

LEGISLATIVE SUMMARY SHEET

Tracking No. 0273-19

DATE: September 12, 2019

TITLE OF RESOLUTION: PROPOSED NAVAJO NATION COUNCIL RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, THE NAABIK'ÍYÁI' COMMITTEE AND THE NAVAJO NATION COUNCIL; AMENDING CO-50-13 TO AUTHORIZE THE CREATION OF THE ENERGY OFFICE WITHIN THE DIVISION OF NATURAL RESOURCES

PURPOSE: This resolution, if approved, will approve an amendment to CO-50-13 Exhibit A which would allow the Energy Office to be placed within the Division of Natural Resources.

This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each committee member to review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 2388
Website Posting Time/Date: 7:23pm 9-17-19
Posting End Date: 9/22/19
Eligible for Action: 9/23/19

Resources & Development Committee
Thence
Naa'bik'iyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL -- First Year, 2019

INTRODUCED BY



(Prime Sponsor)

TRACKING NO. 0273-19

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, THE
NAABIK'ÍYÁI' COMMITTEE AND THE NAVAJO NATION COUNCIL;
AMENDING CO-50-13 TO AUTHORIZE THE CREATION OF THE ENERGY
OFFICE WITHIN THE DIVISION OF NATURAL RESOURCES

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).
- B. The Navajo Nation Council established the Naabik'iyati' Committee was a Navajo Nation Council Standing Committee. All proposed legislation that requires final action by the Navajo Nation Council, shall be assigned to the Naabik'iyati' Committee. 2 N.N.C. §§ 164 (A) (9), 700 (A).
- C. The Resources and Development Committee (RDC) is established as a standing committee of the Navajo Nation Council with oversight committee for the Division of Natural Resources. 2 N.N.C. § 501 (C) (1).

SECTION TWO. FINDINGS

- A. The Navajo Nation Council adopted the Navajo Nation Energy Policy of 2013 ("Energy Policy") through Resolution CO-50-13 which is attached as **Exhibit 1**.

- 1 B. Exhibit A of CO-50-13, the Energy Policy, calls for the creation of an Energy
2 Office that “should be separate and distinct from divisions . . .” *See, Exhibit 1*
3 CO-50-13, Exhibit A, page 10, Section 13 (b) (Navajo Energy Office).
- 4 C. The Division of Natural Resources has developed a proposed plan of operation for
5 the creation of the Energy Office to be placed within the Division of Natural
6 Resources.
- 7 D. The Resources and Development Committee is authorized to approve plans of
8 operation for the Division of Natural Resources. 2 N.N.C. §501 (B) (2) (g), 2
9 N.N.C. § 501 (C) (1).
- 10 E. After the Navajo Nation Council approves this amendment to Section 13(b) of CO-
11 50-13’s Exhibit A, then the Resources and Development Committee may approve
12 the plan of operation for the Energy Office to be placed within the Division of
13 Natural Resources.
- 14 F. It is in the best interest of the Navajo Nation to amend CO-50-13’s Exhibit A, the
15 Energy Policy, to place the Energy Office within the Division of Natural Resources.
16

17 **SECTION THREE. AMENDING CO-50-13, THE NAVAJO NATION ENERGY**
18 **POLICY OF 2013**
19

20 The Navajo Nation hereby amends CO-50-13, Exhibit A, Section 13 (b) as follows:
21

22 (b) Structure. A Navajo Energy Office should be ~~separate and distinct from all~~
23 ~~existing divisions, departments, programs, enterprises and any other Navajo Nation~~
24 ~~entities or political subdivisions developed within the Division of Natural~~
25 Resources, and with appropriate staffing and budget.
26

27 **SECTION FOUR. DIRECTING DIVISION OF NATURAL RESOURCES TO**
28 **PRESENT ENERGY OFFICE PLAN OF OPERATION TO THE RESOURCES**
29 **AND DEVELOPMENT COMMITTEE**
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1 The Navajo Nation hereby directs the Division of Natural Resources to present the
2 Energy Office plan of operation legislation to the Resources and Development
3 Committee for its oversight committee's action.
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CO-50-13

RESOLUTION OF THE
NAVAJO NATION COUNCIL

RELATING TO RESOURCES AND DEVELOPMENT AND NAABIKI'ÍYÁTI;
RESCINDING CAP-34-80; APPROVING THE NAVAJO NATION ENERGY
POLICY OF 2013

BE IT ENACTED:

1. The Navajo Nation makes the following findings with respect to this resolution.

- a. The Navajo Nation Council adopted the Navajo Nation Energy Policy, CAP-34-80 on April 29, 1980 ("1980 Energy Policy"); and
- b. The Nation acknowledges the enduring principles and motivations set forth in the 1980 Energy Policy; and
- c. The Nation desires to update and amend the energy policies of the Nation by rescinding the 1980 Energy Policy (CAP-34-1980) by approving this 2013 Energy Policy; and
- d. The energy resources of the Nation are owned by the Nation and are to be administered and managed by the Nation for the benefit of all Diné; and
- e. The Nation will seek to maximize its level of autonomy in managing its energy resources and energy use on the Nation; and
- f. The Nation will take a leadership role in exploring and developing its energy resources to exercise its political sovereignty, to build true economic sovereignty, and to promote greater self-determination for future generations of Diné; and

