



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo President Joe Shirley, Jr., pleased by Council vote to approve Desert Rock Energy Project right-of-way permit

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., was congratulated by dozens of Navajo Nation Council delegates shortly after the council voted 71-to-8 to approve right-of-way legislation for the Desert Rock Energy Project on Friday.

"I'm very happy and elated that the Nation's council voted the way they did," President Shirley said. "That means we can continue to move forward on a massive project that we started a long time ago."

The President said the vote reiterates the Navajo people's desire to see the Desert Rock project built because it will bring needed jobs to the people, revenues to the Nation, and equity by using the Navajo Nation's own resources of land, water, coal and workers.

He said the vote also sends a positive message to Washington, D.C. In his Tuesday address to a joint session of Congress, President Barack Obama said the United States would invest \$15 billion a year to develop energy technologies that included clean coal.

President Shirley said with the Navajo Nation's commitment to a power plant as advanced as Desert Rock, he believed the Navajo Nation could become part of President Obama's strategy.

"I think we have every chance in the world to tap into part of that to look at carbon capture and carbon sequestration," he said. "I think this plant is to be built with it in mind that if the technology comes around, they'll put it on. So I'm very happy that President Obama is talking clean coal technology, using that to continue to create energy, jobs and revenues."

Diné Power Authority General Manager Steven Begay said the right-of-way legislation was the fourth necessary Navajo Nation permit needed for the project to proceed.

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– Navajo Nation President Joe Shirley, Jr.

"We have the lease, tax agreement, water agreement, and needed the right-of-way," he said. "This stabilizes the Navajo Nation part of the document."

Left to complete, he said, are the federal action items which include the air permit, which was issued last July but was appealed and is now in the Environmental Appeals Board process, the Desert Rock environmental impact statement, which is near completion and is being reviewed by lead agencies, and the record of decision.

He said further challenges are anticipated followed by similar appeals.

He said the Navajo Nation will receive a right-of-way fee of \$3.5 million per year and payments during construction of \$200,000. He said the right-of-way is about 40 miles long and will connect to the Four Corner substations and to a 500 KV line from Page.

Doug MacCourt, of the Ater Wynne law firm which represents DPA and who attended the council session, called it "a great day for the Navajo Nation."

"What this is really all about is changing the way energy projects are built in Indian country and outside of Indian Country," he said. "We've structured the business deal so we comply with preference in employment, preference in contracting. It is all designed to shift the way these power plants used to be built."

He said when DPA interviewed companies that had the capacity to build a project like Desert Rock, it had three criteria. The company had to have a background in building low-emission, high-tech coal plants; it needed a strong financial partner with the ability to bring \$3.5 billion to the project; and it needed to be able to respect tribal courts, tribal laws and write that into the contract.

"I would bet you would be hard-pressed to find a contract for a three-and-a-half billion dollar project of any type that uses tribal law and tribal courts to resolve disputes, and that's what we've done here," Mr. MacCourt said. "So it's really not just a high-tech energy project. It's changing the way tribes have done business in the past, and it's really kind of creating a new business model for that."

He said the Navajo Nation economy will receive a huge but needed boost from construction of the Desert Rock project and it's continued operation afterward.

"We have an economy here with \$8,400 per capita income and 50 percent unemployment," he said. "It's a crisis. If we had those conditions anywhere else outside of the boundaries of an Indian reservation, it would be declared an emergency. And what the Navajo Nation is doing, it's doing it by itself, using its own resources and providing good, quality jobs for its people."

He said that the Environmental Appeals Board's review of the EPA's July 2008 air permit for the Desert Rock project has scheduled arguments to be heard in the next few months and will allow for a very open process.

"If you look at the information (the EPA) released when they issued (the air permit), they believe this is one of the best permits they've ever issued for a power plant in the history of the Clean Air Act, and the reason is it's the lowest emission coal plant that's being permitted in the country today," Mr. MacCourt said.

"It is one of the few super-critical – or what we call ultra super-critical – technology projects which creates, among other things, 20 percent less CO², and we have significant opportunities for carbon capture and sequestration. This really could be not just a national model but an international model for how to use coal in a clean way."

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