



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Legislation seeks to extend operations of Navajo Generating Station through 2019

WINDOW ROCK – On Wednesday, Speaker LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse’Daa’Kaan, Upper Fruitland) introduced Legislation No. 0194-17, which seeks the Navajo Nation Council’s approval of an agreement between the Navajo Nation and the owners of the Navajo Generating Station to extend the operations of the power plant until December 2019.

Speaker Bates noted that he and President Russell Begaye support having the Navajo Generating Station remain in operation through 2019 and beyond.

“The Council understands the many complex concerns and issues that have been brought forth and that will be part of the discussions as this legislation moves through the Standing Committees and the full Council,” stated Speaker Bates.

Since learning of the decision of NGS owners in February to relinquish their ownership of the power plant at the end of 2019, Council members took part in several public meetings to provide information regarding the progress of negotiations and to answer questions from the public, NGS employees, and Kayenta Mine employees.

The current NGS lease agreement is set to expire in December 2019, however the owners have determined that it would take approximately two years to decommission the power plant, which means that operations would have to end as soon as July 2017 to begin the decommissioning process. The legislation introduced by Speaker Bates would allow NGS to operate the power plant until the end of 2019 and provide additional time beyond 2019 for decommissioning.

“By allowing NGS to remain in operation until 2019, it provides the Navajo Nation some stability in terms of projected revenue that benefits the entire Navajo Nation and the state of Arizona. In addition, it allows us time to continue pursuing other energy sources including renewable energy, which the Nation has started through NTUA and NTEC,” added Speaker Bates.

NGS owners have asked the Nation to issue a final decision on the proposed agreement by July 1 to allow sufficient time to finalize the agreement documents with the owners.

The Navajo Nation receives over \$30 million each year in revenue from the NGS operations, which supports approximately one-third of the government's budget that also translates into direct services for the people of the Navajo Nation. If the power plant were to close, the Nation could lose over 400 jobs at NGS and hundreds more at Kayenta Mine, which is the sole provider of coal for NGS.

In addition, it has been estimated that the state of Arizona stands to lose over half a billion dollars from loss tax revenue and many other secondary markets that benefit from the power plant's operations and over 3,000 jobs, if the power plant should close this year.

Speaker Bates has also noted that the initial budget proposed by the Trump administration for next fiscal year indicates that the Navajo Nation would receive less federal funding through the Bureau of Indian Affairs, Bureau of Indian Education, and Indian Health Service, which will add to the Navajo Nation's budget concerns for next fiscal year.

"This is the reality of the situation," stated Speaker Bates. "There are many moving pieces that need to be considered and factored into the situation that NGS is in."

The legislation addresses the terms of the proposed lease agreement, the assets at the NGS site, the use of water resources by the NGS owners, regulation oversight, reclamation of the NGS site, and other terms. The legislation will require two-thirds of Council's approval, or sixteen (16) supporting votes to pass.

Legislation No. 0194-17 is now posted on the Council's website to begin the five-day public comment period, before the legislation is considered by the Health, Education, and Human Services Committee, Resources and Development Committee, Budget and Finance Committee, Naabik'íyáti' Committee, and the Navajo Nation Council.

Public comments for Legislation No. 0194-17 may be submitted by e-mail to comments@navajonnsn.gov and written comments may be mailed to: Executive Director, Office of Legislative Services, P.O. Box 3390, Window Rock, AZ 86515. The legislation will be eligible for committee action beginning May 30.

To view the legislation and the proposed agreement, please visit:

<https://s3.amazonaws.com/realfilecd7b0642-2600-46f6-9748-7838d0d98060/a0dcd276-6286-40cb-8e9d-93d59cd5c11d?response-content-disposition=filename%3D%220194-17.pdf%22&response-content-type=application%2Fpdf&AWSAccessKeyId=AKIAJY34K6BVCEE4MIXQ&Signature=uyvWA6VT9CiNu1keRcyGpMdl8sl%3D&Expires=1495673701>

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