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In historic vote, ACC commits to addressing economic realities facing tribal and other communities impacted by coal plant retirements

PHOENIX – Agreeing with recommendations that groups representing tribal and coal-impacted communities have been making for years, the Arizona Corporation Commission on Tuesday voted to create a groundbreaking process to assess the community impacts of coal plant closures and the responsibility of utilities that own and operate the plants to help affected tribes, cities, counties and towns land on their feet.

The historic decision on Just and Equitable Transition was approved by a unanimous 5-to-0 vote as part of the final determination in the rate case for Tucson Electric Power (TEP). Proceedings on the issue will begin in mid-January.

“This has been a long time coming, and we’re grateful to see the Commission take a bold step to finally recognize the impact that coal plant closures have on communities and to discuss how to hold utilities accountable for assisting us in rebuilding our economies,” said Nicole Horseherder, director of the Navajo grassroots group Tó Nizhóní Ání. “Two coal plants have already closed and so far, neither the Navajo nor the Hopi have seen a dime of support for transition. That can’t be allowed to go on anymore, and hopefully the Commission will confront this issue aggressively so that communities don’t continue to be decimated every time a utility executive makes a bottom-line decision to shut something down.”

Five coal-burning power plants in northern Arizona and northwestern New Mexico surround the Navajo Nation and Hopi Tribe. Two have already been shuttered with little notice to the tribes or surrounding communities. Navajo Generating Station, which sits on Navajo land near Page, Ariz., closed in November 2019, with less than three years of notice. The Escalante Power Plant east of Gallup, N.M., which sits just a few miles from Navajo land, shut down abruptly this summer, barely half a year after its owner decided to pull the plug. San Juan Generating Station near Farmington, N.M. is scheduled to close in two years, Cholla Power Plant in northern Arizona in less than five, and the Four Corners Power Plant, which also is on Navajo land, no later than 2031, and likely sooner based on disclosures from its operator, Arizona Public Service (APS). Each plant also has a nearby coal mine that will close when they shut down.

“These plants and mines are the economic backbones of the communities they are situated in, and when they’re shut down, it has a devastating effect on jobs and revenue,” said Carol Davis, executive director of Navajo grassroots group Diné C.A.R.E. “The utilities that run these plants have made billions off of them, and they have a responsibility to give back by providing the financial support and resources to help our communities plan the transition to what comes next.”

Diné C.A.R.E. and Tó Nizhóní Ání, along with Four Corners-based San Juan Citizens Alliance – with legal representation from Jennifer Anderson of the Arizona Center for Law in the Public Interest – have argued for years that utilities need to provide resources and financial assistance to communities to help



mitigate the impacts of job losses and decreases in revenue that support everything from emergency and social services to school districts.

Together, the three groups intervened in a [rate case for Arizona Public Service \(APS\) in 2018](#) to formally request that the ACC order the utility to provide transition support. They intervened again in the [TEP rate case](#) that led to Tuesday's ruling, arguing that “without intervention and orders from the Commission, the utilities will be left to their own devices to give back to these communities a portion of what they have reaped from them. History shows us that they will not willingly provide anything.”

And most recently, the three groups worked with APS as part of its most recent rate case to ensure that the [historic \\$144 million agreement between the utility and the Navajo Nation](#) (pages 17-19) includes all the important elements of a genuine Just and Equitable Transition Plan. That plan, which still must be approved by the ACC, is viewed as a long overdue acknowledgement of utility obligations to the communities they have benefited from for decades. However, it still stands as the only offer of transition support to the tribe from any of the multiple owners and principals in the five power plants noted above.

“That’s why this is so important,” said Mike Eisenfeld, the energy program director for San Juan Citizens Alliance. “We finally have regulators taking a serious look at how the rug is being pulled out from under communities by utility business decisions, and the responsibility that utilities have to help create a soft landing.”

The proposal for the Commission to address the pressing economic issues faced by communities where coal plants are being shut down was [first introduced by Commissioner Sandra Kennedy](#), with a slight variation in timing and scope [suggested by Commissioners Marquez Peterson and Dunn](#). Both amendments acknowledged the important groundwork laid on Just and Equitable Transition by Diné C.A.R.E., Tó Nizhóní Ání and San Juan Citizens Alliance, saying [“it is imperative that a solution be found to the Citizen Groups' concerns.”](#)

Although not intervenors in either the APS or TEP rate cases, Hopi tribal representatives are pleased that they may now also have an opportunity through the upcoming Just and Equitable Transition proceedings to push for additional funding and support for their communities. The Hopi Tribal government saw more than 80% of its budget evaporate with the closure of Kayenta coal mine, which supplied fuel to NGS.

“There is still so much work to be done to help move our communities beyond coal,” said Ben Nuvamsa, a former chairman of the Hopi Tribe. “Our coal and our water made the growth of cities like Phoenix and Tucson possible. We were promised 50 years ago that allowing a coal mine on our land would provide benefits and income. That was an empty promise. Now it’s time for the companies that profited from Hopi resources to give back, and our hope is that this process will help create the mechanism for a Just and Equitable Transition.”

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