- g. The Nation has established wholly owned businesses that explore for, develop and manage certain of its energy resources. To optimize the Nation's use, management and conservation of its energy resources, the Nation may choose to utilize a combination of its wholly owned entities and outside energy companies to take advantage of the best technologies and capabilities to achieve the optimal balance of cost and results; and
- h. The 1980 Energy Policy helped build capacity of the Nation to realize many successes in the form of more favorable contracts and greater ownership of certain energy resources. It is acknowledged that the Nation can make improvements in the areas of governance, ownership, management, community involvement, health impacts, conservation and environmental protection of the Nation's energy resources; and
- i. The Navajo government should ensure that the local impacted communities are educated on relevant energy development and related issues. Prior energy development and related projects occurred with little or no consultation or results; and
- j. Energy forms a cornerstone of the Navajo economy by providing jobs for our people, electricity for our homes and business, and revenues for our local and central government. Developing energy resources will expand government revenues, create new industries and promote sustainable jobs for the Diné. This economic base provides opportunities for Navajos to pursue technical and managerial careers in many energy-related products, service and supporting industries. The ability for Navajos to build stable careers while remaining close to their families will build the strength of our families and communities that have been fragmented by the need of our people to find work in metropolitan centers. A growing Navajo economy draws

educated and experienced tribal members back to the Nation, and provide the economic growth to support Navajo entrepreneurs and business owners; and

- k. The Navajo People have made invaluable contributions to the strength of the United States and its economy by permitting and assisting in the extraction of uranium over several decades. Numerous uranium mines across the Nation were not properly reclaimed leading to widespread contamination and illness of our people and livestock; and
- l. The United States is the trustee of the resources of the Navajo Nation. In this role the United States government has a duty to protect the Nation's energy resources and to assist the Nation to manage such resources for the benefit of the Diné. The United States government is to engage in government-to-government dialogue and understanding and to respect Navajo Nation's decision in the users of its resources. Historically, the United States government has sought to control the Nation's resources to benefit external interests in the uses of its natural resources or refrained from assisting the Nation in the protection of its interests; and
- m. The Nation's depletable fossil fuels are abundant; however, some fossil fuels are currently out of favor with federal and state regulatory and environmental policies. A balanced portfolio of fossil fuel and cleaner renewable energy resources will provide the Nation with greater economic and financial stability; and
- n. The Nation has the great potential of solar and wind energy resources. The development of these cleaner renewable resources can provide our communities with cleaner energy and generate substantial economic value if sold to surrounding communities and metropolitan regions; and
- o. Many of the Nation's residents, businesses and institutions are located in growth centers while many others are dispersed in remote regions and lack access to electric

power. Greater access to electric power will provide a greater opportunity and access to modern conveniences for the Navajo residences; and

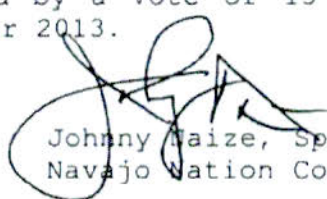
- p. The Nation is situated to provide pipeline and electrical transmission service provides access to more direct routes between energy sources and energy customers. The Nation's non-renewable energy resources require transportation and transmission to energy markets. Pipeline and transmission infrastructure can have a substantial impact on the environment communities and the viewscape. Establishing energy corridors are encouraged to enable the Nation to increase its revenues while minimizing the impact on the Nation; and
- q. Future development of cleaner renewable energy for export to metropolitan regions can generate substantial rents and business profits. These profits may be utilized to subsidize the cost of utilities for the Nation's residents, institutions and businesses; and
- r. By developing and executing a comprehensive energy strategy, the Nation can establish energy independence and build its economy for future generations. Diverse revenue streams from a balanced portfolio of energy extraction, generation and transmission will provide the Diné with economic stability, career opportunities and business opportunities.
- s. Approval and implementation of energy policies and agreements affect all parts of the Navajo Nation and it is important that the Executive Branch and Legislative Branch both be involved in the negotiation and approval of energy agreements.

2. The Navajo Nation hereby rescinds CAP-34-80, the 1980 Energy Policy.

3. The Navajo Nation hereby approves the Navajo Nation Energy Policy of 2013, attached hereto as Exhibit A.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 13 in favor and 6 opposed, this 22nd day of October 2013.


Johnny Gaize, Speaker
Navajo Nation Council


10-24-13

Date

Motion: Honorable Walter Phelps
Second: Honorable Katherine Benally

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C) (10), on this _____ day of OCT 24 2013 2013.


Ben Shelly, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C) (11), this _____ day of _____ 2013, for the reason(s) expressed in the attached letter to the Speaker.

Ben Shelly, President
Navajo Nation

Adopting the Navajo Nation Energy Policy of 2013

PREAMBLE:

The Navajo Nation ("Nation"); to protect the energy natural resources and assets of the Nation; to ensure such resources and assets are used for the benefit of the Diné; to create a self-sustaining economic future for the Diné on their lands; to ensure sovereign control by the Nation over the extraction and flow of resources from the Nation's lands; to supply Navajo communities with the benefits afforded by energy development through total resource sovereignty, hereby establishes the Navajo Nation Energy Policy of 2013 ("2013 Energy Policy").

