



Palumbo, David <dpalumbo@usbr.gov>

SRP/NGS Employees' Plan

1 message

Roger Clark <rclark@grandcanyontrust.org>

Sun, Mar 26, 2017 at 6:29 AM

To: David Palumbo <dpalumbo@usbr.gov>, "Black, Kevin" <KBlack@usbr.gov>

David & Kevin:

Thought you'd want to know about this new development, in case it hadn't hit your radar screen.

Roger

----- Forwarded message -----

From: **Vincent Yazzie** <vinceyazzie@yahoo.com>

Date: Sat, Mar 25, 2017 at 10:06 PM

Subject: Re: NGS weekly check-in

The owners of NGS via SRP had the SRP workers draft and create the coal subsidy resolution for NGS. SRP workers said if the resolution was not approved by the Western Navajo Agency Council, NGS would close immediately. Peabody would sell coal at Natural Gas prices and the US government would make up the difference at what the coal should sell for and pay Peabody Coal. The subsidy coal is what SRP and the NGS owners want. New owners would benefit from the coal subsidy until there is no more coal at Black Mesa. Mining could switch from surface mining to underground mining. SRP workers claim natural gas is cheap now, but will get expensive later. NGS owners claim the exact opposite on natural gas. Subsidy resolution passed 31-0.

Being played by SRP and owners.

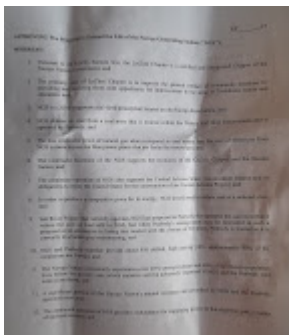
Procoal agenda. Western Navajo Agency Council Meeting held today at Cameron, AZ.

Thanks Vincent:

This is consistent with a report we heard last week that a SRP employee was making the same proposal at a meeting in Cameron on March 15. If such a plan is approved, the feds would then subsidize Peabody Coal and SRP, to continue subsidizing cheap CAP water and its customers consisting of welfare farmers and land speculators in the booming profit centers of southern AZ. Perhaps its time to rethink the Sisyphean dreams of desert developers and demand that principals of equity be applied in redirecting the subsidies in a more sustainable direction?

Roger

10 attachments

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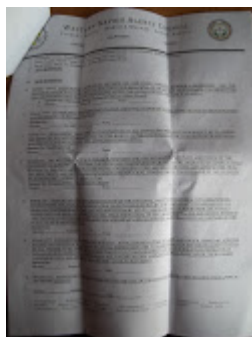


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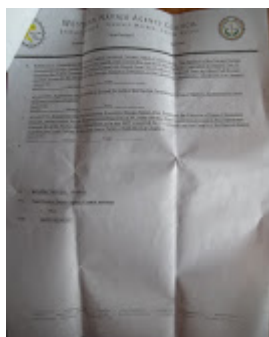
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LC _____-17

APPROVING The Proposal to Extend the Life of the Navajo Generating Station ("NGS").**WHEREAS:**

1. Pursuant to 26 N.N.C, Section 3(a), the LeChee Chapter is a certified and recognized Chapter of the Navajo Nation Government; and
2. The primary goal of LeChee Chapter is to improve the general welfare of community members by providing and assisting them with opportunity for improvement in the areas of livelihood, health and education; and
3. NGS is a 2250 megawatt coal-fired powerplant located on the Navajo Reservation; and
4. NGS obtains its coal from a coal mine that is located within the Navajo and Hopi Reservations and is operated by Peabody; and
5. The less expensive price of natural gas when compared to coal means that the cost of electricity from NGS is more expensive than power plants that are fueled by natural gas; and
6. The continued existence of the NGS supports the economy of the LeChee Chapter and the Navajo Nation; and
7. The continued operation of NGS also supports the Central Arizona Water Conservation District and its obligations to repay the United States for the construction of the Central Arizona Project; and
8. In order to produce a competitive price for its energy, NGS would need to obtain coal at a reduced price; and
9. Salt River Project that currently operates NGS has proposed to Peabody that operates the coal mine that it reduce the cost of coal sold to NGS, but while Peabody's management may be interested in such a proposal as an alternative to losing that market with the closure of the plant, Peabody is limited as it is currently in a bankruptcy restructuring; and
10. NGS and Peabody together provide about 950 skilled, high paying jobs, approximately 90% of the employees are Navajo; and
11. The Navajo Nation consistently experiences over 40% unemployment and 40% of the Navajo population lives below the poverty rate, which statistics will be adversely impacted if NGS and the Peabody coal mine close down; and
12. A significant portion of the Navajo Nation's annual revenues are provided by NGS and the Peabody operated mine; and
13. The continued operation of NGS provides redundancy for supplying power to the electrical grid, a matter of national security; and

