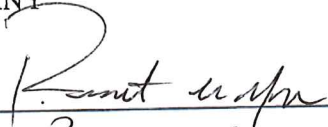
ALASKA ENERGY AUTHORITY

By: 
Name: Curtis Thayer
Title: Executive Director

CHUGACH ELECTRIC ASSOCIATION, INC.

By: 
Name: Arthur W. Miller
Title: Chief Executive Officer

PRINCESS CRUISE LINES, LTD, BERMUDA
COMPANY

By: 
Name: Robert Morgenstern
Title: SVP Alaska Operations