

The Navajo Generating Station and the Future of Central Arizona Project

What is the Issue?

- The U. S. Environmental Protection Agency (EPA) is considering imposing new emission controls at the Navajo Generating Station that could cost CAP and its partners as much as \$1.2 billion to install and operate.

How does this affect CAP?

- Central Arizona Project is the largest single user of electricity in Arizona. The CAP system uses as much power in a year as 200,000 average Tempe homes.
- Why? Because between the intakes at Lake Havasu and the end of the system south of Tucson, CAP lifts Colorado River water approximately 2,800 feet over a distance of more than 336 miles. Last year, CAP delivered about 500 billion gallons of Colorado River water to Central and Southern Arizona.
- About 95% of CAP's energy is produced at the coal-fired Navajo Generating Station (NGS) near Page, AZ.
- As with all power plants, the NGS must meet federal and state air quality standards. CAP and its partners have already spent more than \$400 million dollars over the past 20 years to reduce emissions.
- The partners are currently installing new, cost-effective emission controls at NGS at a cost of \$46 million.
- The more expensive technology being considered by the EPA will provide only minimal additional benefits.

Why is this Important to Me?

- Every additional dollar that CAP spends on power means that the cost of water must also increase. Those costs will largely be passed on in higher rates or property taxes to CAP customers and the residents of Maricopa, Pinal and Pima counties.
- If the higher costs force the NGS to close, CAP customers could see a doubling or tripling of CAP water rates.

What Can I Do?

- The EPA is considering the comments it received in late 2009 and early 2010.
- CAP continues to engage elected officials, stakeholders, and governmental agencies in influencing the EPA to apply due weight to the economic impacts of its rule for NGS.
- A consensus-building process with many stakeholders began in January.
- These facilitated stakeholder discussions will provide more information to EPA.
- EPA expects to release its ruling sometime in 2011.
- At that time, a new public comment period will begin. We will publicize the opportunity for you to weigh in.

Where Can I Get More Information?

- If you would like to learn more about these issues, or sign up for future updates, please visit:
www.CAPSmartEnergy.com.