14. While in the short run it may seem economically beneficial to close those electric power generating plants that rely on coal (coal currently provides approximately 38% of the electricity) in favor of plants that rely on natural gas, in the long run natural gas and renewables will fill the void and in the process the price for natural gas and renewables will increase to meet the continue power need; and
15. President Trump made it a part of his Presidential campaign to retain and return coal jobs to the U.S. work force; and
16. A plan has been proposed by members of the Navajo Nation including members of the LeChee Chapter that the United States government should subsidize the sale of coal for use at NGS (which primarily comes from the Peabody plant) for a period of time until the price of natural gas is greater than the unsubsidized price of coal for not less than two business quarters; and
17. Having been advised of a proposal by the Chapter President and other members of the LeChee Chapter as well as other members of the Nation, the LeChee Chapter finds it to be in the best interest of the Chapter to support the following strategy:
 - Approving this Resolution by which it encourages and supports an action to be taken by the Navajo Nation, by resolution or by other advocacy means, to maintain the NGS as an open and operating facility.
 - The LeChee Chapter urges the Navajo Nation to request that the United States government temporarily subsidize the price of coal from the Peabody mine in sales to NGS, the subsidy would commence with the consent of Peabody, would be tied to the price of natural gas and would continue only until the cost of natural gas was comparable to the cost of coal when sold to a power generating facility for not less than two business quarters.

NOW, THEREFORE BE IT RESOLVED THAT:

1. The LeChee Chapter approves this Resolution supporting action by the Navajo Nation, by resolution or other advocacy, to request that the United States assist in maintaining NGS as an open and operating facility.
2. The LeChee Chapter urges the Navajo Nation to request that the United States government temporarily subsidize the price of coal from the Peabody mine in sales to NGS, the subsidy to commence with the consent of Peabody; would be tied to the price of natural gas and would continue only until the cost of natural gas was comparable to the cost of coal when sold to a power generating facility for not less than two business quarters.

CERTIFICATION

We hereby certify that the foregoing resolution was duly considered by the LeChee Chapter at its regular Chapter meeting, at which a quorum was present and that same was approved by a vote of _____ in favor, _____ opposed, and _____ abstained this _____ day of _____, 2017 at the LeChee Chapter House, Navajo Nation, Arizona.

Motion:

Second:

Jerry L. Williams, Chapter President

JoAnn Yazzie-Pioche, Chapter Vice President

Christina Gamble, Secretary

Tauchoney Slim, Jr., Council Delegate

NGS OWNERS SEEK AGREEMENT WITH NAVAJO NATION TO KEEP PLANT RUNNING THROUGH 2019

Rather than close the plant later this year, the utility owners of Navajo Generating Station voted on Feb. 13 to extend operations of the 45-year-old plant to the December 2019 end of its lease if necessary agreements can be reached with the Navajo Nation.

This measure would preserve, for two years, continued employment at the plant and mine, additional revenues for the Nation and Hopi Tribe, and the potential for others the Nation might choose to operate the plant beyond 2019.

The decision is based on the significantly changed economics of the energy industry, which has seen natural gas prices sink to record lows, making natural gas a viable long-term and economical alternative to coal power. Continuing participation in NGS beyond 2019 would cost the utility owners' customers between \$100 and \$150 million annually.

