From: Lonna Richmond
To: Lee, Anita
Subject: Re: FW: NGS
Date: Thursday, December 19, 2013 3:28:16 PM

---

dear ms. lee,
thank you very much for your email and the info you sent.

gratefully,
lonna

On Thu, Dec 19, 2013 at 10:54 AM, Lee, Anita <Lee.Anita@epa.gov> wrote:

> Hello Ms. Richmond,
>
> I apologize for the delayed response to your email. I do not have the information you requested. However, I understand that various media outlets have included this type of information in articles. See the link below. For convenience, I am pasting the article to this email as well.
>
> http://indiancountrytodaymedianetwork.com/2013/07/31/navajos-eh-moment-shelly-signs-historic-ngs-extension-agreement-150665
>
> Please let me know if you have additional questions. Thank you!
>
> # Navajo Nation Signs Historic NGS Extension; Clean Air Battle Rages On
>
> Anne Minard
>
> 7/31/13
>
> Navajo Nation President Ben Shelly hosted a small gathering in Window Rock, Arizona on Tuesday to celebrate the signing of a lease extension with the coal-fired Navajo Generating Station, even as a new proposal to curb the plant's pollution is drawing a lukewarm response from environmental groups.
>
> The lease extension was hard won; the original terms underwent a grueling review at the Navajo Nation Council's spring session earlier this year. The Council approved the lease

extension, with amendments, on July 18.

Among other updates, the new terms include $42 million a year in lease payments to the Navajo Nation beginning in 2019, when the original 1969 lease expires. That annual payment is substantially larger than $608,400 outlined in the original contract.

Extending the lease was a major hurdle for the future of NGS, but so is an ongoing effort by the United States Environmental Protection Agency to regulate pollution from the 2,250-megawatt plant.

The latest pollution proposal, unveiled late last week, counters an EPA plan announced in February that would require the NGS owners to install Selective Catalytic Reduction (SCR) technology, to rein in nitrous oxide emissions, on all three units at NGS by 2018. The EPA's recommended technology would cost an estimated $500 million, twice that much if the SCRs created a need for secondary facilities to capture dust generated as a byproduct.

RELATED: Coming Clean: Historic Agreement Reached for Navajo Generating Station

Instead, a stakeholder group including the plant owners is asking the EPA to consider whether shutting down one of the plant's three, 750-megawatt units by 2020 would be a fair way to achieve the emissions reductions mandated by the EPA's Regional Haze Rule, which is prompting the new regulations. The group calls itself the Technical Working Group, and includes representatives from NGS co-owners the Salt River Project, the Central Arizona Water Conservation District, the Environmental Defense Fund, Navajo Nation government, the Gila River Indian Community, the U.S. Department of the Interior and Western Resource Advocates.

There are some gray areas. The shutting down of one unit would happen only if the Los Angeles Department of Water & Power (LADWP) and NV Energy relinquish their shares in NGS, as expected, by 2019 – and if the Navajo Nation chooses not to exercise an option to buy in. Together, LADWP and NV Energy own the equivalent of almost exactly one unit at NGS.

And if the ownership situation plays out differently, say the plan's architects, the nitrogen oxide emissions would still be reduced, equivalent to the shutdown of one unit, between 2020 and 2030.

"The owners would have to submit annual plans beginning in 2020 through the end of the lease describing the operating scenarios to be used to achieve greater emission reductions than EPA's proposed rule," reads a press release put out by the Technical Working Group.

Sandy Bahr, director of the Sierra Club's Grand Canyon Chapter, says it's encouraging that SRP now recognizes that NGS pollution needs to be addressed – that hasn't always been the case. And the new proposal "contributes to the discussion" of how to clean up NGS and the region's air quality, and start a path toward renewable energy. But in her estimation, there's too much ambiguity.

"They say if this happens, then this, if that happens, then that," she said. "We are concerned that the proposal lacks a clear enforceable path to end coal's dirty legacy in the region and bring about development of renewable energy to tribal lands."

Shelly's spokesman, Erny Zah, said the ambiguity "buys flexibility," without which it would be difficult to keep all stakeholders at the table. And that's important not just for NGS stakeholders, but for the regional economy, he added.

"This power plant is expected to bring $20 billion to northern Arizona through 2044. We have to remember that there are people working, and a bunch of people who benefit from this plant being open."

Shelly added in a Navajo Nation press release that there is still "much work to be done to maintain compliance with the Clean Air Act, the Regional Haze Rule, and future rules while supporting the continued dedicated efforts of industry, the Navajo Nation, and EPA to balance air quality goals with economic prosperity. Mitigation of job losses and impacts to the regional economy are still my concern."

NGS employs just over 500 people, 74 percent of them Navajo Nation tribal members, along with 300 seasonal employees, 93 percent of whom are Navajo. The Kayenta Mine, which supplies NGS, employs 400 people, nearly all of them Navajos.

But Navajo grassroots activist Wahleah Johns said she was surprised by the announcement of the new proposal – especially because the Technical Working Group apparently neglected to invite input from tribal members outside of the government.

"There are still a lot of concerns," she said of the new proposal. "It doesn't address health impacts; the nitrous oxide and the mercury and other toxins continue to impact the health of our communities. And there's not enough of what people want to see in a transition plan. There's a lack of vision there. It's not community-based."

Johns says her group, the Black Mesa Water Coalition, will continue to develop a transition plan that weans the Navajo Nation off of coal and steers the tribe toward ownership of utility-scale wind and solar energy projects. She anticipates her group's own counter-proposal will be unveiled in the coming weeks.

The Gila River Indian Community was asked to participate in the work group because its water settlement entitlements are directly tied to the continued operation of NGS, and because it is the largest contractor for Central Arizona Project water in the state of Arizona. The CAP gets 90 percent of its power from NGS for pumping Colorado River water to the central and southern portions of the state.

"The community supports this agreement and believes it is an important first step in ensuring that CAP water is affordable for all Arizona tribes that rely on this important source of water," said Greg Mendoza, Gila River Indian Community governor, in a statement.

CAP General Manager David Modeer said the new proposal, if accepted, "delays and mitigates the substantial costs that CAP customers would see if NGS closes and CAP is forced to use other, more expensive energy sources."

The new plan will be submitted to EPA for review as a supplemental proposal.

"Any alternatives to BART submitted to EPA must first undergo EPA technical review to ensure the Clean Air Act requirements are met," said EPA spokesman Rusty Harris-Bishop.

"We look forward to reviewing any and all alternatives to BART that we receive during the public comment period."

The EPA is accepting comments on the NGS air quality rule until October 4 of this year, and details are available on the EPA site.

RELATED: Navajo Generating Station

Read more at http://indiancountrytodaymedianetwork.com/2013/07/31/navajos-eh-moment-shelly-signs-historic-ngs-extension-agreement-150665

Anita Lee, PhD

Environmental Scientist

US EPA, Air Division, Planning Office (Air-2)

75 Hawthorne Street

San Francisco, CA 94105

(415) 972-3958

From: Anita Lee [mailto:Lee.Anita@epamail.epa.gov] **On Behalf Of** R9ngsbart
Sent: Thursday, December 19, 2013 10:50 AM
To: Lee, Anita
Subject: Fw: NGS

----- Forwarded by Anita Lee/R9/USEPA/US on 12/19/2013 10:50 AM -----

From: Lonna Richmond <lonnajean@gmail.com>
To: R9ngsbart@EPA,
Date: 12/09/2013 05:32 PM
Subject: NGS

---

i am wondering how much the Navajo Nation is paid for leasing out the land for the NGS.
thank you,
lonna richmond