

Navajos Look to Invest in Grid Connection

SUSAN MONTOYA BRYAN - Associated Press - Associated Press

A \$1.5 billion effort to link the United States' three major electricity grids has caught the attention of one of the country's largest American Indian tribes as it looks to enter the energy race.

Navajo Nation President Ben Shelly has met with developers of the Tres Amigas Superstation and sees the project as an opportunity for electricity generated on the reservation — which spans parts of Arizona, New Mexico and Utah — to reach other markets.

"Our future in Tres Amigas is to establish a connection to be a major energy partner and to bring a permanent stream of revenue to the nation," Shelly said in a statement.

Japanese investors and a European company well versed in integrating power markets have already signed on to the project, and Shelly's office is suggesting an investment of at least \$12 million in the project.

First announced in 2009, the Tres Amigas project includes building a hub across 22 square miles of rangeland in eastern New Mexico. It would serve as the meeting point for interconnections that serve the eastern and western halves of the U.S. and a separate grid that supplies Texas.

Such a hub would provide more opportunities for buying and selling electricity across the three grids. The transmission infrastructure around the project, if developed and expanded, could allow large-scale wind and solar projects in the Southwest and the Great Plains to access large power markets.

That's part of what the Navajos are banking on, Shelly spokesman Erny Zah said Tuesday.

Tres Amigas would open the door to more energy development on the Navajo Nation and a broader market for selling that energy, Zah said. The tribe could also establish its own distribution contracts.

While the president's office has yet to determine where the investment funds would come from, one possibility is an upcoming bond initiative. Zah said Shelly plans to work with the Tribal Council to find a way for the Navajo Nation to have a stake in the project.

Shelly's office has been working to revamp tribal energy policy that was first adopted three decades ago. Technology for developing electricity as well as the way energy is viewed has changed, Zah said.

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"We're looking now to become actual partners and producers rather than being dependent upon outside companies giving us lease fees and royalty fees," he said. "We're looking to be a player rather than being a dependent."

The Navajo Nation also recently signed a three-year agreement with Lawrence Livermore National Laboratory to look into carbon capture and sequestration, clean coal technology and renewable energy development on the reservation, among other things.

The tribe already has some wind and solar projects in the works through its utility authority, including the 85 megawatt Boquillas Wind Farm to be built on land owned by the Navajo Nation in Coconino County, Arizona.

The tribe also received more than \$347,000 from the federal government last month for a feasibility study to explore the potential for up to 4,000 megawatts of solar power generation on tribal land in northwestern New Mexico.

Shelly plans to be in eastern New Mexico this summer for the groundbreaking of the Tres Amigas project, which will be built in phases.

The project also has the support of New Mexico lawmakers. A package of tax incentives recently signed into law by Gov. Susana Martinez clears the way for the company to locate its headquarters and an associated trading floor in the state.

"The support behind this speaks well for the company. This isn't a fly-by-night proposal," Zah said.

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