Nevertheless, the conclusion to leave NGS was not made lightly as the owners recognize the impact this will have on our employees, the Navajo Nation, the Hopi Tribe and the LaChee/Page community. SRP is committed to working with all of our stakeholders to assist them as we transition to exit the plant.

Our focus now is to work quickly to obtain agreements that would allow removal and restoration activities, which could take a minimum of two years, to occur after 2019 and preserve our relationship and generate revenue for the Navajo Nation.

Timing is critical because without agreements between the owners and the Navajo Nation, the plant would be required to cease operations this year.

THE FUTURE OF **NGS**

Contact Information

Name: _____

Phone Number: _____



PREPARED FOR
THE NAVAJO NATION COUNCIL
2017



Delivering more than power.™

PA170622.002 3/17

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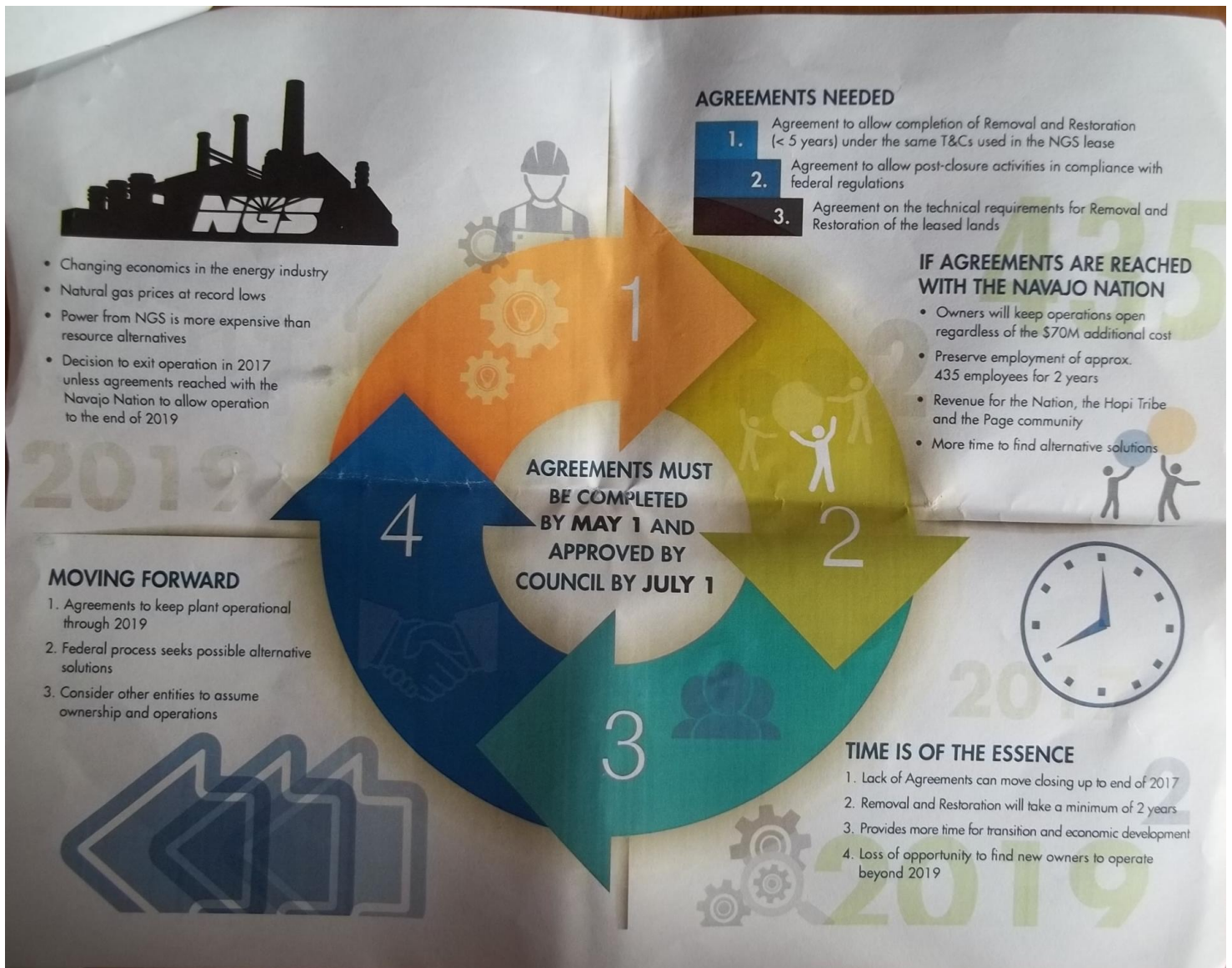
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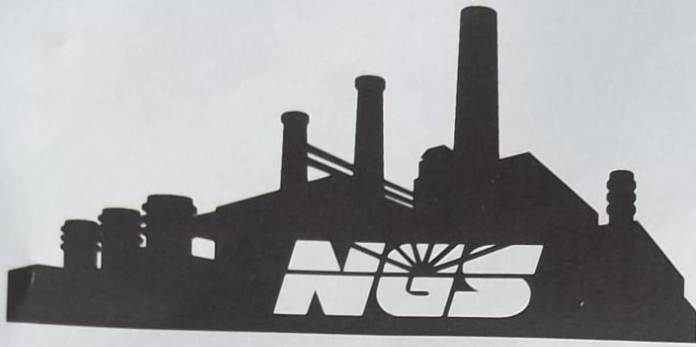
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- Changing economics in the energy industry
- Natural gas prices at record lows
- Power from NCS is more expensive than resource alternatives
- Decision to exit operation in 2017 unless agreements reached with the Navajo Nation to allow operation to the end of 2019



