

San Juan Citizens Alliance continues to oppose the proposed Desert Rock Energy Facility (DREF) in San Juan County, New Mexico. The proposed DREF project would include the construction and operation of “a coal-fired power plant with a capacity of generating up to 1,500 megawatts (two units), transmission lines, a water-supply system, access roads, extension of surface coal mining within the BHP-Billiton Navajo Coal Company (BNCC) lease area, coal preparation facilities, and other associated facilities” to be located on Navajo Nation land south of Shiprock, New Mexico. San Juan Citizens Alliance’s opposition to DREF includes noted deficiencies in National Environmental Policy Act (NEPA) procedural requirements, the failure to address existing adverse air quality impacts in the Four Corners region, the recognition of numerous scientific studies never initiated and/or completed for DREF (including water quality and quantity, coal sampling), and the inability of the project proponents (Sithe Global LLC and Diné Power Authority) to acquire permits to build DREF.

The Bureau of Indian Affairs (BIA) Draft Environmental Impact Statement (Draft EIS) created much controversy at public hearings in July and resulted in over 54,000 comments through October 2007. The Draft EIS failed to include the analysis of the water lease, land lease and coal agreements in place for DREF. The DREF is advertised as a “clean coal project,” yet would emit over 12.7 million tons per year (tpy) of carbon dioxide (CO₂). These potential CO₂ emissions from DREF are comparable to the current CO₂ emissions at each of the existing coal-fired power plants in the region: Four Corners Power Plant and San Juan Generating Station. The Draft EIS for DREF explicitly disclosed the existing “disproportionate impacts” to local citizens concerning land use and visual impacts from the “clustering of industrial sites” in the region. Governor Bill Richardson of New Mexico has requested the initiation of “formal government to government” consultation between the Navajo Nation and New Mexico to discuss the state of New Mexico’s concerns over DREF. Congressman John Salazar of Colorado noted the numerous communities in southwest Colorado that passed resolutions against DREF.

The Draft EIS for DREF failed to include a reasonable range of alternatives to DREF and summarily dismissed renewable energy (wind and solar) alternatives that the Navajo Nation could potentially pursue for a sound economic future. An Alternative Energy Study to DREF was prepared by Ecos Consulting of Durango to analyze the Navajo Nation’s potential to build renewable energy projects that would provide power to local citizens, create more jobs than DREF, and utilize emerging centralized and decentralized solar and wind technologies. San Juan Citizens Alliance will be working with Diné Citizens Against Ruining Our Environment in the coming months to distribute the results of this Alternative Energy Study to policymakers/stakeholders/affected communities.

The BIA is required to respond to the comments on the Draft EIS in finalizing the EIS before making a decision on the project. San Juan Citizens Alliance expects that the BIA will make a decision to approve DREF in early 2008, despite grave deficiencies in the Draft EIS. San Juan Citizens Alliance will respond to BIA accordingly.

Despite the Draft Air Quality permit being issued to Sithe Global LLC by the Environmental Protection Agency (EPA) for DREF in November 2006, the permit has never been finalized. Political and scientific shifts concerning climate change and the effects of CO₂ on the global environment raise serious problems for DREF. In April of 2007, the Supreme Court ruled in **Massachusetts et al vs. EPA** that the EPA has the authority to regulate CO₂ and other greenhouse gases where protecting public health and welfare is required under the Clean Air Act. In mid October 2007, the Kansas Department of Health and Environment denied the air quality permit for the Sunflower Electric Power Corporation (Sunflower) coal fired power plant (two proposed 700 megawatt generators near Holcomb, Kansas which would have emitted 11 million tpy of CO₂) on the grounds that CO₂ emissions from Sunflower would have resulted in public health and environmental degradation to the citizens of Kansas. In addition to potential CO₂ emissions from DREF, there are also unresolved issues with pollutants from the proposed DREF that would add to the formation of ozone and result in mercury deposition within the Four Corners Region.

DREF would necessitate expansion of the existing BNCC Navajo Mine to provide the necessary coal source. San Juan Citizens Alliance is currently challenging Office and Surface Mining (OSM) oversight of the existing permits for Navajo Mine for failure to conduct baseline studies under the Surface Mining Control and Reclamation Act (SMCRA) and failure to comply with NEPA procedures. DREF would also require that the 400+ mile Navajo Transmission Project (NTP) be built to send power to the two projected markets: Las Vegas and Tucson/Phoenix. The EIS for NTP has yet to be finalized and should have been evaluated as a connected action to DREF.

The DREF proponents (including the Bracewell-Guiliani law firm from Washington D.C., the Blackstone Group from New York City, and Sithe Global LLC from Houston) are currently attempting to frame DREF as a sovereign Navajo Nation issue. Interestingly, these proponents are expecting the Navajo Nation to come up with 25-49% of the funding for the \$3 billion DREF. DREF is certainly a local, regional, national and global issue that deserves intense scrutiny from the communities that would be affected by the potential of a third major coal-fired within a 30-mile radius in the Four Corners.

Proponents of DREF originally presumed the project would be quickly approved, allowing for scheduled construction in 2005. Two years later, DREF remains a highly contentious project that relies on the acquisition of numerous permits that may now be more difficult to get given the evolving regulatory, scientific and legal framework concerning climate change and global warming.