This 2013 Energy Policy provides guidance in common language for elected officials, community leaders, managers in the Nation's government, board members and managers of the Nation's enterprises, federal and state regulatory authorities and Navajo and non-Navajo business interests dealing with energy issues on the Nation. The 2013 Energy Policy serves to guide in consideration of specific legislation, rules and regulations, energy strategies, board resolutions, management policies, programs and decisions related to energy in and around the Nation.

WHEREAS:

1. The Navajo Nation Council adopted the Navajo Nation Energy Policy (CAP-34-80) on April 29, 1980 ("1980 Energy Policy"); and
2. The Nation acknowledges the enduring principles and motivations set forth in the 1980 Energy Policy; and
3. The Nation desires to update and amend the energy policies of the Nation by rescinding the 1980 Energy Policy (CAP-34-80) and, hereby adopting this 2013 Energy Policy; and
4. The energy resources of the Nation are owned by the Nation and are to be administered and managed by the Nation for the benefit of all Diné; and
5. The Nation will seek to maximize its level of autonomy in managing its energy resources and energy use on the Nation; and
6. The Nation will take a leadership role in exploring and developing its energy resources to exercise its political sovereignty, to build true economic sovereignty, and to promote greater self-determination for future generations of Diné; and
7. The Nation has established wholly owned businesses that explore for, develop and manage certain of its energy resources. To optimize the Nation's use,

management and conservation of its energy resources, the Nation may choose to utilize a combination of its wholly owned entities and outside energy companies to take advantage of the best technologies and capabilities to achieve the optimal balance of cost and results; and

8. The 1980 Energy Policy helped build capacity of the Nation to realize many successes in the form of more favorable contracts and greater ownership of certain energy resources. It is acknowledged that the Nation can make improvements in the areas of governance, ownership, management, community involvement, health impacts, conservation and environmental protection of the Nation's energy resources; and
9. The Navajo government should ensure that the local impacted communities are educated on relevant energy development and related issues. Prior energy development and related projects occurred with little or no consultation or results; and
10. Energy forms a cornerstone of the Navajo economy by providing jobs for our people, electricity for our homes and businesses, and revenues for our local and central government. Developing energy resources will expand government revenues, create new industries and promote sustainable jobs for the Diné. This economic base provides opportunities for Navajos to pursue technical and managerial careers in many energy-related product, service and supporting industries. The ability for Navajos to build stable careers while remaining close to their families will build the strength of our families and communities that have been fragmented by the need of our people to find work in metropolitan centers. A growing Navajo economy draws educated and experienced tribal members back to the Nation, and provide the economic growth to support Navajo entrepreneurs and business owners; and
11. The Navajo People have made invaluable contributions to the strength of the United States and its economy by permitting and assisting in the extraction of uranium over several decades. Numerous uranium mines across the Nation were not properly reclaimed leading to widespread contamination and illness of our people and livestock; and
12. The Nation's coal resources make a significant contribution to the support of many Navajo families and to the financial the stability of the Navajo Nation government and its communities. The current policies of the federal government of the United States do not favor the use of coal. These policies negatively impact the Navajo Nation and the lives of its residents, and are contrary to the interests of the Navajo Nation; and
13. The United States is the trustee of the resources of the Navajo Nation. In this role the United States government has a duty to protect the Nation's energy resources and to assist the Nation to manage such resources for the benefit of

the Diné. The United States government is to engage in government to government dialogue and understanding and to respect Navajo Nation's decision in the uses of its resources. Historically, the United States government has sought to control the Nation's resources to benefit external interests in the uses of its natural resources or refrained from assisting the Nation in the protection of its interests; and

14. The Nation's depletable fossil fuels are abundant however some fossil fuels are currently out of favor with federal and state regulatory and environmental policies. A balanced portfolio of fossil fuel and cleaner renewable energy resources will provide the Nation with greater economic and financial stability; and
15. The Nation has the great potential of solar and wind energy resources. The development of these cleaner renewable resources can provide our communities with cleaner energy and generate substantial economic value when sold to surrounding communities and metropolitan regions; and
16. Many of the Nation's residents, businesses and institutions are located in growth centers while many others are dispersed in remote regions and lack access to electric power. Greater access to electric power will provide a greater opportunity and access to modern conveniences for the Navajo residences; and
17. The Nation is situated to provide pipeline and electrical transmission service providers with access to more direct routes between energy sources and energy customers. The Nation's non-renewable and renewable energy resources require transportation and transmission to energy markets. Pipeline and transmission infrastructure can have a substantial impact on the environment, communities and the viewscape. Establishing energy corridors are encouraged to enable the Nation to increase its revenues while minimizing the impact on the Nation.
18. Future development of cleaner renewable energy for export to metropolitan regions can generate substantial rents and business profits. These profits may be utilized to subsidize the cost of utilities for the Nation's residents, institutions and businesses; and
19. By developing and executing a comprehensive energy strategy, the Nation can establish energy independence and build its economy for future generations. Diverse revenue streams from a balanced portfolio of energy extraction, generation and transmission, will provide the Diné with economic stability, career opportunities and business opportunities.

NOW, THEREFORE, BE IT RESOLVED THAT THE NAVAJO NATION COUNCIL
HEREBY RESCINDS THE 1980 ENERGY POLICY (CAP-34-80) AND ADOPTS THE
NAVAJO NATION ENERGY POLICY OF 2013, ATTACHED HERETO AS EXHIBIT A.

