



July 7, 2014

Via email NGSKMC-EIS@usbr.gov

Environmental Impact Statement
Navajo Generating Station-Kayenta Mine Complex Project
Phoenix Area Office
Bureau of Reclamation (ATTN: NGSKMC-EIS)
6150 W. Thunderbird Road
Glendale, AZ 85306-4001

RE: Navajo Generating Station-Kayenta Mine Complex Environmental Impact Statement Scoping Comments submitted by Grand Canyon Trust, National Parks Conservation Association, and Sierra Club

Thank you for the opportunity to comment on the Department of Interior's Notice of Intent to Prepare an Environmental Impact Statement for the Navajo Generating Station-Kayenta Mine Complex (NGS-KMC) Project. These scoping comments are submitted on behalf of the Grand Canyon Trust, National Parks Conservation Association, and Sierra Club.

The Grand Canyon Trust is a non-profit organization headquartered in Flagstaff, Arizona with over 3,000 members. The mission of the Grand Canyon Trust is to protect and restore the canyon country of the Colorado Plateau – its spectacular landscapes, flowing rivers, clean air, diversity of plants and animals, and areas of beauty and solitude. Founded in 1985, the Trust has been an active stakeholder in NGS-related issues, in preventing NGS emissions from impairing visibility at the Grand Canyon and 10 other of the region's National Parks and Wilderness Areas, in preventing irreversible harm to Grand Canyon watersheds, and in promoting clean and renewable energy and sustainable economic development in partnership with native communities.

Since 1919, the nonpartisan National Parks Conservation Association has been the leading voice of the American people in protecting and enhancing our National Park System. NPCA and its more than 800,000 members and supporters work together to protect our National Park System and preserve our nation's natural, historical, and cultural heritage for our children and grandchildren.

The Sierra Club is a non-profit, public interest environmental organization with more than 2.4 million members and supporters, 35,000 of which reside in Arizona, whose mission is to explore, enjoy and protect the wild places of the earth; to practice and promote the responsible use of the earth's ecosystems and resources; and to educate and enlist humanity to protect and restore the quality of the natural and human environment. Sierra Club members enjoy some of the lands

affected by this proposed action and utilize them for hiking, backpacking, hunting, fishing, and wildlife viewing, among other activities.

SCOPING COMMENTS

Our organizations support three major recommendations.

1. REVISE THE EIS PURPOSE AND NEED

- A. The need for federal action must be expanded to include other federal responsibilities, including the need to develop a transition plan to assist in replacing Hopi and Navajo economic losses prior to the closure of part or the entirety of Navajo Generating Station and / or Kayenta Mine Complex.**

The need for federal actions extends well beyond the U.S. Bureau of Reclamation's response to "the expiring arrangements for the continued operation of Navajo Generating Station" (NGS). NGS is located on the Navajo Nation in northern Arizona. It burns up to 1,000 tons of coal an hour. The coal is strip-mined from the Kayenta Mine Complex under lease agreements with the Hopi Tribe and Navajo Nation. Both governments receive coal royalties. The power plant and mine employ native people.

The U. S. Department of the Interior (DOI) owns 24.3 percent of electricity generated by NGS. Most of the agency's share of electricity is used to power enormous pumps needed to lift 1.5 million acre feet of water uphill from the Colorado River through the 337-mile long Central Arizona Project (CAP) canal. It and supporting reservoirs, land, and infrastructure are owned by the U.S. Bureau of Reclamation. Revenues from the sale "surplus" NGS electricity (not needed for pumping water) repay part of CAP's capital cost of \$8 billion, underwrite its operation, maintenance, and replacement costs, and feed a development fund that is used, in part, to subsidize the cost of water for southern Arizona tribes under the 2004 Water Rights Settlement.

Navajo Generating Station is the West's largest and dirtiest coal-fired power plant. It is the only coal plant in our country where the federal government depends on electrical utilities to meet long-term obligations to public, private, and tribal interests. However, the plant's future is uncertain because two of its owners (Los Angeles Department of Water and Power and Nevada Power) are divesting their interest in it.

