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Tribal Leaders and United Mine Workers Call on Central Arizona Project Board to Show Good Faith in NGS Power Negotiations with Interested Investors

Nearly 5,500 Petitions Signed by Arizona Residents Ask CAP Board To Support the Transition of NGS to New Owners

Phoenix, May 3, 2018 – The Hopi Tribe and United Mine Workers of America today demanded that the Central Arizona Project (CAP) Board begin negotiations on a power agreement with investors that are evaluating an ownership position in the Navajo Generating Station (NGS) to operate the plant long-term.

The delegation – led by Hopi Chairman Timothy Nuvangyaoma and United Mine Workers Local 1924 President Marie Justice – asked the CAP Board to support the ownership transition by coming to the table to talk with potential NGS investors who indicate they believe they can meet all of CAP's power needs as the most cost-competitive and reliable provider of power.

The request was amplified by nearly 5,500 petitions the coalition presented to the board from Arizona residents who are asking the board to honor its obligation to take long-term power from NGS and fulfill its obligation to the tribes and taxpayers.

"The Hopi agreed to offer our natural resources to the Navajo Generating Station and the Central Arizona Project for the prosperity of Arizona based on assurances that we would receive sustaining revenues for the useful life of the mine and power plant over 70 years," said Hopi Chairman Timothy Nuvangyaoma.

"Once again we are asking the CAP board to set aside proposals to purchase non-NGS power and come to the table in good faith. At risk are 85 percent of the Hopi's annual revenues and 350 Hopi tribal jobs that support essential school, police, health care and veteran services across our villages."

"There is tremendous momentum toward new ownership that will protect thousands of jobs, hundreds of millions of dollars in annual economic benefits and keep families together on tribal lands," said Justice. "Why would the board authorize an action that it knows will devastate Navajo and Hopi economies when new investors have stepped up to deliver low-cost power? Hundreds of thousands of Navajo and Hopi people and thousands of tribal workers will be put in jeopardy if CAP walks away."

Enormous progress has been made in the past 30 days to transition the plant to new owners. Key progress points include:

- A new potential owner has been identified and confirms it can provide CAP's power at or below the lowest cost prices cited in the CAP's recent power solicitation;
- Arizona Governor Ducey signed legislation exempting NGS fuel from the state sales tax, contributing to the plant's competitive profile;
- Resources are being dedicated to assist potential investors with negotiations on agreements involving key stakeholders;
- Congressman Gosar hosted a hearing in Washington D.C., demonstrating Congressional support for continued operation of the plant; and
- The U.S. Department of the Interior indicates it will maintain its ownership position in the plant.

NGS was commissioned to run 70 years through 2044 and adds reliability and resilience to the electric grid at a time when natural gas prices are fluctuating. Premature shut down of NGS would spark higher power prices, electric reliability concerns and higher water rates, according to several studies.

If the plant shuts down prematurely, at risk are:

- 1,200 direct mine, power plant and Hopi jobs along with thousands of support jobs;
- More than 85 percent of the Hopi's annual general fund budget; and
- About 22 percent of the Navajo's annual general fund budget.

"Yes to NGS" is a broad coalition of industry, labor and consumer groups representing more than 100,000 U.S. businesses and organizations. Visit <u>Yes to NGS.org</u>, <u>Yes to NGS</u> on Facebook, and follow us on Twitter <u>@YestoNGS</u> to learn more.