Proposal Targets Pollution at Navajo Power Plant

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FLAGSTAFF, Ariz. (AP) — The federal government is proposing new limits for pollution from a coal-fired power plant on the Navajo Nation that it says will improve visibility at places like the Grand Canyon, but it could come with a price tag of more than $1 billion, according to the plant's owners.

The U.S. Environmental Protection Agency gave notice in 2009 that it was considering whether to require upgrades to pollution controls at the Navajo Generating Station in Page. The proposal unveiled Friday would reduce haze-causing nitrogen oxide emissions at the 2,250-megawatt plant by 84 percent, or 28,500 tons per year.

"When Congress created the national park system, the goal was to provide natural beauty in wilderness areas," said EPA regional administrator Jared Blumenfeld in San Francisco. "That would be an experience that would be very different than from in a city, that you would be able to see natural beauty unimpeded by smog, unimpeded by levels of pollution. If you can't see the vistas that the park was founded on, that's an issue."

The federal government created the power plant to ensure a low-cost water supply for the Central Arizona Project, which delivers Colorado River water through a series of canals to Arizona's major metropolitan areas. It also fuels the economies of the Navajo and Hopi tribes and fulfills water settlements with other American Indian tribes.

The proposal doesn't mandate a specific technology for cleaning up the power plant but acknowledges that installation of selective catalytic reduction, like catalytic converters on an automobile, would meet the limits. The Salt River Project, which operates the plant, has argued that requiring anything beyond the low nitrogen oxide burners already on the three generating units would result in negligible improvements to air quality.

The EPA would give the plant owners an additional five years, until 2023, to make the upgrades under its proposal. That would allow Salt River Project to complete negotiations with the Navajo Nation on a lease for the power plant that is set to expire in 2019, and to secure other right-of-way agreements.

Kelly Barr of Salt River Project said while the utility appreciates the flexibility, it is concerned with an emissions limit she said is one of the most stringent she has seen in the country.

"They've given with one hand and taken away with the other," she said.

The public has about 90 days to comment on EPA's proposal, which includes

alternatives that would push the implementation date farther out than 2023. Erny Zah, a spokesman for the Navajo Nation, said the tribe would like the most time possible for upgrades to preserve jobs.

The plant's owners have discussed shuttering the plant if they don't secure the site lease and if they decide it doesn't make economic sense to continue. A shutdown would have a cascading effect across the state.

The Hopi Tribe would lose a hefty amount of money from coal royalties, while the Navajo Nation would lose about $48 million a year from lease payments, taxes and royalties tied to the power plant and the Kayenta Mine, which feeds the Navajo Generating Station. A largely American Indian force of more than 1,000 workers at the power plant and mine would lose their jobs.

The U.S. Bureau of Reclamation, which is majority owner of the power plant, would have to purchase power on the open market to continue supplying water to the state. The utilities that share ownership likely could replace the power through other generating facilities they own. They rely on the plant for between 9 percent and 26 percent of their electric supply, according to a study by the National Renewal Energy Laboratory.

The study found that installing the more expensive pollution controls would be cheaper than shutting down the plant and replacing the power with other sources in the West. The Central Arizona Project said energy rates could rise by $16 per acre-foot of water, or 32 percent over 2010 rates, under the most stringent controls.

Salt River Project said electricity rates for residential users also would rise to cover the investment. The $1.1 billion estimate includes selective catalytic reduction and filters to control particulate matter.

Environmentalists, meanwhile, say they're tired of the doomsday predictions, and that Navajos and Hopis living near the plant shouldn't have to suffer with the pollution so that Arizonans elsewhere can have cheap energy and water. They've been advocating for the plant to transition from coal to renewable energy.

"We applaud EPA for requiring this long overdue cleanup of this dirty coal plant, which for decades has harmed human health and marred one of the nation's most iconic parks, the Grand Canyon," said Andy Bessler, of the Sierra Club.

The U.S. Department of the Interior recently announced that it would complete a second phase of the National Renewable Energy Laboratory study to look at sustainable energy options for Navajo Generating Station and would create a working group to develop a roadmap for the power plant.

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