EXHIBIT A

NAVAJO NATION ENERGY POLICY OF 2013

Section 1: Short Title

Short title - The Navajo Nation Energy Policy of 2013 hereinafter is referred to as the "2013 Energy Policy". The Navajo Nation hereinafter is referred to as the "Nation"

Section 2: Scope and Review

This 2013 Energy Policy sets forth principles relating to the exploration, development, sustainable management and use of energy resources on the Nation. The energy resources and assets of the Nation addressed by the 2013 Energy Policy include fuel resources, mines, generation facilities, transmission and distribution infrastructure and pipelines. The energy uses addressed by the 2013 Energy Policy include, but are not limited to, residential, commercial, industrial and governmental uses, including heating, cooling, mechanical, industrial process and transportation uses.

The 2013 Energy Policy addresses the Nation's natural resource endowment in the areas of resource assessment, exploration, severance, development, production, preservation, management, protection, and distribution in order to maximize revenue and job creation for the benefit of the citizens of the Nation.

This 2013 Energy Policy may be amended by the Nation if, and when, circumstances require. The Navajo Energy Office, referenced herein, will recommend proposed amendments to the 2013 Energy Policy as needed.

Section 3: Definitions

Section 301: The following terms are defined for the purposes of this document..

- A. Electricity generating facilities. Includes facilities that burn fossil and biomass fuels to generate electricity; facilities that convert renewable resources to electricity (such as wind, solar, geothermal and hydroelectric); and, facilities generating electricity through nuclear fusion or fission for use on the Nation and for export for use off the Nation.
- B. Electricity transmission infrastructure. Includes high voltage and distribution transmission lines, substations and related infrastructure.

- C. Fuel minerals. Includes petroleum (e.g. oil, natural gas and associated liquids and gasses), coal, coal bed methane, uranium and any derivatives or associated minerals.
- D. Large-scale energy developments. Includes (a) electricity generating facilities with capacity of one (1.0) megawatt or greater, (b) energy-related facilities utilizing five (5) acres of land or more, and (c) transmission lines or pipelines extending more than five hundred (500) feet.
- E. High Voltage. Includes 69KV and higher.
- F. Pipelines. Includes oil and gas pipelines, coal slurry lines and related compression and pumping infrastructure.

Section 4: Navajo Fundamental Law

Section 401: Before commencement of any Large-Scale Energy Development or other projects utilizing the Nation's energy resources, the Navajo Medicine Men's Association may be consulted to ensure the proper ceremonies, prayers and other rituals are conducted to maintain the Navajo people's Great Covenant with the deities. By doing so, the Nation shall strive to maintain a proper balance with the natural world.

Section 5: Sustainable Energy Economy

Section 501: Chapter 2 of the Navajo Nation Code entitled "The Foundation of the Diné, Diné Law, and Diné Government" describes the four sacred elements of life as "air, light/fire, water, and earth/pollen" and provides that "in all their forms [they] must be respected, honored, and protected for they sustain life". Recognizing the sacredness of these elements, the Nation desires to establish a sustainable energy economy based on the Nation's human capital, natural resources, capital resources and the exercise of its inherent sovereign authorities. A sustainable Energy Economy ensures an acceptable quality of life for Navajo people; proper planning and management by governmental officials; energy security; environmental stewardship; adequate rents, royalties, bonuses and taxes to ensure benefits for a sustainable Nation.

Section 6: General Provisions

Section 601: Applicability of the Nation's Laws and Regulations. The Nation's laws and regulations will apply to energy projects located within the Nation's territorial jurisdiction.

Section 602: Long-Term Sustainability of Energy Developments. Energy developments on the Nation will be designed to be sustainable over the long-term based on economic considerations and environmental and community impacts.

Section 603: Lease Rent and Royalty Rates. Lease rental and royalty rates and charges for easements and rights-of-way will be equal to or greater than fair market value including energy projects where the Nation or an affiliate is an owner, taking into consideration the direct and indirect economic benefits of the energy project to the Nation.

Section 604: Renewal of Leases for Existing Energy Infrastructure. When negotiating renewals of rights-of-ways, leases for existing power generating facilities, transmission infrastructure and pipeline infrastructure and related water allocations, the Nation will maximize the total value of consideration to be received by the Nation.

Section 605: Selecting External Development Partners. External development partners of the Nation and its enterprises must possess relevant experience in the industry and those specific technologies required for the proposed energy development, as well as sufficient financial resources to adequately fund their portion of development expenses and contemplated investment in the project.

Section 606: End of Project Life. Leases and rights-of-way for energy projects will require the lessees to return the land to its original condition, or better, at the end of the projects, except where the Nation desires to retain improvements and related infrastructure after lease or right-of-way termination.

Section 607: Consistency in Energy-Related Decision Making. The development and management framework for the Nation's energy resources will encourage consistency in decisions involving the use of Navajo resources. The process for making energy development decisions shall be guided by the process shown on the flow chart attached hereto and titled "Navajo Nation Project Development Process" and will be clearly communicated to the Nation and its stakeholders.

Section 608: Impact on Other Resources. New energy projects shall minimize negative impacts on other scarce and valuable resources of the Nation and manage such impacts in accordance with the Nation's laws, policies and plans for its resources, and will mitigate adverse impacts where necessary.

Section 609: Negotiation of Energy Agreements. The Executive and the Legislative Branches of the Navajo Nation shall be involved in the negotiation and approval of energy agreements.

