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BEFORE THE ARIZONA CORPORATION COMMISSION

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Tom Forese, Chairman
Bob Burns, Commissioner
Andy Tobin, Commissioner
Boyd Dunn, Commissioner
Justin Olson, Commissioner

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RE: Arizona Energy Modernization Plan

Docket No. ~~EL~~-00000Q-16-0289

Diné CARE, Tó Nizhóni Ání and DinéHózhó (Navajo nongovernmental community organizations or Navajo NGOs) respectfully submit the following joint comments for review in response to the Arizona Corporation Commission's (ACC) consideration of the proposed Energy Modernization Plan. We are also signatories to comments on this docket being submitted by Western Resource Advocates (WRA) and the Southwest Energy Efficiency Project (SWEET), but thought it useful to submit separate comments that more fully present a Navajo perspective.

First, let us say that we are encouraged by the direction of the Energy Modernization Plan's underlying foundations and the ambitious roadmap it lays out for increasing the use of clean, affordable energy for all. In our view, the sooner we can clear the path for the inevitable transition from fossil fuels to clean energy, the better for the Navajo Nation, the state of Arizona, the nation and the world. Doing so will have sweeping environmental and economic benefits, helping clean up our air, land and water, decreasing wasteful depletions of vital water supplies and promoting a far more affordable and equitable system of energy generation and distribution than the current monopoly set-up. Most importantly from our perspective, the proposed transition to clean energy contemplated by the Energy Modernization Plan offers a potential opportunity for the Navajo Nation to move beyond the last half-century of forced dependence on coal to a clean energy economy that is far more aligned with Navajo cultural values and fundamental laws.

We urge the Commission, as it deliberates the specifics of the plan, to considering adopting both near- and mid-term targets for clean energy resource development commitments on tribal lands by taking advantage of freed up transmission capacity, contributing to economic development for both Navajo and Hopi tribal communities. After five decades of massive financial gain through the exploitation of Navajo natural resources, Arizona Public Service and Tucson Electric Power can and should be part of helping the Navajo Nation through partnerships on solar and wind projects, whether through ownership deals, power purchase agreements, third-party contracts or other arrangements.

Regardless of the specific financial mechanisms, the development of utility-scale and small-scale renewable energy on the reservation should be a priority for the utilities that have benefitted for the past 50 years from their stakes in Navajo Generating Station. The Navajo Nation is blessed with world-class clean energy potential, making it an ideal location to site new solar and wind projects with reasonable access to existing transmission to connect them with Arizona utility customers and western energy markets. The two utilities regulated by the ACC must be directed to return the favor by continuing to partner in clean energy development on the Navajo Nation in the future.

At a minimum, the Energy Modernization Plan should strive to ensure that APS and TEP both maximize the capacity they have rights to on transmission lines that cross the Navajo Nation with power from Navajo clean energy projects. That amounts to 300 MW of Navajo clean energy procured or developed by APS and 170 MW for TEP, which could and should be developed by 2025.

Beyond that, as part of the replacement lease keeping Navajo Generating Station operating until the end of 2019, the Navajo tribe is guaranteed access to another 500 MW of transmission capacity. The Energy Modernization Plan should include language that further directs APS and TEP to acquire additional Navajo clean energy capacity on these lines that is proportional to their current ownership stake in NGS, an additional 70 MW for APS (14%) and 37.5 MW for TEP (7.5%). That should be accomplished by 2030.

These modest totals should be minimums, and the two utilities could easily go beyond them, with benefits for both the Navajo and the companies' shareholders and customers.

That said, the devil is in the details. After five decades of being on the losing end of the inequities, injustice and harmful impacts of the current energy system, we are extremely cautious about recreating the same unfairness, just under a new name. Simply replacing coal-fired and gas-fired plants with solar and wind projects under the same centralized model – where the exploitation of Navajo resources is set up mainly for financial gains of corporate entities outside the tribe – is not satisfactory. As part of its responsibilities to the Navajo and Hopi, the Commission should structured the Energy Modernization Plan in a balanced way, ensuring that the fruits of clean energy flow to both to the tribe as a whole and to local communities.

Any system that ignores local input and benefits threatens to simply replicate the current imbalance. Benefits can take several forms. They obviously can be economic in nature, bringing both jobs and revenue to Navajo and Hopi communities. More directly, though, they must also include something most Americans now take for granted. Across the Navajo Nation, there are still roughly 20,000 Navajo homes that still lack electricity and indoor water, even with the West's largest power plant operating in their back yards. A percentage of power from projects developed in partnership with APS and TEPS must be made available to help electrify Navajo communities that have been left behind.

The final version of EMP should also be explicit in directing that new clean energy development be accomplished with appropriate cultural sensitivity to traditional uses like grazing and agriculture and on sacred sites. In many cases, grazing rights, irrigation and land-use have existed for generations, sometimes under formal agreements, other times not. These activities cannot simply be dismissed in the name of energy modernization and generating jobs and revenue, even if it is via solar and wind.

The partnership between APS and TEP and the Navajo tribe is now a half-century old. There is no reason it cannot continue for the well-being of both. This is possible through a well-conceived Energy Modernization Plan. We look forward to working with you on ensuring that the EMP is shaped in a way that will be sustainable for generations, benefitting both the tribes and the utilities.

Respectfully submitted to the ACC on April 23, 2018, by the authorized representatives of the following groups:

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