

Navajo Generating Station(NGS) Closure & Transition

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SRP Overview

- Salt River Valley Water Users' Association
(The Association)
 - Formed in 1903
 - 1300 mi. canals, 270 wells, 2 underground storage projects
- Salt River Project Agricultural Improvement
District (The District)
 - Formed in 1937
 - Serves about 1 Million power customers in Phoenix area



Navajo Generation Station (NGS) Overview

- 1969: Construction began
- Commencement of Operation
 - First Unit began commercial operation in 1975
 - Largest coal plant west of the Mississippi – 2,250 MW
 - Fueled by low sulfur bituminous coal
- Nearly 500 full-time employees, more than 90% Navajo
- Participants:
 - US Bureau of Reclamation
 - Salt River Project
 - Arizona Public Service
 - Tucson Electric Power
 - NV Energy
 - LADWP (LA Dept of Water & Power)



NGS Closure - Why

- **Cost of Operations**
 - Natural gas prices made coal uncompetitive
- **Cleaner Alternatives**
- **Lease Termination**
 - Originally planned to close mid-2017 to comply with lease
 - New lease allowed plant to continue operation through **Dec. 22, 2019**



NGS Participants Transition Support – Navajo Nation

Key elements:

- Operation extension/glide path
- Annual lease payments
- Coal royalties assurance
- Assets retained by Navajo Nation
 - One building now used for a prefab homebuilding company
- Transmission access to support renewable energy growth
- Navajo hiring preference; workforce development



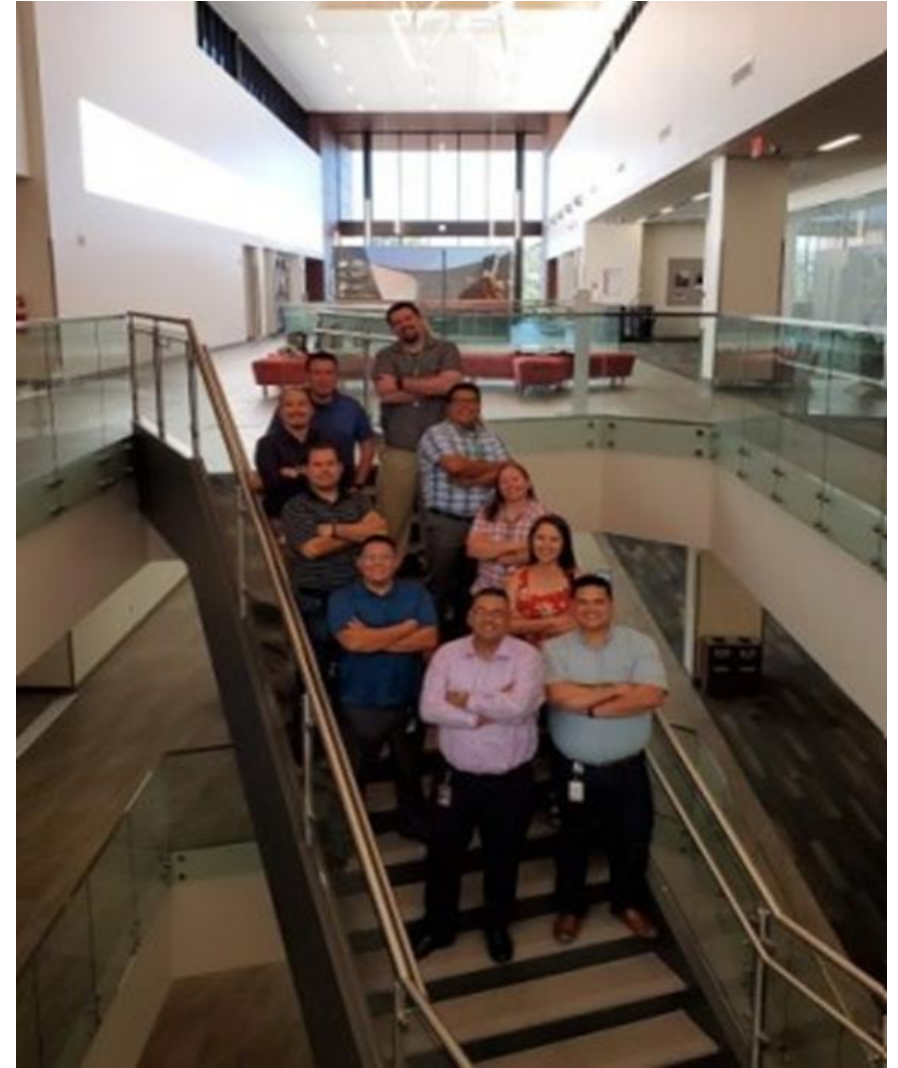
SRP Additional Transition Support – Navajo Nation

