Memorandum of Understanding

between
The State of Arizona, the Navajo Nation, and the Hopi Tribe

Increasing Economic Resilience in the Four Corners Region

I. INTRODUCTION

Recognizing that the closures of the Mohave Generating Station, Navajo Generating Station, Cholla Power Plant, and Black Mesa and Kayenta coal mines in the Four Corners Region have caused significant loss of revenue and jobs for Tribal, local, and county governments;

Affirming that previous closures warrant continued coordination among government and economic development leaders to bring assistance and support to communities;

Acknowledging that Four Corners communities remain vulnerable to future coal mine and generating station closures, which, equally, require strategic coordination among state, regional, and local stakeholders and;

Emphasizing the shared interests of the state of Arizona, Navajo Nation, and Hopi Tribe in instilling economic resilience and a renewed sense of opportunity within Four Corners coal communities, this agreement seeks to advance our commitment to intergovernmental coordination toward that end.

II. PURPOSE AND SCOPE - The Four Corners region is a hub for coal mines and coal fired power plants that have provided energy to homes and businesses across the American West for generations. In particular, Arizona, the Navajo Nation, and the Hopi Tribe have historically hosted a concentration of coal industry activity and workers, who often traverse multiple jurisdictions to work in critical roles such as mining, plant operation, and maintenance, among others. Coal communities in the Four Corners region face significant economic vulnerability, and it is imperative that governments work together to support those communities in building more diversified and resilient economies. Importantly, in doing so, we seek to support local communities' control over their own economic futures while providing community benefits and improving regional quality of life.

Moreover, as part of our efforts to ensure alternative avenues to economic growth in job- and revenue-rich industries, the parties will enhance access to modernized energy infrastructure, aiding in the introduction of new power generation and storage, efficiency measures, and improved grid access and reliability. Recognizing that each community determines its own path forward in energy development, the parties will endeavor to provide more abundant opportunities and choice as local communities grapple with the economic uncertainty posed by coal industry decline and volatile global energy markets.

This agreement recognizes the urgent need for a flexible framework to enhance cooperation across jurisdictions while affirming Tribal sovereignty and strengthening our intergovernmental relationships. Thus, we set forth a path for sharing best practices and data, identifying and pursuing the region's greatest economic opportunities, and making economic development resources available to vulnerable communities, including through access to new energy development.

III. DEFINITIONS

a. **Four Corners** - Region in the southwestern United States where the Navajo Nation and Hopi Tribe and four U.S. states – Colorado, New Mexico, Arizona, and Utah – come together. This agreement does not include Colorado, Utah, or New Mexico. It includes only the Navajo Nation, Hopi Tribe, and Arizona because they are uniquely motivated to confront the impacts of coal industry decline, including job and revenue loss, particularly as they affect Tribal Nations.

b. **Intergovernmental Relationship** - In relationships between Tribal Nations and U.S. states, states have a responsibility to uphold Tribal treaty rights, lands, assets, and resources, while honoring the mandates of state and federal law with respect to American Indian Tribes and Tribal sovereignty.

c. **Data Sharing** - Tribal Nations participating in this intergovernmental cooperation hold sole discretion regarding which information they choose to share. Tribal Nations may cease sharing information at any given time and need not provide justification for doing so. Any information shared by Tribes is owned by Tribes. Tribal Nations may place parameters on states' handling of any data shared, including who can access the information, as well as procedures for proper storage of data and, whenever relevant, deletion. Data shared for the purposes of this agreement may include economic and workforce data provided to better understand the Four Corners economy. With regard to stakeholder engagement in coal-impacted communities, information shared may include details about participating workers, community members, and their families and the ways in which states and Tribes can collaborate to support them. The parties will communicate to ensure that all data sharing practices stemming from this agreement honor Tribal sovereignty.

IV. BACKGROUND

BACKGROUND - Arizona, the Navajo Nation, and the Hopi Tribe continue to contend with the impacts of the coal industry on local communities, including the vulnerability that comes with a reliance on jobs and revenue from coal.

In Arizona, government leaders and electric utilities have begun to recognize the benefits of supporting struggling coal workers and their communities when coal closures lead to economic downturn. Although efforts to bring benefits to impacted communities are ongoing, early advancements include Arizona Public Service's (APS) agreement to provide approximately $10 million to the Navajo Nation, $1 million to the Hopi Tribe, and $500,000 to Navajo County communities. (Originally, APS sought to distribute more than $140 million between the Navajo Nation, Hopi Tribe, and Navajo County to support economic and workforce development in impacted coal communities; however, the Arizona Corporation Commission denied this request in early 2024.) Furthermore, Arizona's 2023 legislative session achieved $9 million in support to build economic resilience and bolster energy development in coal communities with recent closures.

At present, there is uncertainty surrounding the future of the Four Corners Power Plant, whose fate will have far-reaching implications for the Navajo Nation and Arizona, reinforcing the need for intergovernmental coordination. The plant is located on the Navajo Nation in Fruitland, New Mexico, and the vast majority of its workers are members of the Navajo Nation. Yet, the majority owner of the plant is Arizona Public Service, with other owners including Navajo Transitional Energy Company and the Public Service Company of New Mexico. The Arizona Corporation Commission plays a role in influencing the future of the power plant. This complex range of stakeholders underscore that mitigating economic uncertainty in coal communities must involve a commitment to cross-jurisdictional coordination.

Our cooperation can serve as a blueprint for similar cross-boundary collaboration across the U.S. and Sovereign Nations, where the economic impacts caused by coal closures are seldom confined to one Tribal Nation, state, municipality, or county. This agreement affirms that coordination remains imperative long before, during, and after any potential coal plant closure, as coal communities work for decades to recover from the loss of such a significant economic driver. The purpose of this agreement is to support the delivery of resources to create economic resilience for Four Corners coal communities.

