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Keys to Navajo Generating Station lease site handed over to Navajo Nation as SRP departs

LeCHEE, Ariz. – After nearly 55 years, the land that was leased by the U.S. Bureau of Reclamation and five utilities to build the huge Navajo Generating Station has been returned to the Navajo Nation.

On March 18, Lemuel Brown, the Salt River Project on-site supervisor of decommissioning, handed over the gate keys to Jason John, director of the Navajo Nation Dept. of Water Resources and chairman of the Navajo Nation Consultation Team that oversaw the decommissioning process.

“That pretty much concludes everything we had,” Brown told a small group of people from SRP, LeChee Chapter, the City of Page and the Navajo Nation.

With that, the removal of a 45-year-old power plant that employed thousands of Navajos from construction through demolition is complete. All that remains are the buildings and assets the Nation chose to keep. Once paperwork is reviewed, an official turnover of the lease site will take place in about 120 days.

Since December 2020, shutdown, decommissioning, demolition, reseeded and restoration turned the 2,250-megawatt coal-fired power plant site into as

natural a condition as possible. Only a few of many former buildings remain.



Lemuel Brown, SRP Supervisor of Decommissioning, hands the keys to the NGS site to Jason John, director of the Navajo Nation Department of Water Resources. With them are former NGS Plant Manager Joe Frazier and Navajo Nation Council Delegate Helena Nez-Begay.

The only presence SRP will continue is to environmentally monitor its deep wells for 35 years.

Since the plant’s demolition, the first building to be occupied is the large NGS warehouse that is now the location of ZenniHome, a manufacturer of factory-made, high-tech housing.

Next to come is for the Navajo Nation Division of Economic Development to decide how to make use of the other assets.

“There’s really not a whole lot,” said Elaine Young, manager of the DED Small Business Development Department. “The proposals are coming in and we’ll have to RFP it out.”

That means the division will soon begin to accept proposals from businesses, other Navajo divisions and Coconino County, all which presumably want the buildings and railroad for tourism, solar energy projects, workforce development or employee training.

“DED will be looking for a return to the Nation,” she said. “That is the key. It’s not easy. We know you’re going to put in close to a million dollars for the new infrastructure.”

Ms. Young said the power plant produced its own electricity, pumped its own water from Lake Powell and disposed of its own wastewater. Those services will now need to be brought in by those who lease the facilities at their expense.

An RFP – Request for Proposal – is a documented process that invites potential vendors or business to propose a use for a property. It describes specific objectives, scope, criteria, and the requirements of the proposed project or business.

A contract and permit is issued after a formal evaluation is completed.

To date, Ms. Young said, interest is growing for use of the NGS buildings and tracks but no RFPs have been received.

Who receives permits to use the facilities, she said, will depend on the proposed project’s financial return to the Navajo Nation.



Navajo Nation Council Delegate Helena Nez-Begay looks across the now-clear NGS lease site to LeChee Rock toward the area 30 miles away where she grew up.

“It’s going to be leased and rental payments based on the appraisal of the facility,” she said.

The only other NGS assets remaining are the NGS Administration Building, Maintenance Building, Railroad Dispatch Building, Engine House and the railroad track. NTUA will take possession of the power plant’s huge lake pumps.

It was once thought this day wouldn’t happen until 2044. In 2015, the Navajo Nation Council voted to extend the original NGS lease for another 25 years when it expired in December 2019.

But in February 2017, former SRP CEO Mark Bonsall traveled to the power plant to announce to its employees that the remaining five utility owners decided to close NGS for economic reasons, after all.

The plant had completed an exhaustive environmental impact statement to continue operating with a positive result called FONSI, or Finding of No Significant Impact.

Later that year, the Council approved another lease extension for five years so NGS could continue to operate through the end of its lease in 2019. That allowed time for NGS’ mostly Navajo employees to



SRP Civil Engineer Mario Gorman describes the dark erosion berm beyond the former site of NGS evaporation ponds to Page Mayor Bill Diak.

redeploy to jobs at other SRP facilities, and for demolition of the plant to start.

Throughout most of the plant's life, few knew that putting a coal-powered plant on the Navajo Reservation was an environmental decision to prevent two more hydroelectric dams from being built on the Colorado River in the Grand Canyon.

One site was at Marble Canyon, 40 miles downstream from Lees Ferry, and the other was at Bridge Canyon, 235 miles downstream. Large cave size drill holes for these sites can still be seen by river runners.

Opposition to the dams from the environmental group, the Sierra Club, caused then-Interior Secretary Stewart Udall to propose the NGS site on Navajo land.

Although the state of Utah also wanted it and had ample coal to supply it, Udall wanted the plant where it was built to provide employment for Navajos, make

use of the tribe's plentiful coal source on Black Mesa, and bring revenue to the tribe. The location had access to the water source of Lake Powell and a suitable work site of the new town of Page, Ariz., that was founded in 1957 to build the Glen Canyon Dam which was completed in 1963.

Like the dam, the principal owner of the new power plant was the U.S. Bureau of Reclamation. It needed a power source to provide electricity for the proposed 336-mile Central Arizona Project, authorized by President Lyndon B. Johnson in 1968. Even now, the CAP is Arizona's single largest user of electricity and delivers the state's largest supply of water to 80% of its population.

So, on May 27, 1969, the Navajo Tribal Council voted 46-0 to lease land in LeChee Chapter to the Bureau, SRP, Arizona Public Service, Tucson Gas & Electric Co., San Diego Gas & Electric Co., Nevada Power Co. and the Department of Water and Power of the City of Los Angeles.

Construction of the three-unit, 2,250 megawatt power plant began in April 1970 after the \$650 million contract was awarded to the Bechtel Corporation.

NGS' generating units 1, 2, and 3 went online in 1974, 1975 and 1976.



The NGS site as it was in November 2019 when operations ceased. The only visible assets remaining are the Administration Building and Warehouse in red circles, and railroad, red line at left.