

DOI Remarks for The Record

State Senator
Mark Finchem

Thank you for the opportunity comment on the future of the Navajo Generating (NGS) and the unintended consequences that a premature decommissioning of this, power generating station. I would like to make 4 fast points;

1. public debt and associated promises made,
2. state power and infrastructure security,
3. survival of the Hopi Tribe and many Navajo communities,
4. economic impact to the state of Arizona, Coconino County and the City of Page, as well as
 - 1) NGS is not paid for yet. With over \$1.1 billion yet left to pay off the construction and the power plant, NGS promises to be as big a burden on the taxpayers as the Solyndra fraud has been, because Interior and EPA has not included all the cost impacts of coal fired power plants in the communities that they serve. Replacing coal with solar only doubles the price of energy. You pay to closed coal plants and pay miners benefits and you also pay for new solar. The TWG agreement expects the plant to run to 2030, but AZ owes interior debt out to 2044.
 - 2) On the matter of state power security for both Arizona and the surrounding states that draw on our base load, we do not know when coal power will eventually be permanently replaced with natural gas (NG), but there are a few fundamental flaws with the premature retirement of NGS, if the community is to depend on NG. Gas has a role to play in as a balancing resource, not a baseload resource. Consider that as part of an energy security plan.
 - 3) The Hopi Tribe, has relied on coal production from the Black Mesa [Kayenta] deposit for centuries. There has been no realistic plan put forward that would replace such a dramatic reduction in work for this people group. It is no secret in the energy production community that Chesapeake Energy gave \$22 million to the Sierra Club to act as their surrogate in the privateer's war on coal. The evidence of this attempt at bottlenecking is included herein as Attachment 2. Ben Bennett, a Navajo Council Delegate, has advocated for the continued operation of both enterprises to keep the Navajo people employed, fed, sheltered and clothed. His remarks are combined herein as Attachment 3.

4) The State of Arizona, Coconino County and the City of Page, Arizona stand to lose far more than just the Transaction Privilege Tax dollars that are generated by coal sales, which amounts to approximately \$17 Million annually. . In the Navajo Generating Station and Kayenta Mine Economic Impact Study reports that the combined effect of operations from 2011 to 2044 Accounts for approximately 112,720 full-time or equivalent jobs years throughout Arizona, including 32, 912 direct job years." While the state of Arizona would lose just under \$679 Million in various taxes, Coconino and Navajo Counties would be hit hard losing \$269.5 Million and \$234.8 Million respectively, again in 2011 dollars. The full Economic Impact Study is combined herein at Attachment 4.

In summary, I appeal to good sense and factual reasoning for the continued operation of NGS until dependable base load infrastructure can be constructed. I have outlined only four good reasons to continue operation of NGS including public debt retirement and fulfillment of the associated promises made, the protection of Arizona's energy production security, the survival of at risk people groups such as the Hopi Tribe and what will be the devastating economic impact to the state of Arizona, Coconino County and the City of Page. I advocate for the Tobin 5-year Extension Plan, incorporated herein at Attachment 5, that would give all principals and parties concerned the needed time to develop and implement a recovery plan.