

EMPOWERED TRANSITION

FINAL REPORT

- 50 YEARS OF INJUSTICE -
HOW TO ENSURE A JUST & EQUITABLE TRANSITION
FOR COAL-IMPACTED COMMUNITIES



*Explosions bring down the three smokestacks at Navajo Generating Station
©Adrian Herder, Tó Nizhóní Ání*

BACKGROUND



Several communities in Arizona are already – or will soon be facing – the economic hardships that come with utility decisions to shut down coal-fired power plants and mines early. As a result, Tribal and rural communities are being left with unprecedented economic and environmental challenges after utilities and their shareholders have heavily profited off the land and people for decades. Former miners are being forced to leave their families to find work elsewhere, small businesses are struggling, much of the land is left poisoned, and the ravages of climate change have impacted crops and agriculture while too many families still have no electricity or running water.

But it doesn't have to be this way.

At the beginning of 2021, the Arizona Corporation Commission (ACC) initiated a proceeding on Just and Equitable Transition (JET) to address the impact of the closures of fossil-fired power plants on Tribal and rural communities and to develop a policy to guide the role of the regulated utilities. After all, if it weren't for the sacrifices made by these Tribal communities over the past 50+ years, Arizonans wouldn't have reliable power, AC, heat, or water, and it's possible Phoenix wouldn't even exist.

Any policy that addresses impacted communities **must** be developed in consultation with the community members who are directly impacted. *That's where the Empowered Transition initiative comes in.* This year we visited communities, hosted virtual town halls, and worked with several organizations to listen to and **elevate the voices of those directly impacted.** Because the Arizona Corporation Commission did not hold any workshops or public-facing opportunities for JET, we felt it was vital to bring the messages of the people to the regulators.

COMMUNITY TOWN HALLS

In June and July 2021, the Empowered Transition initiative hosted five virtual town halls with coal-impacted Navajo, Hopi, rural communities and businesses, state and federal lawmakers, and Arizona ratepayers.

These virtual town halls provided a safe forum for individuals and organizations to let the ACC know how their lives and livelihoods have been impacted by coal and mining in their communities, what has been lost both before and after the closures, and what they'd like to see for the future.

The town hall meetings were live-streamed on Facebook and recorded, with comments transcribed and submitted to the ACC docket. In total, more than 50 individuals participated, including federal and state legislators, local business owners, elected officials, Navajo and Hopi tribal members, union workers, non-governmental organizations, and individual Arizona ratepayers.



NOTABLE QUOTES

"I think it's time that the Arizona Corporation Commission realize that it's time for them to step up. Step up and also to pay it forward for what is needed right now for our people out on the Hopi and Navajo reservation; since they receive the benefits for the mining and the electricity, that (lights) their cities down in Phoenix and of course in California and Nevada. I think it's time for them to think about how can we now help the Hopi tribe and the Navajo tribe in this transition to a more and better (economy), on both reservations, and agreeing to build infrastructure to provide water to our villages, and also to help us to build renewable energy projects on the reservation, which we are open to at this time."

— Leon Nuvayestewa, Hopi Tribal Member

"I want to ask and hope and pray that this doesn't happen down the road. For places that are still functioning for small, especially in small communities, the border communities, if you will, the companies can't just come in and take what they want and leave. And we've been dealing with this for decades, maybe hundreds of years, long, long before I came along before most of you all came along. Some of you aren't that old, but hopefully somebody can get, can make the point a reality that, that there aren't people just kind of cast by the wayside when this happens. - Hopefully the right people were listening. Hopefully everybody will take part in tomorrow and the next day and on down the road."

— Chris Shores, Owner of Slackers, a restaurant in Page, Arizona

NOTABLE QUOTES

"Over the last years many coal-fired power plants in our area have been shutting down. We have seen a decline in our union membership, with ours contributed to by our pension and other benefits. A decline in the belief of union labor because we cannot provide them with enough jobs and job security moving forward... Promises were made to the communities and tribes to allow Arizona to grow and thrive on the backs of the workers and the land and the resources, the promises need to be kept."

