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Navajo leaders meet with the U.S. Department of the Interior to discuss the future of Navajo Generating Station



PHOTO: Navajo Nation leaders met with federal and tribal leaders at the U.S. Department of the Interior to discuss the Navajo Generating Station in Washington D.C. on March 1, 2017.

WASHINGTON D.C. – Speaker LoRenzo Bates, President Russell Begaye, and several members of the Navajo Nation Council met on Wednesday with Acting Deputy Secretary of the Interior James E. Cason, other federal and tribal officials, and stakeholders to discuss potential options for Navajo Generating Station. On Feb. 12, the owners of NGS voted to continue operations of the power plant until the end of its current lease agreement with the Navajo Nation, which expires in December 2019.

The potential closure of the power plant is due in large part to the low cost of natural gas compared to coal. Officials with Salt River Project have stated that they will continue the operation of NGS until 2019, as long as the Navajo Nation is able to amend or change the current lease agreement to allow additional time after 2019 for reclamation efforts. If a lease extension is not finalized in the coming months, NGS owners say they would be forced to close the plant in July 2017 in order to begin and complete the two-year reclamation process by 2019.

Deputy Secretary Cason facilitated the four-hour discussion between NGS stakeholders and federal officials at the Department of the Interior, which was held to identify interests, discuss

potential economic impacts of a shutdown, and to create a list of tasks to develop potential solutions to keeping the power plant in operation until 2019 and beyond.

In his opening remarks, Speaker Bates highlighted the economic benefits that NGS provides for the Navajo Nation and the entire state of Arizona, which includes significant annual revenues from coal royalty payments through the Kayenta Mine and the lease agreement, scholarship funds, approximately 800 jobs from the power plant and coal mine, and other secondary markets.

“What are you as stakeholders able to contribute to make this work in the long-term beyond 2019?” asked Speaker Bates. “We look to explore how we can do this and the Navajo Nation Council will have to make a determination to make it work.”

President Begaye recalled that the Navajo Nation spent time and resources negotiating in good faith a lease amendment to extend the current lease with SRP a few years ago. By doing so, he said the Navajo Nation has done its part to keep the power plant in operation for the long-term and called for NGS to stay in operation beyond 2019.

Hopi Tribal Chairman Herman G. Honanie was also in attendance and said the tribe would stand to lose significant revenue if Kayenta Mine were to close if NGS is shut down, adding that it would also increase the unemployment rate that currently stands at approximately 60-percent. The Hopi Tribe has indicated that approximately 80-percent of their general fund budget is derived from royalties from the Kayenta Mine.

Leaders from the Tohono O’odham Nation and Gila River Indian Community were in attendance to highlight the potential impact on their communities that depend on the Central Arizona Project for water usage, which is powered by NGS.

Near the conclusion of the meeting, Deputy Secretary Cason asked the stakeholders for their assistance in working collectively to complete several tasks including identifying potential new owners and an operator for the power plant, and identifying potential purchasers for the electricity produced by NGS.

“Our presence here today is a testament to how important this issue is,” said Deputy Secretary Cason, while also acknowledging the federal government’s trust responsibilities to tribes.

The stakeholders and federal officials agreed to meet again in April, to report their findings and further discuss plans to keep Navajo Generating Station in operation for the long-term.

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