V. COORDINATION ACTIVITIES

a. **Enhancing Intergovernmental Coordination** - While the parties cannot dictate whether or when coal closures take place, we recognize that strategic planning and consistent coordination before a potential closure is vital to mitigating potential community-level and regional economic harms, as well as securing benefits for communities, regardless of the operational outcomes of the coal plant or mine. Additionally, we recognize that the ongoing impacts of a coal closure make coordination beneficial in the years following. The parties will cooperate to maintain a collective awareness of the status of potential coal closures, ensure an audience for community-level concerns and risks, and track outcomes and assistance needs for coal workers who may reside and work in separate jurisdictions. During previous coal closures, for instance, the parties noted that improved cross-boundary coordination might have enhanced workers' access to employment support programs, especially for those not living and working in the same location.

b. **Facilitating Local and Regional Dialogue** - As part of their coordination efforts, the parties will facilitate the creation of venues for communities to voice their concerns, especially impacted workers and their families. Additionally, the parties will facilitate dialogue between relevant local and regional government stakeholders, as well as workforce and economic development organizations.

c. **Cultivating Best Practices** - The parties will distill lessons learned from coal community support across the U.S. and tribal nations and consider potential applications of those lessons to future coal plant closures, as well as outstanding community-level needs resulting from past closures.

d. **Understanding the Four Corners Economy** - Through data sharing[1] and analysis, the parties will gain a better understanding of the Four Corners economy and identify opportunities for greater economic diversification and resilience; this includes sharing data across jurisdictions regarding industry growth, workforce, and more. In particular, the parties note that state-level assessments of regional economies often fail to incorporate complete data from Tribal Nations. Through enhanced data sharing, the parties will improve their understanding of the regional economy with inputs from the Navajo Nation, Hopi Tribe, and Arizona, as well as relevant counties and municipalities. Indeed, economic impact assessments in the aftermath of closures in other locations across the country have involved the cooperation of municipal, county, state, and Tribal stakeholders. Proactive coordination of this nature would help to understand and mitigate the impacts of future closures.

e. **Supporting Economic and Workforce Development** - The parties will leverage their improved understanding of the Four Corners Economy to make economic and workforce development resources more accessible to businesses, workers, and community leaders in the region. Their enhanced knowledge of the Four Corners economy might allow, for instance, joint applications for community development funding or collaboration on economic development projects that will benefit the entire region. Wherever relevant and desired by communities, this might also include cooperation to enhance access to new energy sources across the Four Corners region.

f. Ensuring Coal Workers' Wellbeing - Reductions in federal resources that support coal workers' health and safety are actively unfolding. Several federal issues, from staffing shortages at federal agencies to minimized environmental standards, may create harmful consequences for coal workers. As such, the parties will coordinate to track the impacts of reducing federal resources on coal workers' health and safety, identifying opportunities to support workers and their families.

VI. NO LEGAL OBLIGATIONS, RIGHTS, OR REMEDIES

This Memorandum of Understanding is a voluntary initiative by the Signatories. It does not create any legally binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any forum whatsoever, for the Signatories or any other party. In addition, the actions set out in this Memorandum of

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[1] See Definitions

Understanding are not conditioned upon reciprocal actions by other Signatories; each Signatory retains full discretion over the implementation of its actions in light of its individual circumstances, laws and policies, and each Signatory is free at its sole discretion to withdraw from the Memorandum of Understanding at any time.

VII. AVAILABILITY OF PERSONNEL AND RESOURCES

This Memorandum of Understanding does not involve the exchange of funds, nor does it represent any obligation of funds by either Signatory. Any costs arising from activities covered by, referred to in or pursuant to this Memorandum of Understanding will be borne by the Signatory who incurred them, unless otherwise expressly decided in a future written instrument in accordance with applicable laws. All activities undertaken pursuant to this Memorandum of Understanding are subject to the availability of funds, personnel, and other resources of each Signatory.

The personnel designated by a Signatory for the execution of this Memorandum of Understanding will work under the instructions and responsibility of that Signatory and any other organization or institution to which such personnel already belongs, at all times maintaining an employment relationship solely with that Signatory, organization, or institution.

VIII. COMPLIANCE WITH APPLICABLE LAWS

This Memorandum of Understanding will be construed in a manner that is consistent with all applicable laws, and all activities undertaken in connection with this Memorandum of Understanding will be subject to, and undertaken in a manner consistent with, all applicable laws.

IX. INTERPRETATION AND APPLICATION

Any difference that may arise in relation to the interpretation or application of this Memorandum of Understanding will be resolved through consultations between the Signatories, who will endeavor to resolve such differences in good faith.

X. FINAL PROVISIONS

This Memorandum of Understanding is effective from the date of signature, for a five-year period, unless renewed or extended by the Signatories in the same manner that the Signatories may otherwise modify this Memorandum of Understanding.

This Memorandum of Understanding may be modified at any time by mutual consent of the Signatories. Any modification will be made in writing and specify the date on which such modification is to become effective. Pursuant to paragraph VI above, any Signatory may, at any time, withdraw from this Memorandum of Understanding by providing written notice to the other Signatories. A Signatory who intends to withdraw from this

Memorandum of Understanding will endeavor to provide notice of such withdrawal to the other Signatories no fewer than 60 days in advance.

The above is agreed upon by:

Signature	Signature	Signature
Governor Katie Hobbs	**Chair Lamar Keevama**	**President Buu Nygren**
State of Arizona	**Hopi Tribe**	**Navajo Nation**
Date: 8/11/2026	Date: 08/11/2026	Date: 8/11/26