

Information Brief

BOARD OF DIRECTORS



Agenda Number 4.a.

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AGENDA ITEM: Discussion of Navajo Generating Station Communications Effort

RELEVANT POLICY, STATUTE OR GUIDING PRINCIPLE:
Public Trust/Leadership

PREVIOUS BOARD ACTION/ACTIVITY: None

ISSUE SUMMARY/DESCRIPTION:

The United States Environmental Protection Agency (EPA) is considering imposing new emission controls at the Navajo Generating Station (NGS) that could cost Central Arizona Project (CAP) and its partners as much as \$1 billion to install and operate.

CAP is the largest source of renewable water in Arizona. It is also the biggest user of electricity in the state. Last year, CAP used 2.8 million megawatt hours to deliver more than 500 billion gallons of Colorado River water to 80% of the state's population. Almost all of the power CAP uses to move this water comes from the coal-fired Navajo Generating Station near Lake Powell.

Every additional dollar that CAP spends on power means that the cost of water must also increase. Those costs will largely be passed on in higher rates or property taxes to CAP customers and the residents of Maricopa, Pima and Pinal counties. These costs would be in addition to those that can be expected if current versions of the Cap and Trade legislation are made into law. A carbon tariff of \$100 per ton of CO₂ could lead to a tripling of CAP water rates.

A communications strategy has been developed and executed for CAP customers, stakeholders, business and community leaders, elected officials, the media and general public to elevate awareness of this issue and to provide comments on emissions controls to the EPA.

Navajo Generating Station Communication Plan

Goals

- Inform stakeholders regarding the issues surrounding NGS
- Motivate actions
- Strengthen partnerships and enhance trust

Time Frame

- September – December, 2009 and early 2010 until EPA publishes regulatory decision in Federal Register

Audiences

- Customers/Stakeholders
- Community/Business Leaders
- Elected and Appointed officials
- Other Opinion Leaders/Key Influencers
- News Media
- Other Audiences as Identified

Key Messages

- The viability of the Navajo Generating Station is threatened by new EPA regulations
- CAP and energy partners are taking proactive actions to address emissions
- CAP power issues have come to a critical crossroads
- Water rates and property taxes may rise dramatically in response to required NGS enhancements
- CAP is requesting stakeholder assistance to influence EPA actions
- CAP supports reasonable and science-based environmental regulations

Communication Channels

- Targeted Public Presentations
 - AMPUA – Arizona Municipal Power Users Association
 - AMWA Regulatory Staff – Association of Metropolitan Water Agencies
 - AMWUA – Arizona Municipal Water Users Association
 - Arizona Chamber of Commerce
 - CAGR customers
 - Governing Boards/Government Officials/Key Legislators
 - Greater Phoenix Chamber of Commerce
 - Metropolitan Pima Alliance
 - PCWAA – Pinal County Water Augmentation Authority
 - Pinal Partnership
 - SAWUA – Southern Arizona Water Users Association
 - Scottsdale Chamber of Commerce
 - Select Business/Service Organizations
 - Southern Arizona Leadership Council/Tucson Regional Water Coalition
 - Tucson Association of Realtors

- Tucson Metropolitan Chamber of Commerce - Local Government, Environment, & Transportation (LGET) Committee
- Valley Forward Association
- Water Utilities and other CAP Customers
- Westmarc – Western Maricopa Coalition

Media

Editorial Boards – may result in Editorials/Guest Columns

- AZ Daily Star, AZ Republic, Inside Tucson Business, Capitol Times, Casa Grande Dispatch (Tri-valley Central web site)
- PBS public affairs/news programs
 - KUAT Arizona Illustrated (Reporter’s Roundtable), KAET Horizon
- Other Publications
 - Newsletters, magazines and employee communications materials

Electronic Distribution

- CAP Channel and Newsblast e-mails
- Produce video programs and e-newsletters
- CAP website: design new page and post CAP Channel interviews, white paper, power points, pro-former letter, calls to action

Public Presentations and Appearances by Board members and Staff

June 22	KXXT Green Roundtable
June 23	SRP Executive Leadership
August 31	AZ Hydrological Society annual conference
September 2	AZ League of Cities and Towns
September 15	The Breakfast Club/Tucson
September 28	Pima Association of Governments
September 30	Arizona Republic Editorial Bd.
October 1	Development of an NGS FAQ and Power Point
October 5	Tucson Chamber of Commerce
October 7	AMWUA water resources managers
October 13	AZ Water Association
October 13	Pinal County Water Augmentation Authority
October 14	AZ Bar/Southern Arizona Real Property section
October 14	AMWUA Management Board
October 15	Governor's stakeholders meeting
October 16	CAP Channel/Governor Jan Brewer
October 17	Arizona Republic My Turn column
October 19	AZ Daily Star Editorial Board
October 19	CAP employees "Beyond the Buzz" in Havasu, Tucson, Phoenix
October 20	Economic Development Group of Eloy (EDGE)

October 22	AMWUA Board of Directors
October 26	CAP employee newsletter, "Currents"
October 28	WESTCAS conference/Tucson
November 1	Arizona Republic news item
November 10	KUAT-TV Commentary
November 10	Inter-Tribal Council/Ft. McDowell Indian Res.
November 12	CAP Channel/Susan Bitter Smith
November 17	Economic Development of Eloy
November 18	Horizon/Channel 8/Phoenix
November 16	AgriBusiness Council BOD
November 19	Legislative District 19
November 19	Tucson Metro Chamber of Gov.
November 24	Valley Citizens League
December 2	Arizona Investment Council
December 9	Urban Land Institute Water Symposium
December 17	Metropolitan Pima Alliance