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## ARIZONA CORPORATION COMMISSION

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### **Commission Investigates Future of Coal Industry and Navajo Generating Station**

(Phoenix) In a timely workshop, with major economic impacts both in Arizona and across the United States, the Arizona Corporation Commission took a deep dive into the coal industry and its direction for the future.

The workshop, organized by Chairman Tom Forese, included presentations from Peabody Energy which is the world's largest private-sector coal company. This workshop comes as the Commission is exploring the future of the Navajo Generating Station. That Station is a 2250 mega-watt-coal fire plant on the Navajo Indian Reservations near Page, and is slated to close in 2019 as competition increases with more cost-effective energy sources like natural gas.

"Today's presentation was very informative. Coal and the Navajo Generating Station play an important role in the diversified energy portfolio of Arizona," said Chairman Tom Forese. "We also need to be cognizant of the world class poverty in that part of our state and what the loss of jobs in this area would mean to Arizonans."

Peabody Energy representatives presented findings from a third-party study showing how the Navajo Generating Station can continue to be competitive with natural gas and other coal-fueled plants through 2040. The findings included examining the potential for new plant ownership to protect thousands of Arizona jobs. The Station is owned by Salt River Project (SRP), Arizona Public Service Co. (APS), Tucson Electric Power (TEP), and NV Energy and supplies power to customers in Arizona, Nevada, and California. Between the station and the Kayenta mine, more than 3,000 direct and indirect jobs are at stake if the plant closes.

"Each job represents multiple families because each person that works at the mine or the plant supports not only immediate family but extended families. They contribute a lot to our communities. It's a huge loss for us," said Navajo Nation President Russell Begaye.

Peabody proposed a reduced-price fuel proposal and a long-term analysis of the plant's economic performance.

"Peabody's fixed-price proposal represents a very competitive cost of fuel versus alternate generation sources and demonstrates our commitment to finding solutions that will keep the plant operating for the foreseeable future," said Peabody President, Americas Kemal Williamson.

The future of the coal industry is facing many challenges in the wake of environmental regulations and competition with more cost-effective energy sources like natural gas.

The workshop can be viewed in the video archives at the Arizona Corporation Commission website at [www.azcc.gov](http://www.azcc.gov).

*Established by Article 15 of the state's constitution, the Arizona Corporation Commission is responsible for the regulation of public utilities, overseeing the incorporation or registration of companies wishing to do business in Arizona. Additionally, the Corporation Commission registers and oversees securities offerings and dealers, and enforces railroad and pipeline safety. The five commissioners that make up the Commission are elected by the people of Arizona for a four-year term, with the option of serving for two consecutive terms. To learn more about the Arizona Corporation Commission and the Commissioners, please check out <http://www.azcc.gov/Divisions/Administration/about.asp>*