AGREEMENTS MUST
BE COMPLETED
BY **MAY 1** AND
APPROVED BY
COUNCIL BY **JULY**

MOVING FORWARD

1. Agreements to keep plant operational through 2019
2. Federal process seeks possible alternative solutions
3. Consider other entities to assume ownership and operations



AGREEMENTS NEEDED

1. Agreement to allow completion of Removal and Restoration (< 5 years) under the same T&Cs used in the NGS lease
2. Agreement to allow post-closure activities in compliance with federal regulations
3. Agreement on the technical requirements for Removal and Restoration of the leased lands

IF AGREEMENTS ARE REACHED WITH THE NAVAJO NATION

- Owners will keep operations open regardless of the \$70M additional cost
- Preserve employment of approx. 435 employees for 2 years
- Revenue for the Nation, the Hopi Tribe and the Page community
- More time to find alternative solutions

AGREEMENTS MUST
BE COMPLETED
MAY 1 AND
APPROVED BY
COUNCIL BY JULY 1



TIME IS OF THE ESSENCE

1. Lack of Agreements can move closing up to end of 2017
2. Removal and Restoration will take a minimum of 2 years
3. Provides more time for transition and economic development
4. Loss of opportunity to find new owners to operate beyond 2019



WESTERN NAVAJO AGENCY COUNCIL
 STANLEY YAZZIE President
 ISABELLE WALKER Vice-President
 LOUISE KERLEY Secretary



Western Navajo Agency Council Meeting
Gray Mountain Community School, Cameron, Arizona
Western Navajo Agency Council Session
Saturday, March 25, 2017
9:00 a.m. DST

AGENDA

I. PRELIMINARIES

- a. Meeting Call to Order: Pro-temp, President, WNA Council
- b. Invocation: Emmett Kerley, Vice- President, Cameron Chapter
- c. Roll Call: Pro-temp, Secretary, WNA Council

- I. II New Business
 - a. Vote in New Officers
 - b. Nominations
 - a. President - *Hank Stevens*
 - b. Vice-President - *Terry Williams*
 - c. Secretary - *Sarah Williams*
 - c. Vote

- a. Welcome Address Milton Tso, Cameron Chapter President
- b. Review and Adopt Agenda TBA
- c. Review and Adopt Meeting Minutes TBA