Section 7: Large-Scale Energy Developments

Section 701: Maximize Ownership, Control and Revenues. The Nation promotes majority ownership by the Nation or its entities of large-scale energy projects that utilize the Nation's resources in order to optimize the Nation's participation in profits, in balance with the risks; maximize control and revenues; and, to ensure the interests of the Navajo people are protected. The Nation will have the option to purchase a majority of the equity of new large-scale energy projects on the Nation, including expansions of existing facilities and developments.

Section 702: Maximizing Navajo Return on Investment. When the Nation invests in energy projects, the primary goal will be to maximize profits and return on investment, in light of the attendant risks, for the benefit of the Nation.

Section 703: Navajo Ownership and Development Representatives. The Nation may acquire or designate an entity as its representative in any energy project in which the Nation desires to take ownership of a portion of such project.

Section 704: Operating Capabilities. The Nation will ensure that energy developments, including where the Nation or its enterprises possess a degree of ownership, will be operated and managed by entities that possess appropriate industry experience and capabilities.

Section 8: Community and Economy

Section 801: Expanding Rural Electrification. The Nation will continue to seek ways to expand electrical services to the residents of the Nation in balance with the cost to serve remote regions.

Section 802: Local Community Input, Support for, and Benefits from Energy Developments. Communities impacted by energy development will have the opportunity to provide input on and to indicate their support for such projects, and where substantially and adversely impacted by the development to share in a portion of the financial benefits of such projects. The financial benefits from such projects shall be equal to five percent (5%) of the annual lease payment each lease year.

Section 803: Managing the Cost of Energy for Residents of the Nation. The Nation will continue to seek ways to manage the cost of electricity and fuel for its residents to minimize the financial burden on Navajo communities.

Section 804: Navajo-Owned Small Businesses. The Nation will encourage the development of Navajo-owned small businesses that will support the Nation's energy industries.

Section 805: Fostering Economic Development, Developing Capabilities and Creating Career Opportunities. Energy projects will be developed to foster industrial and commercial growth, create career opportunities, and build the management skills

and capabilities of the Navajo workforce in order to build the Nation's institutional capacity to manage its own energy resources.

Section 806: Distributed Electricity Generation. The Nation supports the development of distributed electricity generation and community scale electricity generation for use on the Nation.

Section 807: Science, Technology, Engineering, and Mathematics Education (STEM). The Nation shall support the pursuit of educational studies in STEM by its youth in order to create an interest in careers in the energy industry and to build a workforce that is prepared for technical and managerial careers in the energy industry.

Section 808: Health and Safety. The Nation will strive to protect the safety and health of Navajo communities when considering new energy developments and regulating existing energy developments.

Section 809: Energy Efficiency and Conservation. The Nation will continue to seek ways to enhance and promote energy efficiency and conservation on the Nation in order to manage future energy demand, reduce environmental impacts, reduce the financial energy costs for the residents of the Nation and build energy efficient industries.

Section 9: Coal

Section 901: The Future of Coal and Coal-Fired Power Plants. Coal and coal-fired plants are a significant component of the Navajo economy and the Nation's revenues. The Nation will encourage a future in coal as a key component of the Nation's energy mix as a coal producer that derives a significant amount of royalties, rent, fees, jobs and tax revenue from coal mining and production of electricity. The Nation will pursue federal coal fuel legislation.

Section 10: Renewable Energy

Section 1001: Renewable Energy Development. The Nation will continue to develop a renewable portfolio of power generating facilities that balances coal, gas or oil-fired generation with economically viable renewable energy generation from such sources as wind, solar, hydro, geothermal and biomass.

Section 1002: Renewable Energy Portfolio Standard (REPS). The Nation will evaluate the appropriateness of implementing a Renewable Energy Portfolio Standard (REPS) for electricity used on the Nation. If an REPS is established, the Nation will strive to mitigate the impacts of increased costs of electricity for residential customers within the Nation caused by the implementation of an REPS.

Section 11: Nuclear Matters

Section 1101: Uranium Mining and Nuclear Power Generation. The Nation currently supports the moratorium on uranium mining on tribal trust, allotted trust and fee lands on the Navajo Nation. The Nation will continue to monitor uranium technologies and secondary mineral extraction techniques as well as market conditions to assess the safety, viability and potential of these activities for the future.

Section 12: Electrical and Energy Distribution Systems

Section 1201: New Electricity Transmission and Pipeline Infrastructure. The Nation supports the development of new electricity transmission infrastructure that provides the Nation with an opportunity to unlock the value of its vast renewable and conventional energy resources by providing transmission corridors to metropolitan centers.

Section 1202: Energy Corridors. The Nation will establish energy corridors to manage and minimize the impact on Navajo communities resulting from future electrical transmission, pipeline and railroad infrastructure.

Section 13: Navajo Energy Office

Section 1301: Establishment of a Navajo Energy Office. It is the intent of the Navajo Nation Council to establish a Navajo Energy Office within the Executive Branch of the Navajo Nation government as outlined herein.

