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Navajo Nation votes to end efforts to purchase coal-fired power plant, sealing its fate

[Ryan Randazzo and Noel Lyn Smith](#), Arizona Republic Published 1:19 p.m. MT March 22, 2019 Updated 5:19 p.m. MT March 22, 2019

The last lifeline for the Navajo Generating Station coal-fired power plant near Page was cut Thursday night when Navajo lawmakers voted to end their efforts to acquire the plant and keep it running.

The utilities that co-own the plant — Salt River Project, Arizona Public Service Co., Tucson Electric Power and NV Energy — decided in 2017 to close it this December because it was no longer running economically.

After failing to find any other utility willing to buy the plant, the mining company that supplies it with coal and the Navajo and Hopi tribes had hoped that a Navajo enterprise called the Navajo Transitional Energy Co. would take over operations.

But that won't happen. A committee of Navajo Nation Council delegates voted 11-9 to end their pursuit Thursday.

"We recognize the decision of the 24th Council to allow NGS and Kayenta (Mine) to close at the end of this year," NTEC said in a Friday statement.

The power plant and mine bring myriad economic benefits to the Navajo and Hopi people and governments, and both tribes face severe cutbacks in their general fund budgets with the closure.

Environmental activists who have long opposed coal operations on tribal land cheered the council's decision.

“It’s been known for a long time that coal isn’t the future, but this final certainty is crucial,” Lori Goodman of the group Diné CARE said in a prepared statement.

"For anyone who’s been hesitant about moving strongly for renewable energy development, for building our economy in ways that will benefit our communities and our Mother Earth and Father Sky, now there is no reason or excuse to hold back.”

Preparing for closure

SRP runs the power plant on behalf of the owners, and it has been transferring workers to other SRP facilities in Arizona when possible as it prepares to decommission the power plant, which is the largest coal plant in the West.

Peabody Energy runs the Kayenta Mine, and the company laid off about 40 workers, or 12 percent of the 340-person workforce, last month. Because the power plant stockpiles coal on site, the mine will not need to run as long as the plant and is anticipated to close by October.

Since the decision to close the coal plant was made in 2017, SRP officials have said they are willing to convey the plant to another party. But [negotiations with NTEC broke down last month](#) because SRP wanted to provide money for the eventual cleanup and be released from any additional future cleanup liability that might arise.

NTEC and the Navajo Nation could not agree to those terms.

Navajo Council had close vote

Last year, former former Navajo Nation President Russell Begaye and former Speaker LoRenzo Bates directed NTEC to examine taking over the power plant and mine.

The company's effort to explore the asset was supported by the Naa'biki'íyáti' Committee of the Navajo Nation Council in late December.

But with new leaders and lawmakers, who were elected in November and sworn in this year, support for the tribe's takeover faded. Current members of the Naa'biki'íyáti' Committee rejected a bill to support NTEC's acquisition.

Delegate Rick Nez, the bill's sponsor, called for support and explained the "landmark" decision would determine the fate of NGS and Kayenta Mine.

"My position has always been supporting Navajo Generating Station power plant employees, Kayenta-Peabody mine workers, Navajo Nation employees and their families who will be affected by the closure of both NGS and Kayenta Mine," Nez said.

Delegate Otto Tso was among those who advocated for NTEC to continue talks with SRP, adding the company received its "marching orders" from the previous council.

"Continue negotiating. It's an opportunity. We already gave that authority," he said.

Among those to speak against the bill was Delegate Charlaine Tso.

"I do not support NTEC purchasing NGS," she said, adding her decision was partly based on health concerns for mine employees and community members.

SRP's CEO Mike Hummel made clear in an interview with *The Arizona Republic* earlier this month that he was not willing to risk any future cleanup liabilities for SRP shareholders.

He said that SRP would transfer the power plant to NTEC and provide the more than \$100 million it is expected to cost to eventually clean up the site, but would require indemnity from any further cleanup liability.

He said anything less than a full waiver of future liabilities was an unacceptable risk for SRP and its customers.

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