

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is entered into as of January 7, 2022, by and between the Municipality of Skagway Borough (Municipality) and Yukon Energy Corporation. The Municipality and Yukon Energy are sometimes herein referred to collectively as the "Parties," and each individually as a "Party."

### **I. RECITALS**

**A.** Yukon Energy is a crown-owned, regulated utility with a mandate to supply Yukon with sustainable, cost-effective and reliable electricity.

**B.** Yukon Energy has released its 10-year Renewable Electricity Plan, which proposes three new projects which are located in the Southern Lakes region, an area rich with potential for hydro power and pumped storage:

- Source renewable electricity from the planned expansion of the Atlin hydro plant owned by the Taku River Tlingit First Nation (TRTFN);
- Construct a new pumped storage facility on Moon Lake in partnership with TRTFN and Carcross/Tagish First Nation (C/TFN);
- Expand and upgrade the transmission network in the Southern Lakes region in partnership with TRTFN and C/TFN.

**C.** Through its port redevelopment planning process, the Municipality has identified the development of shore power as an opportunity to develop a cleaner, more energy-efficient port.

**D.** The Municipality and Yukon Energy have recently held discussions about electrification of the Port of Skagway.

**E.** The Parties are interested in continuing to explore the opportunity of providing electricity to Skagway for the mutual benefit of both Yukon and Alaska.

**F.** This MOU is intended to set forth the general understanding of the Parties with respect to proposed development, financing, ownership, and management of a future collaborative project (Project) and their goal in achieving those ends, if possible.

**G.** The Parties will pursue this effort in good faith. If consistent with applicable law, and if mutually beneficial, they intend to enter agreement(s) addressing feasibility, design, construction, operation, maintenance, development, financing, management, and/or ownership of the Project, as appropriate.

NOW, THEREFORE, the following understandings exist between the Parties that will form the basis of appropriate agreements to be negotiated between and among the Parties to achieve the purposes of this MOU.

## **II. STATEMENT OF GOALS AND INTENTIONS**

A. The intent of this MOU is to enable the Parties to work together to investigate/explore the opportunity of a transmission intertie between Yukon and Skagway, to provide renewable shoreside electricity to the Port of Skagway.

B. Yukon Energy is committed to early engagement with Yukon First Nations on whose Traditional Territories this Project could be constructed, with the objective to identify potential long-term partnership arrangements.

C. The Parties intend to explore potential sources of financing for the Project, including the consideration and utilization of state, federal, tribal, First Nation and/or private resources that may be available and most beneficial.

D. The Parties will negotiate in good faith to finalize written agreements in form and substance acceptable to the Parties to carry out the intentions of the Parties as stated in this MOU.

E. The Parties acknowledge that, despite their good faith efforts, the Project might not ultimately come to fruition.

## **III. NON-BINDING**

This MOU outlines an understanding of the Parties and shall not be construed as a binding and legally enforceable agreement or contractual relationship between the Parties. Yukon Energy and the Municipality specifically waive any right of any kind to bring any action or proceeding based on any legal or equitable theory, including but not limited to estoppel, equitable estoppel, promissory, estoppel, specific performance, breach of implied covenant of good faith and fair dealing, failure to negotiate in good faith, misrepresentation, lost profits, or lost business opportunity. Yukon Energy and the Municipality understand and agree that this MOU is not an agreement to agree.

## **IV. EXPENSES**

Each Party will pay all of its expenses, including legal fees, incurred in connection with the pursuit and implementation of the purposes of this MOU. The Parties have each committed \$100,000 to initiate planning and engagement work.

## **V. TERMINATION**

Any Party may terminate its involvement in this MOU for any reason at any time by sending written notice thereof to the other Party.

**VI. GOVERNING LAW**

This MOU, the rights and obligations of the Parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Alaska without giving effect to any conflicts-of-law provisions that would result in the application of the substantive law of any other jurisdiction.

IN WITNESS WHEREOF, the undersigned have duly executed this MOU, as of the day and year first hereinabove set forth.

**MUNICIPALITY OF SKAGWAY  
BOROUGH**

Date: 1/7/22

By: 

Andrew Cremata, Borough Mayor  
(Print name and capacity)

**YUKON ENERGY CORPORATION**

Date: Jan. 12, 2022

By: 

Andrew Hall, President & CEO