On July 25, 2013, the U.S. Department of the Interior and six other parties with interests in the future of Navajo Generating Station submitted a [proposal](#) to the Environmental Protection Agency (EPA). The costs and timing to install mandated pollution controls, as well as withdrawal by two NGS owners, are causing DOI and the remaining owners to propose shuttering one of its three 750MW units by 2020. If the EPA decides to accept the proposal, coal royalties paid to the Hopi Tribe and Navajo Nation will be cut by a third and may cause jobs to be lost at the coal mine and power plant.

For decades, inexpensive NGS power and federally subsidized CAP water have furthered the growth and prosperity of urban and agricultural interests throughout the Southwest.¹ DOI and other NGS owners and stakeholders negotiated an agreement that they proposed to the EPA. It was carefully crafted to protect and compensate those central and southern Arizona interests during the next two decades. Although it promises to help evaluate and develop renewable energy projects that may eventually benefit Hopi and Navajo communities, the proposal does not afford these stakeholders the same level of economic protection, assurances, or immediate benefits that the federal agency has committed to CAP water users and tribes in southern Arizona.²

In addition, the DOI, NGS owners', and stakeholders' proposal is strongly opposed by our groups and other clean air advocates because it leads to several uncertain alternative futures that are worse than Best Available Retrofit Technology (BART) in reducing air pollution from the region and specifically in Grand Canyon and other Class 1 areas (national parks and wildernesses) as mandated under the Clean Air Act. If EPA does not select the proposal, or its legality is struck down in court, utilities that operate and control the fate of NGS have threatened to close the plant when current lease agreements end in 2019. That financial decision by non-federal owners would cause an abrupt and total loss of royalties and employment to Hopi and Navajo interests and undermine other commitments for which DOI, federal agencies, and taxpayers are ultimately responsible.

If the DOI et al. proposal for pollution controls is adopted and enforced, DOI will need to develop and implement a plan to replace near-term economic losses to Navajo and Hopi communities due to closing one of the plant's units. Furthermore, DOI needs to create a transition strategy to assist in advancing Hopi and Navajo economic interests prior to the retirement of all three units at NGS and the Kayenta Mine Complex, which may occur at key decision points between 2019 and 2044.

B. The purpose for proposed federal actions should be revised to include the development of renewable energy projects that will benefit Hopi and Navajo people and produce clean, affordable and reliable power, while minimizing negative impacts from the NGS-KMC Project.

The purpose for proposed federal actions must include more than securing “a reliable source of power and energy that would be continuously available to operate the CAP pumps and sold as surplus power.” On January 4, 2013, a [Joint Federal Agency Statement Regarding Navajo Generating Station](#) was signed by the Secretary of the Interior, Secretary of Energy, and Administrator of the Environmental Protection Agency. These federal agencies committed to

¹ “By the 1960s, Los Angeles needed more electricity. Phoenix needed more water for agriculture and the housing developments that Del Webb was building. They needed to replace the groundwater that had been pumped out in such quantities that large cavities were opening up at the edges of highways.... In short, the urban Southwest ...required another new Hoover Dam to produce more inexpensive electricity and water.” Judith Nies, 2014. *Unreal City*, Nation Books, NY. Pp. XXIII-XXIV.

² “DOI is in an impossibly conflicted position of having to contemporaneously protect its proprietary interests as an owner of a profit-making and profit-driven power plant (NGS) while at the same time fulfilling its trust responsibility and carrying out its fiduciary duties to the Hopi Tribe...” Hopi Chairman LeRoy Shingoitewa, “Response to Proposed SRP BART Alternative for NGS”, letter to EPA, August 19, 2013.

supporting "...tribal stakeholders' interests in aligning energy infrastructure investments made by the Federal and private owners of NGS...with long term goals of producing clean, affordable and reliable power, affordable and sustainable water supplies, and sustainable economic development, while minimizing negative impacts on those who currently obtain benefits from NGS, including tribal nations." The [proposal](#) submitted to EPA also presents concepts for a clean energy transition strategy for NGS that could address components of the 2013 Joint Federal Agency Statement.