II. Special Report(10 minutes):

- 1. Tony Skrelunas Dine Hozho

III. REPORTS (10 minutes) please bring 65 Copies of your written report for distribution at the meeting.

- 1. Honorable President Russell Begay, Navajo Nation
- 2. Honorable Speaker Lorenzo Bates, Navajo Nation Council
- 3. Shirlee A. Bedonie, Navajo Board of Election Supervisor
- 4. Jim Driscoll, Deputy Sheriff, Coconino County Sheriff's Office
- 5. Carl Smith, Director, Division of Community Development
- 6. Lena Fowler, Coconino County Board of Supervisor, District 5
- 7. Jim Parks, Coconino County Board of Supervisors, District 4
- 8. TBA, Arizona State Senator - District 7
- 9. TBA, Navajo Government Development Commission
- 10. Garret Silversmith, Director NDOT
- 11. Council Delegates:
 - a. Herman Daniels, Jr.
 - b. Walter Phelps
 - c. Tauchoney Slim -
 - d. Otto Tso

Birdsprings ~ Bodaway/Gap ~ Cameron ~ Chilchinbeto ~ Coalmine ~ Coppermine ~ Dennehotso ~
 Kaibeto ~ Kayenta ~ LeChee ~ Leupp ~ Navajo Mountain ~ Oljato ~ Shonto ~ Tolani Lake ~
 Tónaneesdizi ~ Tonalea ~ To'ah Bii' Kin

WESTERN NAVAJO AGENCY COUNCIL

STANLEY YAZZIE ISABELLE WALKER LOUISE KERLEY
President Vice-President Secretary



12. Christopher Curley, Board President, Tuba City Regional Health Care Corporation Board of Directors.
13. Olivia Trujillo, Native Vision Year Round Program Coordinator
14. David Begay, Ph.D., Co-Investigator, Navajo Birth Cohort Study
V. OLD BUSINESS:

IV. NEW BUSINESS:

- a. WNA#: ?????: SUPPORTING RESEARCH EFFORTS OF THE COLD SPRINGS HARBOR LABORATORY AND THE NATIONAL SCIENCE FOUNDATION ON THE GOLD KING MINE SPILL IN AN EFFORT TO DETERMINE THE IMPACTS ON NAVAJO FARMERS AND RANCHERS RESIDING ALONG THE ANIMAS RIVER AND SAN JUAN RIVER.
a. Sponsor by: Honorable Walter Phelps, 23rd Navajo Nation Council
b. Motion: _____; Second: _____; Vote: _____
- b. WNA#: ?????: SUPPORTING THE IMPLEMENTATION AND EVALUATION OF "INCREASING ACCESS TO HEALTHY FOOD AND BEVERAGES IN NAVAJO NATION"
Sponsor by: _____
Motion: _____; Second: _____; Vote: _____
- c. WNA#:????: DEMANDING THAT THE NAVAJO NATION DO ALL THINGS PROPER AND APPROPRIATE BY CLAIMING THE WESTERN NAVAJO COMMUNITIES' WATER RIGHTS OF THE COLORADO RIVER, N-AQUIFER OF BLACK MESA AND PROTECT THE HEALTH OF THE AFFECTED COMMUNITIES.
Sponsor by: Mr. Percy Deal
Motion: _____; Second: _____; Vote: _____
- d. WNA#:????: THE WESTERN AGENCY COUNCIL REQUESTS THE NAVAJO NATION COUNCIL AND OFFICE OF THE PRESIDENT/VICE PRESIDENT TO BAN THE PROPOSED TRANSPORT OF URANIUM ORE OPERATED BY ENERGY FUELS RESOURCES, INC. INTO AND THROUGH NAVAJO INDIAN COUNTRY, ALONG WITH CONTAMINATED WATER FROM THE MINE SHAFT, AND ANY OTHER CONTAMINATED MATERIAL COMING FROM CANYON MINE TO THE URANIUM PROCESSING MILL IN WHITE MESA, UTAH
Sponsor by: President Milton Tso, Cameron Chapter
Motion: _____; Second: _____; Vote: _____
- e. WNA#:????: SUPPORTING THE IMPLEMENTATION OF THE NATIONAL INSTITUTES OF HEALTHY (NIH)-FUNDED ENVIRONMENT INFLUENCES ON CHILD HEALTH OUTCOMES (ECHO) BY THE UNIVERSITY OF NEW MEXICO TO BUILD ON THE FINDINGS OF THE NAVAJO BIRTH COHORT STUDY (NBCS) IN PARTNERSHIP WITH THE NAVAJO DEPARTMENT OF HEALTH (NDOH), NAVAJO AREA INDIAN HEALTH SERVICES (NAIHS), THE SOUTHWEST RESEARCH AND INFORMATION CENTER (SRIC) AND THE UNIVERSITY OF CALIFORNIA-SAN FRANCISCO AS PARTNERS IN THE BCS-ECHO RESEARCH PROJECT.
Sponsor by: _____
Motion: _____; Second: _____; Vote: _____
- f. WNA#:?????: SUPPORTING LEGISLATION 0015-17: AN ACTION RELATING TO LAW AND ORDER, Naabik'iyati' AND THE NAVAJO NATION COUNCIL AMENDING 2 N.N.C SUBSECTION 3780: FURTHERMORE REQUEST THE FULL RESTITUTION OF ALL MONIES TO BE PAID THEN START THE FIVE (5) YEARS RESTRICTION TO ELIGIBILITY OF FILING FOR AS NAVAJO NATION OFFICIAL; ADDITIONALL ALL NAVAJO NATION EMPLOYEES WILL HAVE 20% OF THEIR WAGES GARNISHED UNTIL ALL MONIES ARE REPAYED: (Ts'ah Bii Kin Chapter)
Sponsor by: _____
Motion: _____; Second: _____; Vote: _____
- g. WNA#:?????: APPROVING THE PROPOSAL EXTEND THE LIFE OF THE NAVAJO GENERATION STATION ("NGS"). WNA #: 262-103-#10 Sponsor by: _____
Motion: _____; Second: _____; Vote: _____