— Jacob Evanson, Business Manager/Secretary Treasurer, Boilermakers Local 627

"In a broad scope about 50 years ago plus, well, longer than that, when coal was discovered on our tribal land, We were promised a lot of things and we were promised that good things would come our way. We had some issues within the tribe - the questions about who signs the lease, things of that sort. But anyway, so mining started, our traditional people actually opposed the idea because things that might happen. Like what we're seeing today with the impacts on the, the aquifer, the, the impacts on the ecology and the impacts on the wildlife and plant life and those kinds of things in the environment, air quality, all of those things. And then also, furthermore, the remains of our ancestors were taken, or simply blasted away. And so, these are kinds of things in the similar things on the Navajo Nation side, people were displaced, because now you got a coal mine in the area. So, what I'm getting at is that the Navajo and the Hopi people sacrificed a lot of their resources."

— Ben Nuvamsa, President of KIVA Institute, LLC & Former Hopi Chairman

NOTABLE QUOTES

"I wanted to direct my comments to the Arizona Corporation Commission and just remind them that there's a major decision before them that is critical to coal impacted communities. It will determine how well these communities are able to move forward and mitigate the economic losses due to the coal plant and mine closures. Many of these communities have been reliant on the coal economy for the duration of the plant and the mine and in many ways, this was intentional on the part of the utilities and federal entities who brokered these leases. Otherwise, there would've been provisions in place to protect and conserve Navajo water and alternative plans when the data showed that both the river and the aquifer were showing adverse impacts. This is an example of how the state of Arizona, the government, needs to work for all of Arizona not just some Arizonans. This is clearly an intentional decision that would adversely affect and impact indigenous communities in Northeast Arizona far into the future."

— Nicole Horseherder, Founder, Tó Nizhóní Ání

"When a major industry leaves a community with such short notice, there is no time to be able to come together and figure out what to do. Instead it's just pure shock for a while. People just not believing that they have lost their job or they have to move now, what do we do with our children? What do we do with our animals? What do we do with our house? What do we do? You know, people scrambled to figure out what to do that was really, really a hardship on them. Also during the pandemic, they were not allowed to come home and that created a huge stress on them. And so it's just one after another that there's this trauma that is happening. And so it's a very, very difficult situation that we're in right now. And I pray that these companies have a corporate responsibility to the communities that they left behind."

— Coconino County Supervisor Lena Fowler

PUBLIC ENGAGEMENT

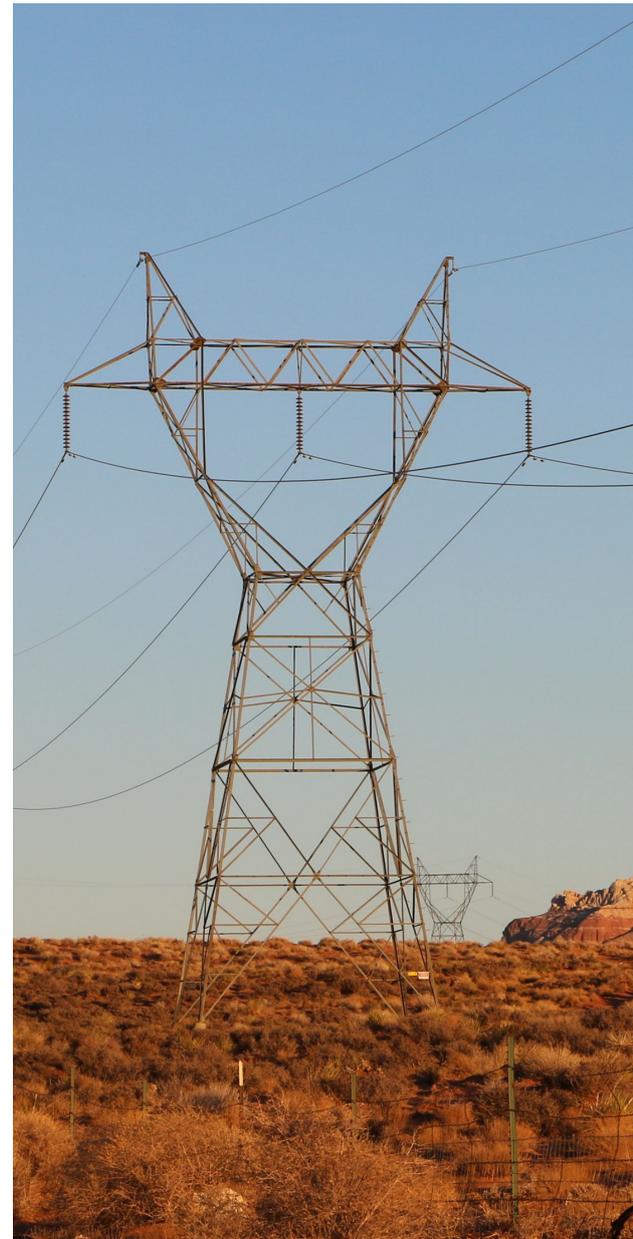
There is broad public sentiment to support Just and Equitable Transition for coal-impacted communities, nationally and locally.

