

**NGS September 2013 Update:**

**Competing proposals to reduce emissions from the Navajo Generating Station**

For background information on the Navajo Generating Station (NGS) and the EPA’s Regional Haze Regulations, please see our brief sheets, [NGS Emissions Review](#) and [NGS Part II: Proposed NOx emissions guidelines](#).

On February 5, 2013, the EPA proposed a new rule requiring NGS to install Selective Catalytic Reduction technology, to decrease its contributions to regional haze in several nearby national parks, including Grand Canyon National Park. They began the public comment period and encouraged groups to submit alternative proposals that would achieve greater emissions reductions. One month later, a Technical Work Group (TWG) consisting of representatives from two NGS owners (the Salt River Project and the U.S. Department of the Interior), the Central Arizona Water Conservation District, the Navajo Nation government, the Gila River Indian Community government, the Environmental Defense Fund and the Western Resource Advocates began devising a counter-proposal and came up with two alternatives. In Alternative A, the TWG essentially proposes to continue operating NGS on its current trajectory as two of its owners (the Los Angeles Department of Water and Power, and Nevada Energy) begin divesting from their ownership shares by 2020, effectively shutting down the equivalent of one unit. Alternative B provides a longer timeline for decreasing emissions and increased oversight to ensure compliance. From 2010 to 2011, SRP initiated a stakeholder process.

***A comparison of the EPA’s Best Available Retrofit Technology rule requiring SCR against the Technical Work Group’s (TWG) two proposals***

	<b>EPA’s BART, submitted to the EPA for review on July 26, 2013</b>	<b>TWG’s Alternative A</b>	<b>TWG’s Alternative B</b>
Proposal actions	NGS owners install Selective Catalytic Reduction (SCR) technology to control emissions on all three units by 2018 . If NGS voluntarily installs low-emission burners before the deadline then one SCR must be installed on one unit every year from 2021 to 2023.	Ownership changes occur as scheduled by 2019 and Navajo Nation does not purchase any ownership shares from divesting owners, reducing one or the equivalent of one generating unit within NGS by 2020.	Ownership changes do not occur as scheduled OR Navajo Nation purchases ownership shares from divesting owners, reducing one or the equivalent of one generating unit within NGS between 2020 and 2030.

Expected reductions impacts	Annual nitrogen oxide emission cap: 0.055 pounds per million British thermal unit	Achieve same amount of NOx emission reduction as BART. In addition, 30 day emission limits of 0.070 pounds per million on remaining generation by 2030.	Reduce NOx emissions equivalent to the shutdown of one unit from 2020 to 2030. Submittal, from 2020 through 2044, of annual implementation plans to the EPA to ensure reduction of emission greater than that proposed by BART.
Estimated economic impacts	The cost of SCR is estimated to be \$544 million. If this is not economically feasible, NGS owners might decide to shut it down. According to the NCPA, SRP electricity rates could increase by 1%.	In either case, stop all conventional coal generation by December 2044. Over all, either Alternative A or B provide for emission reductions greater than those if BART. It is proposed to save more than 1000 private sector jobs as well as money for water and power (Central Arizona Project is the largest renewable water resource in the state and gets most of its electricity to pump water from NGS.)	

According to an ASU study, estimates NGS and the Kayenta Mine will account for over \$20 billion in Gross State Product between 2011 and 2044, and contribute to over 3,000 jobs each year. The shutdown of NGS could seriously impact the local economy.

Both proposals within the TWG agreement also commit non-Federal NGS owners to establish a \$5 million Local Benefit Fund and the Interior Department to provide \$10 million each year, for 10 years from 2020 for Indian tribes to allay impacts from developments at NGS. The National Parks Conservation Association (NCPA) and the Sierra Club fear that the TWG alternative might not be enough to improve air quality and protect the environment (July 26, 2013, Cronkite News).

On September 25, EPA announced a supplemental proposal to the one released on February 5, 2013. Their proposal now includes the TWG proposal as an alternative. EPA invites comments on the initial EPA proposal as well as the supplemental proposal up to January 6, 2014. There will also be [open houses and public hearings](#) in November.

Look out for the latest information updates from EPIC on competing proposals to reduce emissions from the Navajo Generating Station.