



# Municipality of Skagway

GATEWAY TO THE KLONDIKE

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**DRAFT**

July 21, 2023

RE: Support for Spruce Root's EPA Greenhouse Gas Reduction Fund Application

To whom it may concern:

The purpose of this letter is to express the Municipality of Skagway Borough's support for Spruce Root's efforts to apply for Environmental Protection Agency (EPA) Greenhouse Gas Reduction Fund (GGRF) to launch a Green Bank for clean infrastructure finance in the Tongass region of southeast Alaska.

On June 28, 1900, Skagway became the first incorporated first-class city in Alaska, and on June 25, 2007, the city was dissolved and the first-class Municipality of Skagway Borough was formed, also the first of its kind in Alaska. Skagway is historically considered the gateway to the Klondike. The unincorporated community of Dyea is located within the Borough. Significantly, the Borough owns and operates the Port of Skagway Terminal Facilities.

The Port of Skagway, Alaska is the northernmost ice-free, deep-water port in North America that offers intermodal access to Pacific shipping lanes through its port infrastructure. Due to its strategic location, the Port of Skagway has, and continues to provide, key, year-round transportation access and capacity between the contiguous United States, the Yukon Territory, Northern British Columbia, the Northwest Territories, Northern Alaska, Asia, and Europe while also accommodating a robust seasonal cruise industry for the area. The Port of Skagway supports intermodal industry needs by providing berthing space and infrastructure for barge service (bulk commodity, freight, and fuel), passenger vessels that can be over 1,000 feet in length, fishing vessels, and private and pleasure crafts. The Port of Skagway also offers an uplands storage area that allows truck and rail access with connection to a heavy-weight, year-round highway network via the South Klondike Highway and an international airport via the Erik Nielsen Whitehorse International Airport in Whitehorse Yukon.

Skagway has numerous opportunities for clean energy development, including port electrification, development of an electric ferry, regional electric vehicle tourism, and heat pumps. In recent years, the community has participated in analysis of numerous clean energy

projects, including potential future hydropower projects, the possibility of an electrical intertie to Yukon Territory, and nearby clean energy projects.

While many of these project concepts are technically feasible and have potential to generate significant environmental and air quality benefits, they have proven difficult to finance using the conventional means currently available to municipalities and utilities. A Green Bank of the type proposed by Spruce Root has potential to provide low-cost, flexible capital for project development, helping to fill the gaps of conventional financing, and accelerate development of clean infrastructure in our region. Financing projects through a local CDFI like Spruce Root would keep interest payments local, allowing funds to recirculate through the regional economy.

The Municipality of Skagway would be very interested in working with a Spruce Root Green Bank to explore opportunities to finance port electrification, development of an electric ferry, development of new clean energy and transmission projects, and initiatives promoting deployment of heat pumps. Spruce Root is a trusted recipient of federal funds, playing a leading role in the OneUSDA Southeast Alaska Sustainability Strategy. As a CDFI, it has very meaningful success and experience working to provide innovative financing support to southeast Alaska businesses. We applaud Spruce Root for building upon its track record of success to develop innovative partnerships with other U.S. green banks to establish a new source of clean infrastructure funds for our region.

We request that the U.S. Environmental Protection Agency please give Spruce Root's proposal to establish a Green Bank for regional clean energy infrastructure the fullest consideration possible.

Respectfully submitted,

Andrew Cremata, Mayor  
[mayor@skagway.org](mailto:mayor@skagway.org)

## Emily Deach

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**Subject:** FW: [External Email] Skagway Letter of Support for Green Bank

**From:** Michael Ching

**Sent:** Tuesday, July 11, 2023 2:19 PM

**To:** Brad Ryan <manager@skagway.org>; Emily Deach <e.deach@skagway.org>

**Cc:** Alana Peterson; Abbey Janes; Jason Custer

**Subject:** [External Email] Skagway Letter of Support for Green Bank

Greetings Brad and Emily,

My name is Michael Ching, CDFI Director for Spruce Root. Jason shared your interest to explore the imminent Greenhouse Gas Reduction Fund (GGRF) and its emerging capital mechanisms on whether it might be a means to finance clean energy projects including electrification of cruise ship docks in southeast Alaska. He mentioned your willingness to join others cheering Spruce Root efforts to access GGRF capital to provide low-cost, flexible capital to support new clean renewable energy projects. We would very much appreciate any written encouragement you'd care to extend. Jason suggested we jot down some thoughts for your consideration. Please see the text below.

Your voice is valued - thank you for sharing it with us.

Kind Regards,

### Michael Ching

CDFI Director | Spruce Root, Inc.

c. 808.479.4880

[www.spruceroot.org](http://www.spruceroot.org)

[www.sustainablesoutheast.net](http://www.sustainablesoutheast.net)

[INSERT LETTERHEAD]

[INSERT DATE]

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[INSERT SIGNATORIES]