In addition to the virtual town halls, Empowered Transition worked to visit communities and people to hear their concerns first-hand when possible, teamed up with other organizations to assist in educating the public on the issues, and collected video testimonials of coal-impacted community members.

To date, more than 100 Arizona ratepayers and additional concerned citizens have filed letters of support for Just and Equitable Transition into the ACC docket and have asked for action on this matter without further delay.

"People who have lost jobs need help to transition to other ways to make a living. Can you help them?"

-Mary Wolter, Prescott



KEY TAKEAWAYS



- 01.** For decades, coal-impacted communities have dedicated their people and resources to ensure a reliable supply of electricity so that Arizona could grow and thrive.

- 02.** The operations of coal-fired power plants have had significant impacts on communities both positive and negative; providing stable, well-paid jobs and much needed tax revenue - but also depleting and polluting local water supplies; and emitting toxic pollutants that have threatened the health and livelihoods of vulnerable community members, children and workers.

- 03.** Utilities, their shareholders, and their customers have benefited from these communities for decades and have an obligation to ensure that proactive steps are taken now to help them transition to new, post-coal economies and remediate and restore the land. As a start, utilities and their shareholders must provide significant funding to help the coal-impacted communities plan and adapt.

- 04.** Plans and funding to support the economic transition of impacted communities cannot happen overnight and should be developed in consultation with those who are directly and indirectly impacted. It is necessary and appropriate to bring together affected constituencies, plant owners, regulators and other stakeholders to begin discussions well in advance of power plant closure in order to resolve issues and minimize the negative effects of closure.



Photo: Credit: Adam Ferguson for TIME Magazine

- 05.** Impacted community members are invested in their communities and seek solutions that will enable them to live, work, and thrive in the places that they call home.

- 06.** Utilities have a corporate, moral and ethical responsibility to ensure that land and natural resources they have impacted are fully restored and must fulfill their corporate decommissioning and remediation commitments.

- 07.** A Just and Equitable Transition away from fossil fuels must include access to running water, telecommunications, and electricity infrastructure for impacted community members. Finally.

- 08.** A Just and Equitable Transition away from fossil fuels must include the full restoration of water rights to the Diné people and the Hopi Tribe.

- 09.** Any sacred sites desecrated due to electricity production and generation, including coal mining that supplied fuels for power plants, must be acknowledged and if possible, restored.

- 10.** A Just and Equitable Transition away from fossil fuels must include investment in clean energy and emerging technologies in coal-impacted communities. These investments should be deployed with the use of unionized labor, displaced workers, and/or businesses and individuals located in impacted communities.