- (a) Creation. The Navajo Nation Department of Justice and the Office of Legislative Counsel shall work together to develop the appropriate statutory and regulatory language, including but not limited to a Plan of Operation, consistent with this section for the Navajo Nation Council's consideration.
- (b) Structure. A Navajo Energy Office should be separate and distinct from all existing divisions, departments, programs, enterprises and any other Navajo Nation entities or political subdivisions, and with appropriate staffing and budget.
- (c) Responsibilities. The Navajo Energy Office should act as a clearinghouse for energy related projects, to facilitate energy development on the Nation and to increase institutional capacity on energy issues within Navajo Nation governmental agencies and enterprises.
- (d) Strategic, Integrated Approach to Energy Planning. The Navajo Energy Office should develop a long-term Strategic Energy Plan. A Strategic Energy Plan will be designed to stimulate increased revenues from energy projects, spur energy infrastructure development, and diversify the Navajo energy economy.

The Strategic Energy Plan will address opportunities to foster a competitive business environment to attract private investors to energy projects on the Nation, address how the Nation will strategically engage the key governmental and community representatives on Navajo energy projects, investigate and inventory the reserves and potential of all the Nation's available energy resources in all regions and serve as a resource to assist the Nation's leadership to prioritize energy projects

Section 14: Research and Development

Section 1401: Support for Technologies that Enhance the Use of Navajo Coal. The Nation will support clean coal technologies being developed through research and development which lessen the environmental impact of coal based electricity generation and maximize the efficient use of the Nation's coal resources.

Section 1402: Support for Technologies that Enable and Enhance the Use of All of the Nation's Resources. The Nation shall support the research and development of technologies that will allow the Nation to use its resources to maximize their benefit to the Nation and also lessen the environmental impact of their use.

Section 15: Taxation

Section 1501: Navajo Nation Taxation. The Nation shall seek to exert primacy in the taxation of energy development on the Nation to contribute to the funding of essential governmental services on the Nation.

Section 1502: Tax Incentive. The Nation may provide tax incentives to encourage the development of the Nation's energy resources, while balancing the need to provide supporting infrastructure, services and the Nation's finances.

Section 16: Limitations

Section 1601: Limitations. Nothing in the 2013 Energy Policy is intended to, nor shall it be construed to:

- a) Alter, amend or diminish in any way the sovereign immunity of the Navajo Nation or constitute a waiver of the sovereign immunity of the Navajo Nation, as defined in 1 N.N.C. § 551, et seq.;
- b) Abrogate any authority conferred by the Navajo Nation Council upon any agency, enterprise or other instrumentality of the Navajo Nation;

- c) Repeal in whole or in part any law or regulation duly promulgated by the Navajo Nation or any of its agencies;
- d) Authorize or sanction the breach of any contractual duty or diminish any vested property rights; or
- e) Provide the basis for a private cause of action by or against any person or entity, or confer jurisdiction upon any court for any cause of action predicated on the 2013 Energy Policy.



Navajo Nation Project Development Process

Preliminary Investigation Development Financing Construction Testing Operations and Maintenance

MOU or LOI Energy Development Agreement Partnership Agreements Operating Agreement

1. Exclusivity
2. Development Capital
3. Parties
4. Managing Development
5. Dispute Resolution

Feasibility Studies

Land Access Permits

1. Revocable Use Permit
2. Conditional Use Permit
3. Emergency Operating Agreement

Chapter Consensus Bldg

Due Diligence

Resource Assessment

Technology - Access

Formation of a Development Entity

Business Feasibility Study

Business Plan

Land

1. 415(e) Navajo Lease
2. 415(a) Federal Lease

Right of Way (ROW)

Engineering and Design

Environmental Permits

1. Prevention of Significant Deterioration Permit

Interconnection Agreements

Power Purchase Agreements

Construction of Facilities

- A) Survey
- B) Arch Clearance
- C) Historic
- D) Letter of Application

Operations

RESOLUTION OF THE
NAVAJO TRIBAL COUNCIL

Establishment and Adoption of the
Navajo Nation Energy Policy

WHEREAS:

1. The Advisory Committee of the Navajo Tribal Council by Resolution ACAP-41-80 recommended the establishment and adoption of the Navajo Nation Energy Policy; and
2. The Economic Development and Planning Committee and the Resources Committee of the Navajo Tribal Council on the 24th day of April, 1980, recommended the establishment and adoption of the Navajo Nation Energy Policy; and
3. The Navajo Nation is not only a principal supplier of crucial energy resources critical to the development of the United States economy, but also bears a disproportionate share of the often irreversible social costs of environmental disruption; and
4. It is clear that other sovereigns are the principal tax and income beneficiaries of Navajo cooperation and resources contribution, and these benefits not only exceed the Navajo share of its own non-renewable resources, but the Navajo people receive little benefit from this transfer of wealth to other sovereign entities, leaving the Navajo Nation in a state of technological and economic poverty; and
5. While the Navajo Nation is a great energy producer, with some of the largest coal mines in the United States, and large electrical generating plants located on, but not owned by the Navajo Nation, many of our own people lack adequate water, electricity, paved roads, employment, housing, and other social and economic opportunities; and
6. The Navajo Nation must rely on its own resources, its own people, and its own will and determination to develop its own land and energy resources for the full economic use and benefit of its present and future generations; and
7. The United States is currently facing an "Energy Crisis" due to the insufficient supply and production of oil and gas to meet demands, and it is apparent that existing reserves will be exhausted within a few years at the current level of consumption; and

8. The history of relations between the Indian people and non-Indians has shown that whenever Indian people have something valuable (land, water, gold, oil, gas, coal, etc.); legal, moral, and ethical obligations are ignored and the virtual confiscation and exploitation of Indian resources takes place; and

9. The Navajo people historically have come to the aid of the United States in times of national emergency, and yet America has not reciprocated by permitting the Navajo Nation to share equitably in America's wealth; indeed, it has not permitted the Navajo Nation to share in a fair portion of its own energy resources.