- Jobs and retraining for employees
- In-kind services - Energy planning and economic development assistance
- Support for Navajo Nation Energy & Natural Resources Economic Development Roadmap
- Navajo/Page/Coconino/University Economic Development Sponsorships
- Renewable energy projects
- Light Up Navajo



Jobs and Retraining

- Find jobs for every NGS employee at other SRP facilities
- 300 NGS employees retrained and redeployed
 - Collaboration strategy for workforce development in Page/Le Chee area near NGS
 - Northern Arizona Regional Re-Employment Center
- Created optional Apprenti Program
 - Retrained workers for technology field
 - Permanent position in technology field after apprenticeship



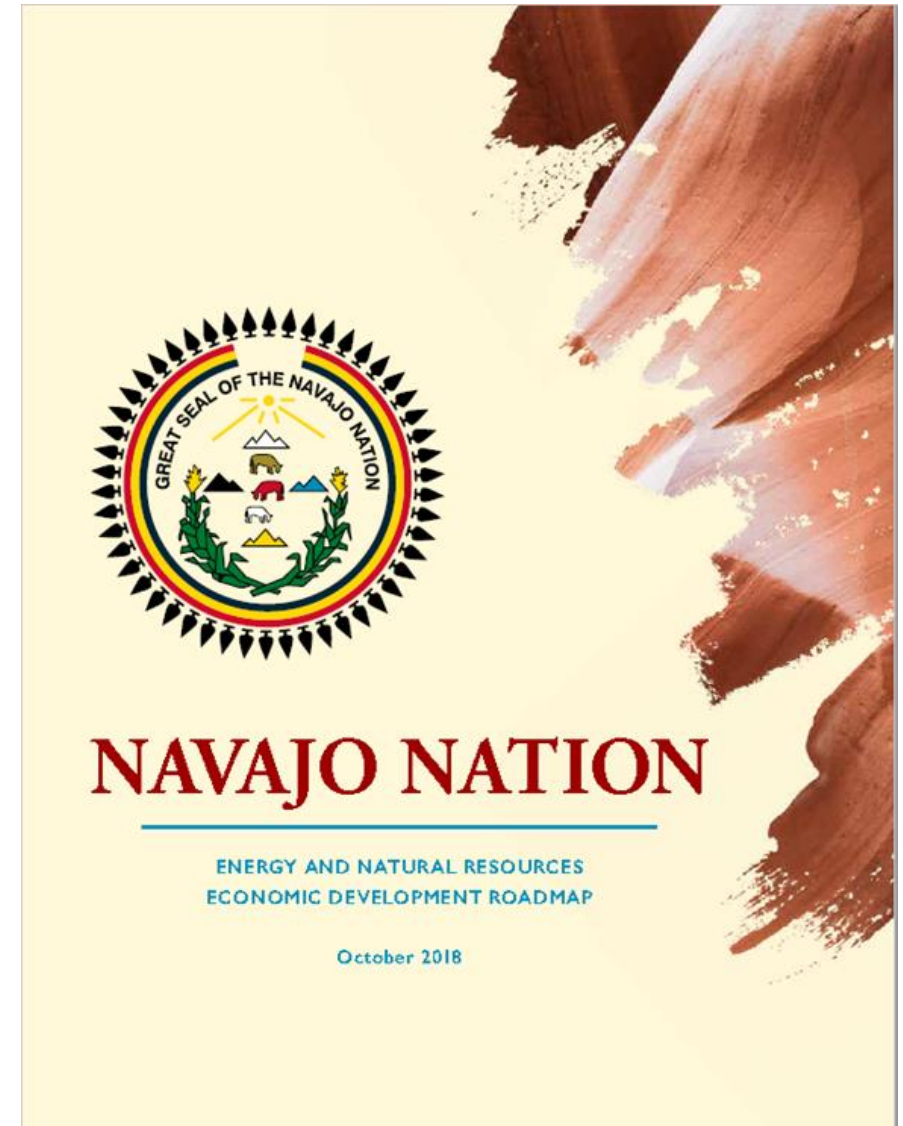
Economic Development

- SRP continues to support economic development
- Offering sponsorships, expertise and other assistance to:
 - Navajo Nation Economic Development Department and Division of Natural Resources
 - Northern Arizona University
 - Coconino County
 - Page



Energy Roadmap

- Created Energy & Resource Economic Development Roadmap
- Technical facilitator to determine options available for energy and natural resources economic development
 - Helium well drilling/production
 - Renewable energy development
 - Wireless telecommunications expansion
 - Solid waste landfill development
 - Environmental remediation
 - Sand & gravel mining/production



Education & Scholarship Support

- Resource to Navajo Nation and Page/Le Chee area by assisting with education opportunities
- \$75,000 grant to NAU supporting Tribal Environmental Education Outreach Program
- \$32,000 in scholarships to Navajo Technical University (NTU)
- Sponsored several Coconino Community College programs to train local workforce for high demand local jobs
 - Apartment Maintenance Certification Program
 - Pre-Health Program