RECOMMENDATIONS

The Empowered Transition campaign is pleased to share these initial recommendations in response to the input of impacted community members.

- The ACC should immediately approve any Just and Equitable Transition agreement brokered between utility owners and affected communities, including the agreement negotiated between the Navajo Nation and Arizona Public Service Company (APS). The Commission should also direct Tucson Electric Power (TEP) to immediately broker a commensurate agreement and file it for the Commission's review and approval as part of the utility's pending rate case. At a minimum, such agreements must include sizable financial support for impacted communities, supported by both the utility and its ratepayers.
- The ACC should immediately approve and implement the Clean Energy Rules, including the provisions that direct regulated utilities to give preferential treatment to clean energy resources sited in impacted communities. In the development and implementation of these projects, utilities should make all reasonable efforts to hire unionized labor, displaced workers and/or contract with/employ businesses and individuals located in impacted communities; and should strive to structure any decisions in a way that delivers direct economic benefits to impacted communities.
- In consultation with impacted community members and workers, the ACC should direct utilities to develop an Impacted Community Bill of Rights to be reviewed and approved by the Commission. Among other provisions, this Bill of Rights should require utilities to give at least 5 years notice of any planned or potential closures of fossil plants and mines, including job descriptions of those being laid off and information on any support the company plans to offer.

RECOMMENDATIONS

- The ACC should direct both APS and TEP to provide funding and resources, including support for independent facilitation, to convene a task force in each community that has, will or may be impacted by the early closure of fossil plants and mines over the next decade. Each task force should be composed of representatives of key impacted constituencies and other interested stakeholders. No later than December 31, 2022, each task force should develop an action plan outlining the utility's obligations to support the impacted community's Just and Equitable Transition. This plan should be updated annually by the task force.
- The ACC should direct APS and TEP to conduct a comprehensive review of all company policies and programs to incorporate provisions to support the economic development of coal-impacted communities, including but not limited to line extension policies, energy efficiency programming, water rights, land restoration/remediation, transmission agreements, etc.



