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Tribal, Labor and Industry Leaders Call on Congress and U.S. Interior to Enforce the Central Arizona Project's Obligation to Take Power from the Navajo Generating Station

Testimony at U.S. House Oversight Hearing Emphasizes Dire Impacts of Early Plant Closure

Phoenix, April 12, 2018 – The Yes to NGS coalition today joined tribal, labor and industry leaders calling for continued operation of the Navajo Generating Station to maintain affordable baseload power for water delivery, secure billions in economic benefits for tribal economies and protect tribal jobs.

During an oversight hearing held by the U.S. House of Representatives Committee on Natural Resources in Washington, D.C., witnesses called on Congress and the U.S. Secretary of the Interior to do everything possible to support the transition of the plant to new owners. Key to the transition is enforcing the Central Arizona Project's obligation to take long-term power from the plant. A group of coalition members traveled from northern Arizona to attend the hearing.

"The Navajo Nation is blessed with a wealth of natural fossil fuels and renewable energy resources – resources we have the right develop and which we have the capability to manage," said Navajo Nation Speaker LoRenzo Bates in prepared testimony. "NGS is an essential component of the Navajo Nation's economy and our energy portfolio, and must remain viable for the sake of the Nation and our People."

In mid-2017, leading global investment banking advisor Lazard initiated a process to identify new ownership that would operate the plant beyond 2019 reaching out to financial and power and energy-focused investors. Fifteen potential investors expressed initial interest and a handful provided proposals. Lazard confirms interested investors are engaging in advanced-stage due diligence, and have met with key stakeholders, while other investors remain in the mix. An intense effort continues toward selection of a final investment group.

"Working at the mine and power plant offer the Dine' a way to remain on lands that our families have used for generations," said Marie Justice, President of the United Mine Workers of America Local 1924. If these operations shut down a quarter century before Congress intended, the impact will be devastating. The deeper issue is about traditional working families and the work we do to benefit tribal people and families across Arizona."

The Navajo Generating Station and Kayenta Mine together represent approximately 85 percent of the Hopi Tribe's general revenues and 22 percent for the Navajo Nation. It also represents over 800 of the Navajo's highest paying jobs, thousands of support jobs, and is the Navajo Utility Authority's largest power purchaser, Speaker Bates said.

NGS, which was sanctioned by Congress to provide power for the Central Arizona Project, historically has been among the most highly utilized plants in the region. It would continue to be the low-cost baseload power source for the Central Arizona Project, according to testimony from Seth Schwartz, President of Energy Ventures Analysis. The result of the Central Arizona Project's request for power supply proposals shows that NGS can be the economic solution.

The Navajo Generating Station would not be subject to the volatility or price swings from natural gas or intermittent solar power. The Central Arizona Project has a fiduciary responsibility to its ratepayers to avoid higher costs.

In turn, the plant will generate revenues from surplus power to enable repayment of over \$1 billion in debt to the federal government and U.S. taxpayers. Miners and power plant workers will keep their jobs, and the Navajo and the Hopi will maintain their important revenues.

"The hard reality we face as a Nation today is that there is no Navajo program, Department, Branch or Chapter that will not be directly impacted by the potential shutdown of our Navajo Generating Station or Kayenta Mine," said Speaker Bates.

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](http://YesToNGS.org), [Yes to NGS](#) on Facebook, and follow us on Twitter [@YestoNGS](#) to learn more.