NOW THEREFORE BE IT RESOLVED THAT:

1. For the purpose of gaining control over the Navajo Nation's energy resource management and development; to assure optimal returns and equity to the Navajo people from energy resource development and to invest in economic development ventures which will replace benefits derived from depleting resources, thereby diversifying the economy; the Navajo Tribal Council hereby establishes the following as the Navajo Nation Energy Policy:

- hest ?
- a) All energy resources of the Navajo Nation belong to the Navajo Nation. Navajo energy resources shall be developed to meet the present and future needs and for the full use and benefit of the Navajo people;
 - b) The Navajo Nation shall become self-sustaining with respect to energy by 1990;
 - c) All development shall be consistent with the highest standards of resource conservation and environmental protection; while taking into consideration and respecting the sacred nature of Navajo lands;
 - d) The Navajo Nation shall maximize proceeds from energy resource development and take immediate steps to secure a more equitable share in its present agreements;
 - e) As a sovereign government, the Navajo Nation shall exercise its right to receive all benefits from energy related federal legislation, regulations, and direct appropriations;
 - f) The Navajo Nation shall cause the efficient utilization of its own resources through Navajo-owned and controlled enterprises and ventures,

BEST AVAILABLE COPY

emphasizing a development policy which promotes Navajo self-reliance, so that Navajo people have sufficient energy resources to meet their needs;

- g) In the course of using outside management, technical and financial assistance; contracts and agreements shall emphasize Navajo ownership and the transfer of technology and management to the Navajo people;
- h) Adverse results from resource development shall be minimized and mitigated whenever and wherever possible and the resulting costs shall be borne by the developer of the resource;
- i) Recognize the special legal position and community needs and interest of the Eastern Navajo Agency, including the communities of Ramah, Alamo, and Canoncito;
- j) The interests and need of energy impacted Navajo communities shall be considered in all resource development and appropriate steps shall be taken to assure that all chapters and communities share from the benefits from the development of energy;
- k) The administration shall provide for the systematic and maximum utilization of its organizational bodies and staff resources in the development, review and evaluation of proposals and its associated documents;
- l) The Navajo Nation, in the event of infeasible (high technology) projects, encourages alternative low technology energy resource development.

2. The Chairman of the Navajo Tribal Council shall prepare for the approval of the Advisory Committee, the Economic Development and Planning Committee, and the Resources Committee of the Navajo Tribal Council:

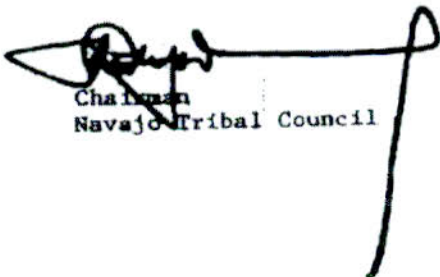
- a) A report describing how the Navajo Nation Energy Policy is being implemented, including a discussion and introduction of appropriate and proposed codes, amendments, regulations, and a report on resource inventory.
- b) A report outlining the progress of immediate action being taken by the Navajo Nation to institute interim measures acquiring more equitable shares from existing contracts, leases, and agreements.

3. These reports shall be submitted no later than ninety (90) days after the certification of this resolution.

4. A moratorium is declared on all new energy development, including leases, permits and right-of-ways, except those presently under negotiation. This moratorium shall be in effect until the appropriate aforementioned reports are reviewed and approved by the appropriate committees of the Navajo Tribal Council.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 59 in favor and 0 opposed, this 29th day of April, 1980.


Chairman
Navajo Tribal Council

SECTION 164 REVIEW FORM

Title of Document: EstablishmentOfTheNNEnergyOffice Contact Name: HENRY, MICHELLE A

Program/Division: DIVISION OF NATURAL RESOURCES

Email: michellehenry@navajo-nsn.gov Phone Number: 928-871-6593

Division Director Approval for 164A: _____

Check document category: only submit to category reviewers. Each reviewer has a maximum 7 working days, except Business Regulatory Department which has 2 days, to review and determine whether the document(s) are sufficient or insufficient. If deemed insufficient, a memorandum explaining the insufficiency of the document(s) is required.

