



November 13, 2013

Anita Lee (Air-2)
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

RE: EPA-R09-OAR-2013-0009

Dear Ms. Lee,

Thank you for the opportunity to present this letter to you and the Environmental Protection Agency (EPA) regarding the agency's \$1 billion regulation on the Navajo Generating Station (NGS) in Page, Arizona.

The Greater Flagstaff Chamber of Commerce represents the interests of over 1,000 member businesses and their 26,000 employees in the Northern Arizona region, all of whom would be negatively impacted by the new regulations being imposed on NGS. You no doubt by now have seen the study commissioned by the Salt River Project (SRP) and the Navajo Nation that show the power station, along with the Kayenta coal mine, will provide over \$20 billion in economic benefit statewide over the next 30+ years. Over the same time period, \$13 billion will be directly attributed to the Navajo Nation itself. The power station and the mine are attributable to over 1,000 jobs as well which might never be replaced should these regulations force a shutdown or a cutback in production.

What is of particular concern to the Flagstaff community is the implication of what would happen should the new regulations against the Navajo Generating Station continue, or the plant even be forced to close. As the hub city of Northern Arizona, we know that many of the employees of both the plant and the Kayenta Mine travel to Flagstaff to use their disposable income on major purchases such as vehicles and medical services. If the plant were to close or scale back production, and likely force the mine to do the same, that would mean a significant loss to Flagstaff's economy.

Of even greater concern to Flagstaff, which will have implications for the entire state, will be the resulting increase in utility rates. Currently, Flagstaff's total cost of living sits 15.6% above the national average, based on a cost of living index study prepared on a quarterly basis by the Greater Flagstaff Chamber. Our report for the 3rd quarter also showed that our city is 56.7% above the national average for the cost of housing. If these regulations continue to be implemented or the plant shuts down, Northern Arizona will lose a significant source of its electricity, forcing us to buy power from a greater distance, even across state lines, which will increase our rates. For the entire state it becomes a question of water rates as the Navajo Generating Station is the main source of power that pumps water into our state from the Colorado River. This would be detrimental to Flagstaff's already high cost of living.

The Greater Flagstaff Chamber of Commerce urges you to reconsider these regulations against the Navajo Generating Station as so much of Northern Arizona and our state as a whole would see a severe negative impact as a result.

Thank you very much for your consideration. The staff of the Greater Flagstaff Chamber are available should you have any follow up for us.

Sincerely,

A handwritten signature in black ink that reads "Julie Pastrick". The signature is written in a cursive, flowing style.

Julie Pastrick
President & CEO
Greater Flagstaff Chamber of Commerce