CONCLUSION

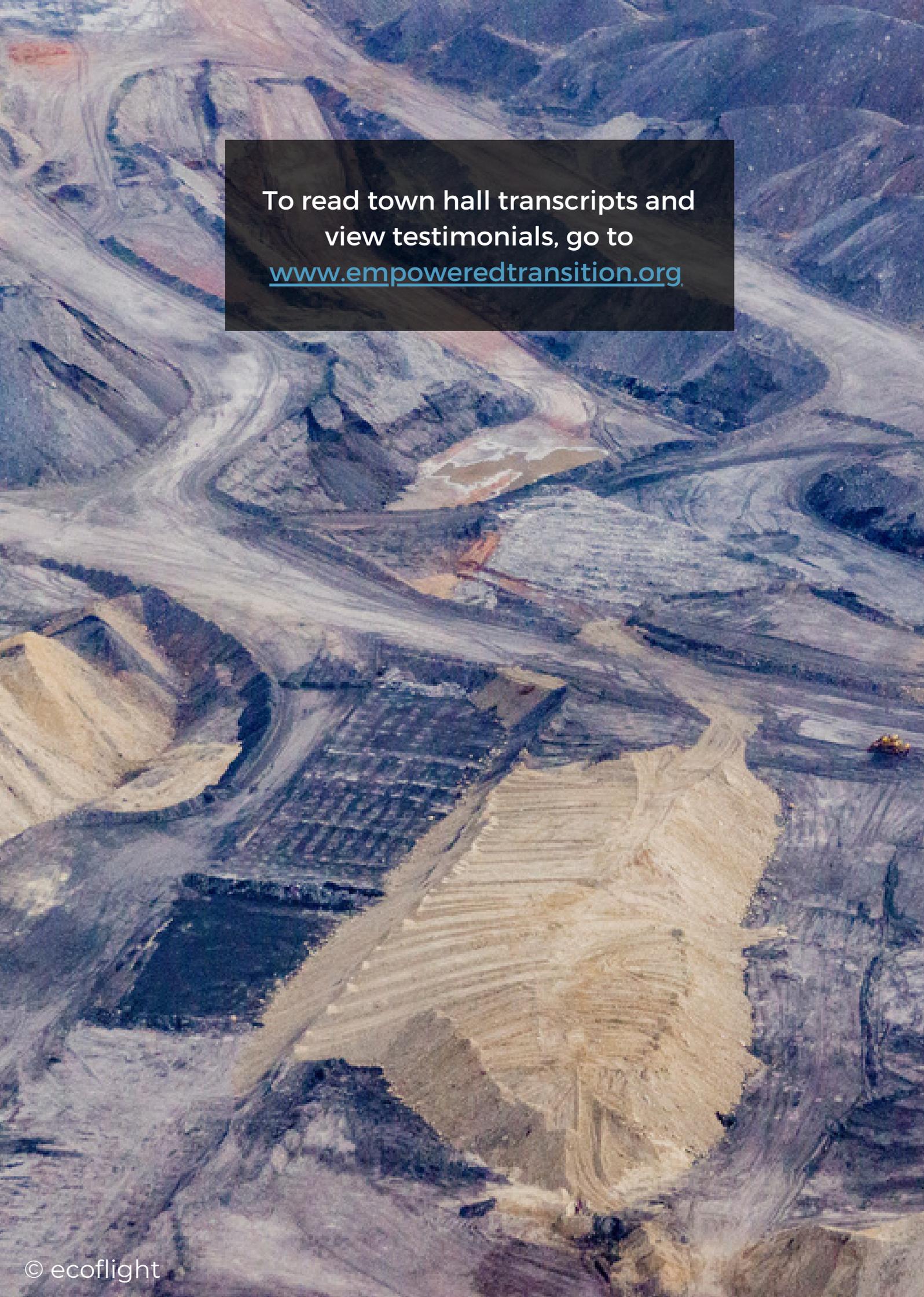
Arizona has been a state for 109 years. For half of that history, coal was both the main source of electricity for families and business and the economic foundation for most of northern Arizona. That is swiftly changing, with utilities making bottom-line, boardroom decisions to close down coal plants that are no longer economically competitive and replace them with more affordable clean energy resources. There are significant economic and environmental upsides to this transition, but there also is a significant downside that so far has been ignored by decision-makers.

Namely, the retirement of coal plants and mines leaves behind the communities – often rural and isolated – where such facilities are located. Plants and mines are often the largest employers and sources of tax revenue in places such as Page and for the Navajo Nation and Hopi Tribe. When they are closed abruptly, such as the case for Navajo Generating Station, which shut its doors for good in 2019, the blow to local economies is harsh.

It is now firmly established that utilities have a corporate responsibility to help these coal-impacted communities land on their feet. The ACC has acknowledged as much, but to date has not taken any meaningful action to provide any assistance. Meanwhile, those whose sacrifices made cheap electricity and water available to the rest of Arizona continue to suffer the harsh economic realities of having an industry pull the rug out from under them.

Stories from those who are feeling these impacts most directly should serve as a wake-up call to the ACC to do something. They are a potent reminder of the real people and the hardships they are suffering that we all should be thinking about every time we turn on a light or plug in a cell phone. It's well past time to begin putting real assistance on the table and stop stalling under the guise of needing more “study” and “meetings” to avoid having to make difficult decisions. **Communities need assistance now.**

There is no excuse for delaying this support any longer. The ACC has solutions staring it in the face. APS has proposed a Just and Equitable Transition package that will provide significant support to Page, to the Navajo and Hopi, and to communities around its Cholla plant, which is scheduled for closure in four short years. Other Arizona utilities must also begin thinking about similar types of support. Anything less than fully funding transition efforts that will help these communities rebuild themselves is a negligent disservice to tens of thousands of Arizona residents.



To read town hall transcripts and
view testimonials, go to
www.empoweredtransition.org