Purpose: The purpose of federal actions should include the development of community-based and large scale renewable energy projects that will benefit Hopi and Navajo people to replace near-term economic losses from closing one NGS unit. Furthermore, federal actions must align energy infrastructure investments with long-term goals of producing clean, affordable and reliable power, affordable and sustainable water supplies, and sustainable economic development while minimizing negative impacts from the NGS-KMC Project, including tribal nations. In addition federal actions must ensure that existing obligations under the Clean Air Act, including regulations to protect Class I areas, and other applicable statutes, be met with the full rigor of the law.

2. EXPAND THE SCOPE OF PROPOSED FEDERAL ACTIONS AND DEVELOP ALTERNATIVES TO INCLUDE THE DEVELOPMENT OF RENEWABLE ENERGY PROJECTS THAT WILL BENEFIT HOPI AND NAVAJO PEOPLE AND PRODUCE CLEAN, AFFORDABLE AND RELIABLE POWER

The proposed federal actions, and each subsequent alternative developed, should include the development of renewable energy projects that will benefit Hopi and Navajo people and produce clean, affordable and reliable power, while minimizing negative impacts from the NGS-KMC Project.

"Federal approvals and/or decisions necessary to continue the operation and maintenance of the NGS-KMC facilities through December 2044" do not necessarily meet the stated need of securing "a reliable source of power and energy that would be continuously available to operate the CAP pumps and sold as surplus power." Even if federal approvals are granted, the controlling owners of NGS may decide to shut the entire plant as soon as 2020 due to financial and other liabilities and uncertainties accruing to its continued operations. Therefore, each proposed federal action and alternative must assess how to begin replacing NGS power and sales of surplus power as quickly and as economically as possible.

The principal federal decisions are to determine how to produce clean, affordable, and reliable power; affordable and sustainable water supplies; and sustainable economic development, while minimizing negative impacts on tribal stakeholders, those who currently obtain benefits from NGS-KMC, and public lands affected by the plant's operation. The proposed action must be a comprehensive and equitable plan to replace NGS-KMC benefits and to cease and mitigate its long-term costs, including considerable debts and irreversible harms that these operations have imposed on people and the environment for more than four decades.

3. CONDUCT FULL LIFE CYCLE ASSESSMENT OF PAST, PRESENT AND FUTURE ACTIONS

Federal decisions made during decades prior to producing the first ton of coal and megawatt-hour of electricity have caused far-reaching consequences, which have never been fully assessed. The Notice of Intent includes nine “topics” to be considered in the Environmental Impact Statement. Future actions considered under these nine topics must be weighed against all known and estimated cumulative impacts that prior operations of NGS-KMC are having on regional ecosystems, our climate, and future generations.

The NGS-KMC EIS must conduct a transparent and full life cycle assessment (LCA) of all past, present, and future actions. These include, but are not limited to, irreversible losses to cultural heritage and patrimony, impacts to visibility at Grand Canyon and the region’s other Class I national parks and wildernesses, financial commitments for long-term monitoring, reclamation, and mitigation of water quality, human health, and ecosystem services. The EIS must assess direct, indirect, and cumulative impacts to endangered species, including Colorado River fish and their critical habitat; this includes impacts relating to mercury emissions and deposition in the Colorado River and San Juan River Basins, and indirect and cumulative impacts to those fish, their habitat and other elements of the human environment resulting from carbon dioxide emissions, global warming and regional drying. The EIS must fully identify and disclose earnings and benefits of all entities, including profits by private investors, who receive economic returns from past, present, and future operations of NGS, KMC, and the CAP.

We recommend that the EIS employ the best available LCA standards and practices represented by nearly five-decades of professional experience at the [Institute for Environmental Research and Education](#).³

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NGS-KMC and associated facilities and transmission have significant impacts on air, water, lands, wildlife, cultural, endangered species, and many other resources. NGS contributes significant carbon pollution, the greatest amount of any single facility in Arizona. A thorough analysis, evaluating the direct, indirect, and cumulative impacts and a full range of alternatives will help inform decisions about Navajo Generating Station and Kayenta Mine Complex and their impacts and costs to present and future generations.

We appreciate your careful consideration of our comments and recommendations.

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³ For a more detailed description of how an LCA should be performed, please see separate scoping comments submitted by Hank Patton from World Steward and Rita Schenck and Lang Marsh from the Institute for Environmental Research and Education.