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**Tribal and Union Delegation Calls on Central Arizona Project Board of Directors
to Take Long-Term Power from the Navajo Generating Station**

Phoenix, April 5, 2018 – A group representing tribal leaders and the United Mine Workers of America today asked the Central Arizona Project (CAP) Board of Directors to take an active role supporting a smooth transition to new ownership for the Navajo Generating Station (NGS) and set aside proposals for power purchase agreements that would displace reliable, cost-effective NGS power.

The delegation, including Hopi Tribal Council members and Village Governors, asked the board to honor its obligation to take long-term power from NGS and fulfill its obligation to the tribes and taxpayers. Credible potential buyers continue to express interest and conduct diligence toward a possible purchase of the plant, which would keep it operating beyond 2019.

“The Navajo Nation is encouraged by the progress to keep the plant operating to protect the region’s energy supply and tribal jobs and economies,” said Navajo Nation President Russell Begaye. “We are asking the CAP board to show respect for the process, take a seat at the table and work with the U.S. Department of the Interior and new owners to support this effort.”

Investors have been meeting with key stakeholders as due diligence continues, according to Lazard, a global investment banking advisor that is leading the marketing process. Work continues toward selection of a final investment group and financial terms.

“The Navajo Nation is encouraged by recent discussions,” said Navajo Nation Speaker LoRenzo Bates. “Keeping the mine and power plant operating will protect Navajo working families and the entire Navajo Nation.”

NGS, which was sanctioned by Congress, historically has been among the most highly utilized plants in the region and would continue to be the low-cost baseload power source for the Central Arizona Project. Stakeholders believe NGS power going forward will be less expensive than power purchase proposals CAP has received ranging from \$34 to \$44 per megawatt hour. Plus, NGS won’t be subject to the volatility or price swings from natural gas or intermittent solar power. Not taking power from NGS will increase water rates for those relying on CAP. The CAP has a fiduciary responsibility to its ratepayers to avoid these costs.

The CAP also owes the federal government more than \$1 billion for construction repayment with an annual obligation of approximately \$55 million for another 20 years. NGS contributes approximately \$24 million in annual debt repayment assistance to CAP through surplus energy sales, existing power agreements and other revenues and is the vehicle designed to make debt repayment possible. Continued use of NGS power also will avoid premature decommissioning costs of more than \$150 million.

Premature shut down of NGS also would spark higher power prices, electric reliability concerns and higher water rates, according to several studies. NGS would deliver a \$370 million savings in power costs for the Central Arizona Project through 2030 versus purchasing power from the open market, and municipal and industrial customers would avoid a 30 percent increase in water charges over 10 years, according to a 2018 study by Energy Ventures Analysis.

“By keeping the plant operating, everyone benefits,” said Cecil Roberts, President of the United Mine Workers of America. “Miners and power plant workers maintain their jobs to support their families, the CAP continues to receive the lowest-cost power, and the tribes protect their revenues and economies. The CAP has an obligation to take this power, and the U. S. Department of the Interior has a responsibility to enforce this action.”

U.S. Interior owns nearly 25 percent of the plant, has a trust responsibility to the Navajo and Hopi and has said that it will work with all parties, including new and future owners, to keep the plant operating to protect tribal jobs. Both the power plant and mine that fuels it are sited on tribal lands supporting jobs and steady revenue for tribal governments. If the plant shuts down prematurely, at risk are:

- 825 direct jobs and thousands of support jobs;
- About 85 percent of the Hopi’s annual general fund budget; and
- About 22 percent of the Navajo’s general fund budget.

NGS was commissioned to run 70 years through 2044 and adds reliability and resilience to the electric grid at a time when natural gas prices are fluctuating. NGS has one of the lowest emissions profiles of any coal-fueled plant in the region, and more than \$1 billion has been invested in environmental compliance over the past two decades.

“Yes to NGS” is a broad coalition of industry, labor and consumer groups representing more than 100,000 U.S. businesses and organizations. Visit Yes to NGS.org, [Yes to NGS](#) on Facebook, and follow us on Twitter [@YestoNGS](#) to learn more.