Section 164(A) Final approval rests with Legislative Standing Committee(s) or Council

☒ Statement of Policy or Positive Law: 299 6/26/2022 Sufficient Insufficient

1. OAG: 1/12/19 Date: 7/11/19 ☒ ☐

IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)

1. OMB: _____ Date: _____

2. OOC: _____ Date: _____

3. OAG: _____ Date: _____

Section 164(B) Final approval rests with the President of the Navajo Nation

☐ Grant/Funding Agreement or amendment:

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. OMB:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. OOC:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
4. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>

Subcontract/Contract expending or receiving funds or amendment:

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. BRD:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. OMB:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
4. OOC:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
5. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>

☐ Letter of Assurance/M.O.A./M.O.U./Other agreement not expending funds or amendment:

1. Division: _____ Date: _____ ☐ ☐

2. OAG: _____ Date: _____ ☐ ☐

☐ M.O.A. or Letter of Assurance expending or receiving funds or amendment:

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. OMB:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. OOC:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
4. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>




NAVAJO NATION DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

DOREEN N. MCPAUL
Attorney General

KIMBERLY A. DUTCHER
Acting Deputy Attorney General

MEMORANDUM

TO: Michelle Henry, Administrative Services Officer
Division of Natural Resources

FROM: 
April Quinn, Attorney
Natural Resources Unit, Department of Justice

DATE: July 11, 2019

SUBJECT: Document No. 012649 – Establishment of the Navajo Nation Energy Office

The Department of Justice (DOJ) deems the above- referenced document legally sufficient. However, DOJ recommends that the Division of Natural Resources (DNR) update its Master Plan of Operation to include the Navajo Nation Energy Office and any other necessary changes to their Master Plan of Operation.

It is DOJ's opinion that this document only needs to be approved by the Resources and Development Committee (RDC). The Energy Policy of 2013 (Energy Policy) was approved by the Council via resolution CO-50-13. Section 1301(a) of the Energy Policy states that the energy office "should be distinct from all existing divisions, departments, programs, enterprises...". DOJ interprets the word "should" contained in Section 1301(a) as an aspirational statement. In other words, it is ideal if the energy office is a separate and distinct divisions within the Navajo Nation government, but it is not a requirement. The words "will" and "shall" are contained in various sections throughout the Energy Policy. Yet, neither of those words are used in Section 1301(a). If the Council was requiring the energy office to be a separate and distinct department, they would have specified so with the use of either "will" or "shall" in Section 1301(a). DNR intends to establish the Energy Office to be housed within their department, at least for now. In accordance with 2 N.N.C. § 500(B), RDC is the committee that has oversight and final approval of plans of operation for DNR. As such, DOJ believes that RDC is the proper and final committee to consider the Energy Office's Plan of Operation.

DOJ also notes that if Legislation No. 0073-19 is approved by the Naabik'íyáti Committee, the Energy Policy will be rescinded. If that occurs, the Plan of Operation for the Energy Office may need to be amended. However, even if the Energy Policy is rescinded, DOJ believes there is nothing legally prohibiting DNR from moving forward to establish an energy office within its department.



NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM



DOJ
06-26-19 @ 1258pm
DATE / TIME
<input checked="" type="checkbox"/> 7 Day Deadline
DOC #: 012649
SAS #:
UNIT: NRU

☐ RESUBMITTAL

*** FOR NNDJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. ***

CLIENT TO COMPLETE

DATE OF REQUEST: 06/26/2019	ENTITY/DIVISION: Natural Resources
CONTACT NAME: Michelle Henry	DEPARTMENT: Admin Office
PHONE NUMBER: (928) 871-6593	E-MAIL: michellehenry@navajo-nsh.gov
TITLE OF DOCUMENT: Establishment of Energy Office -	

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: 6.26.19 2:05p	REVIEWING ATTORNEY/ADVOCATE: April Quinn 7.8.19
DATE/TIME OUT OF UNIT: 7/11/19 2:00pm	

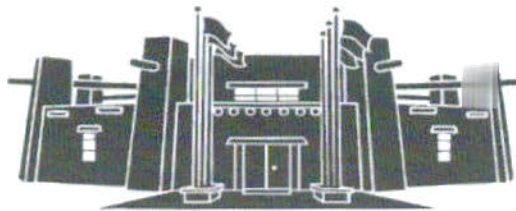
DOJ ATTORNEY / ADVOCATE COMMENTS

Legally sufficient. However, please see enclosed DOJ memo.

REVIEWED BY: (PRINT) Quinn	DATE / TIME 7/11/19 10:37am	SURNAMED BY: (PRINT) Blackhat	DATE / TIME 7/11/19 11:19am
DOJ Secretary Called: Mallory		for Document Pick Up on 7/11/19 at 2:00pm By: CJ	
PICKED UP BY: (PRINT)		DATE / TIME:	

NNDJ/DRRF-July 2013

- Nat. Resources -



MEMORANDUM

TO: Honorable Rickie Nez
T'iistoh Sikaad, Nenahnezad, Upper Fruitland, Tse' Daa' Kaan, Newcomb, San
Juan Chapters

FROM: Mariana Kahn
Mariana Kahn, Attorney
Office of Legislative Counsel

DATE: September 12, 2019

SUBJECT: PROPOSED NAVAJO NATION COUNCIL RESOLUTION; AN ACTION
RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, THE
NAABIK'ÍYÁÍ' COMMITTEE AND THE NAVAJO NATION COUNCIL;
AMENDING CO-50-13 TO AUTHORIZE THE CREATION OF THE ENERGY
OFFICE WITHIN THE DIVISION OF NATURAL RESOURCES

I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting.

Please ensure that his particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge. The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees powers outlined in 2 N.N.C. §§301, 401, 501, 601 and 701. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0273-19

SPONSOR: Rickie Nez

TITLE: An Action Relating To Resources And Development Committee; The NAABIK'IYATI' Committee And The Navajo Nation Council; Amending CO-50-13 To Authorize The Creation Of The Energy Office Within The Division Of Natural Resources

Date posted: September 17, 2019 at 7:23 PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*