Renewable Energy Development: Partnerships

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Partnership Development

- NTUA has worked with various entities to develop partnership opportunities
  - Seek Out Municipal Utilities, Cooperatives, Investor Owned Utilities and Developers
    - Kayenta Solar Project – NTUA has sold displaced energy and renewable energy credits to Salt River Project
    - NTUA Wireless – NTUA entered into project development agreement with Commnet, wherein NTUA maintains 51% ownership for a last mile wireless communications services
  - NTUA has taken on a leadership role in developing renewable energy projects within the Navajo Nation
    - To address some job and economic losses from reduction of the Navajo Nation’s coal economy
    - Promotes skills enhancement and renewable workforce development
Projected Impact From NGS Partial Closure

- Navajo Generating Station
  - 2250 MW coal-fired plant, located in the Navajo Nation
  - Over 70% the employees are Navajo
  - Looking at approximately 750MW of closed production by 2020
    - At approximately 100 Navajo employees at the plant projected to lose their jobs
  - Navajo Nation projected to lose $4.75M in revenue annually
    - Could result in the furlough of 50 NN government employees
  - Kayenta Mine supporting the plant will experience at least a 30% reduction in jobs, which is approximately 80 employees.
  - Projected energy use reduction by Kayenta Mine would result in a 33% increase in NTUA’s residential customer electric rates
  - 230 JOBS WOULD BE LOST!
CUMULATIVE NEGATIVE ECONOMIC IMPACT

- Average per capita income is $10,695, compared to the U.S. average per capita income of $27,915.
- 38% of the population live below the poverty line.
- Unemployment has remained at 52% since 2005.

THE PROJECTED NEGATIVE IMPACT TO THE NAVAJO ECONOMY:

- AT LEAST 950 LOST JOBS
  - Unemployment rate will increase above 52%
- +$24M OF ANNUAL REVENUE LOSSES TO THE NAVAJO NATION FROM LOSS OF COAL MINE ROYALTIES
- NTUA CONSUMER ELECTRICITY RATES PROJECTED TO INCREASE BY NEARLY 10%
RENEWABLE ENERGY – VALUE PROPOSITION

• Seeking to mitigate negative economic impacts from reduced capacity of coal-fired generation facilities
• Seeking to strengthen and diversify Navajo economy
• Seeking to address wide-ranging Economic Benefits to the Navajo Nation, the Local Community, the Navajo People, and NTUA
  – NTUA seeks to create some green jobs for Navajo residents
  – Seeking to create Navajo Nation tax revenue
  – Would provide local – Chapter tax revenue
  – NTUA seeks to maintain lower rates
• Positive Environmental Impact Resulting from NGS sun-setting
• NTUA can assist off-taker in meeting wholesale energy acquisition from minority/tribal sources
## NTUA Partnership Advantages

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<td>Revenue to NTUA to Keep Consumer Rates Down</td>
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<td>Creates Hiring of Local Employees</td>
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LARGE SCALE RENEWABLE DEVELOPMENT PROSPECT

• NTUA proposes to co-develop up to 500MW of Solar Energy in coordination with a partner
  – Looking for Offtaker
  – Minimum project size 100MW
  – Seeking 51%-49% Partnership

• Project location would allow for direct inter-tie to transmission

• NTUA/NN possesses site control
  NTUA would complete environmental permitting
QUESTIONS?

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