



Contact: Erny Zah
Director of Communications
Cell: (928) 380-0771
navajonationpress@navajo-nsn.gov

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President Shelly Tells U.S. EPA New Rule Must Consider Future Economic Impact

SAN FRANCISCO, Calif.— Navajo President Ben Shelly presented a seven-page letter and an agreement to the U.S. EPA, asserting the proposed emissions reductions rule will impede upon future gross revenue receipts to the Navajo Nation during a meeting with the EPA on Wednesday.

“I am asking for your agency to do a more than thorough study,” President Shelly said to EPA Region 9 Administrator Jared Blumenfeld.

The letter asks the EPA to consider an “Improved 5-Factor Analysis” of the EPA’s proposed rule to reduce emissions at Navajo Generating Station, taking into consideration the economic impact to the Navajo Nation.

“In July, I signed the Navajo Generating Station lease agreement which was not considered before your proposed rule was issued in January,” President Shelly said during the meeting.

The five factors in the study includes deal with compliance cost, energy and air quality impact, existing facility controls, remaining life at facilities, and visibility and improvement. No consideration is given to the impact of the local economies including the Navajo Nation. A study by the Arizona State University cites the economic impact to the minority low-income population. An annual loss to the Navajo Nation may be as high as \$11 million per year.

President Shelly added that the Navajo Nation already faces existing policies that slow economic progress.

“We have to face the red tape of the federal government being in the way,” said the president. “It takes five, six years to get something going. There are six years of joblessness.”

In January, the U.S. EPA published a new proposed rule to reduce the nitrogen oxide emissions from the Navajo Generating Station near Page, Ariz. It is requirement of the Regional Haze Rule of the Clean Air Act for Class 1 areas including national parks for visibility.

“If your new rule forces us to shut down a unit from production, we will lose \$300 million in our future revenue,” President Shelly said. The financial impact from years 2013 through 2044, are estimated at \$295,421,819.00.

The U.S. EPA at the end of the meeting with the Navajo Nation proposed to hold five hearings, and to push the October 4 deadline to the public comment period to a new undetermined date to allow more time for review of the Navajo Nation’s agreement with the stakeholders.

The rule would force NGS to close one unit and Four Corners Power Plant is proposing to close three units to meet the requirements under the Regional Haze Rule.

Along with his letter to the U.S. EPA regional administrator, President Shelly presented an agreement reached by the Navajo Nation, the U.S. Department of the Interior, Gila River Indian Community, Salt River Project, Central Arizona Project, and two groups known as the Environmental Defense Fund and the Western Regional Advocates. The Technical Work Group (TWG) agreement is an alternative put together by affected stakeholders as a ‘Better than BART’ proposal to “achieving greater emission reductions,” as stated in the president’s letter.

“In fact, the TWG agreement was crafted to expressly allow for the Navajo Nation to continue communication with the U.S. EPA about the proposed rule, including our assertion that the current five-Factor Analysis is flawed,” President Shelly wrote.

The Navajo Nation’s meeting with EPA and the U.S. Department of the Interior was a government-to-government consultation, which the president emphasized the importance as he was joined by the Navajo Nation attorney general and the Navajo EPA director.

The EPA will hold five hearings, and extend the October 4 deadline.

Navajo Generating Station is a 2,250 megawatt generating station, one of four coal-fire plants in the contiguous Navajo Nation area, and employs 528 people and an additional 300 seasonal employees.

The final rule to the Clean Air Act will be issued by the U.S. EPA.

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