Birdsprings ~ Bodaway/Gap ~ Cameron ~ Chilchinbeto ~ Coalmine ~ Coppermine ~ Dennehotso ~
Kaibeto ~ Kayenta ~ LeChase ~ Leupp ~ Navajo Mountain ~ Oljato ~ Shonto ~ Tolani Lake ~
Tóhaneesdizi ~ Tonalea ~ Ts'ah Bii' Kin



WESTERN NAVAJO AGENCY COUNCIL

STANLEY YAZZIE ISABELLE WALKER LOUISE KERLEY
President Vice-President Secretary



h. WNA#:????? Requesting the Navajo Nation President, Navajo Nation Vice President, The Speaker of the Navajo Nation Council, the Navajo Nation Council, the Naabik'iyati Committee, and the Title II Reform Committee to Amend Title II: regarding the Public Comment Period to Extend this Period from Five (5) days to Thirty (30) Days to Allow Full Review and Full Access for the People of the Navajo Nation to Comment on the Upcoming Legislations. (Ts'ah Bii Kin Chapter)
Sponsor by: _____; Second: _____; Vote: _____
Motion: _____; Second: _____; Vote: _____

i. WNA#:????? Approving the Proposal to Extend the Life of the Navajo Generating Station ("NGS"). Sponsored by Jerry Williams (LeChee Chapter)
Sponsor by: _____; Second: _____; Vote: _____
Motion: _____; Second: _____; Vote: _____

j. WNA#:????? Requesting the Navajo Nation President, Navajo Nation Vice President, the Division of Natural Resources Director, Bidtah Becker for the Reassignment/Removal of W. Mike Halona, from his current position as the Department Manager III at the Navajo Land Department as he has NOT consulted the 110 Chapter nor the People of the Navajo Nation regarding the Navajo Nation Home Site Lease Policy (Ts'ah Bii Kin Chapter)
Sponsor by: _____; Second: _____; Vote: _____
Motion: _____; Second: _____; Vote: _____

k.

VI. BENEDICTION BY: Volunteer

VII. Next Western Navajo Agency Council meetings:

- TBA,

VIII. ADJOURNMENT:

Birdsprings ~ Bodaway/Gap ~ Cameron ~ Chilchinbeto ~ Coalmine ~ Coppermine ~ Dennehotso ~
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