Renewable Energy Projects

- Purchased power agreement with Navajo Tribal Utility Authority (NTUA) for Kayenta I and Kayenta II solar projects
- MOU with NTUA
 - Development of additional renewable energy projects on Navajo Nation
- RFP for up to 400MW of solar power
 - Seeking to site 200MW on Navajo Nation



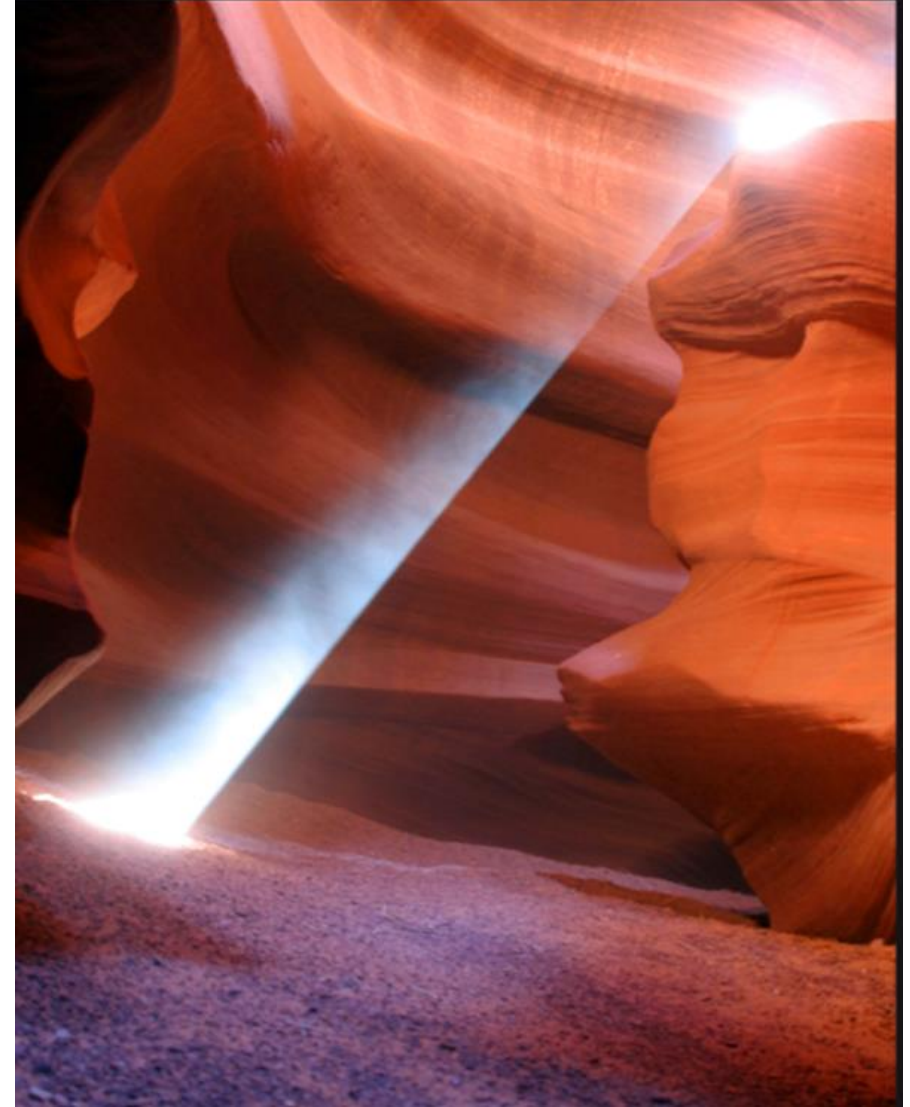
Light Up Navajo Project Support

- Participation in Light Up Navajo
 - Pilot program coordinated by NTUA and American Public Power Association
 - Provided two crews to help install distribution electric lines
- Initial effort lasted from end of April to mid-May 2019
- Continue to support annual program with Light Up Navajo
 - In early 2022, SRP line workers again spent several weeks on the Navajo Nation working to connect homes to electricity



Page Transition Assistance

- Created stakeholder group
- Funded Housing Study – quantifying need for housing for various socio-economic levels
- Provided technical expertise to create electronic library of available real estate and accompanying assets



Page Transition Assistance

- Developed strategic housing and planning initiative
 - Zoning audit
 - Land use map amendments
 - Design guidelines
 - Target industry analysis
 - New website highlighting City's long-range planning initiatives
- Created public art memorializing role of NGS in the city history



Lessons Learned from NGS

- Start as Early as Possible
- Impacted Community has to Lead
- Each Community is Different
- First step – Economic Impact Study
- Create Stakeholder Group
- Learn/Understand Community
- Small Things Can Make a Difference
- Focus on Direct Link to Economy
- Create Plan for Phasing out Corporate Giving
- Over Communicate – Internally & Externally



thank you!