



KRIS MAYES
Attorney General

Office of the Attorney General
EXECUTIVE OFFICE

Phone: 602-542-7000
www.azag.gov

September 6, 2024

VIA EMAIL

Bryan Newland
Assistant Secretary
Indian Affairs
Department of the Interior
bryan_newland@ios.doi.gov

Darryl LaCounte
Director
Bureau of Indian Affairs
darryl.lacounte@bia.gov

Jessie Durham
Regional Director
Western Regional Office
Bureau of Indian Affairs
jessie.durham@bia.gov

**Re: Please Address Ongoing Reliability Problems at the San Carlos
Irrigation Project**

Dear Assistant Secretary Newland, Director LaCounte, and Director Durham:

I request that the Department of the Interior and the Bureau of Indian Affairs take immediate action to address the San Carlos Irrigation Project's ("SCIP") well-known electric service reliability issues. The service outage on August 13, 2024, is the latest example of a dangerous situation for SCIP's customers.¹

As a former Corporation Commissioner, I understand well the challenges of providing reliable electric service during the Arizona summer. I also understand that SCIP faces unique challenges as a federally owned utility and that the Bureau of Indian Affairs is looking to transfer SCIP's assets and customers to other electric

1. Nicole Grigg, *Frequent power outages in central Arizona leave customers frustrated*, ABC News, August 22, 2024, <https://www.abc15.com/news/local-news/investigations/frequent-power-outages-in-central-arizona-leave-customers-frustrated>.

utilities.² Until that transfer happens, however, the Department is responsible for SCIP's performance.

By any objective measure, SCIP is failing in its mission to "provide reliable electrical power at lowest practicable cost" to its customers. SCIP customers suffer frequent, unpredictable power outages – and pay exorbitant electric bills when SCIP does manage to keep the lights on.

As Attorney General, I am ultimately responsible for the safety of all Arizonans, including SCIP's 13,000 customers. I am particularly concerned that SCIP's reliability issues are exposing its customers to avoidable, potentially deadly risk during the hottest months of the year.

The danger of extreme heat in Arizona needs little introduction. Official records show that there were 990 heat-related deaths in Arizona.³ Many of those deaths occurred indoors, often in homes that did not have adequate air conditioning. And make no mistake—the official count of heat-related deaths likely underestimates the true toll of our deadly Arizona summers. Reliable electricity to power air conditioning is therefore a matter of life and death for Arizonans. Reliable electricity is also needed to power life-saving medical devices like ventilators and to maintain phone and internet service to contact medical providers and first responders. Arizonans should not live in fear that their electricity will not work when it is most needed.

To make matters worse, SCIP customers are saddled with exorbitant electricity bills—despite frequently not receiving the service that they pay for. SCIP customers have reported that their summertime bills have more than doubled year-over-year. There is something fundamentally wrong about SCIP customer bills increasing at the same time that the reliability of SCIP's service appears to be decreasing.

Pricey bills can also be deadly for SCIP customers. Unlike many state-regulated electric utilities, SCIP does not prohibit service disconnections during the hottest summer months. SCIP customers struggling with their bills may be disconnected and exposed to deadly heat.

I respectfully request that the Department of the Interior take the following actions to protect SCIP customers while the Department evaluates asset and customer transfers to other electric utilities:

2. Nicole Grigg, SCIP to consider transferring electric customers to other providers, ABC News, September 5, 2024, <https://www.abc15.com/news/local-news/investigations/scip-to-consider-transferring-electric-customers-to-other-providers>.

3. Arizona Department of Health Services, *Summary of Heat-Related Deaths in 2023*, <https://www.azdhs.gov/documents/preparedness/epidemiology-disease-control/extreme-weather/pubs/heat-related-mortality-year-2012-2023.pdf>.

In the next week:

1. Fund and publicize cooling centers and ice giveaways when warranted across SCIP's service territory to ensure SCIP customers remain safe during power outages.
2. Provide bill credits to SCIP customers to prevent service disconnections and institute a policy prohibiting service disconnections during the summer months like the Arizona Corporation Commission's disconnection policy.⁴
3. Accelerate disbursement of funds already earmarked for reliability enhancement projects across SCIP service territory.

In the next month:

1. Help SCIP and SCIP customers take advantage of federal incentive programs for grid reliability, resilience, and distributed energy generation.
2. Reprogram Department of Interior appropriations to fully fund the Casa Grande and Feldman substation upgrade projects, any remaining work on the Thornton substation upgrade project, and any other acutely needed distribution system projects.
3. Identify and fund any distribution system projects necessary to improve reliability before next summer.

I would appreciate a response to this letter, including the Bureau of Indian Affairs' plan of action, within two weeks of receipt.

Sincerely,



Kris Mayes
Attorney General
State of Arizona

cc:

Deb Haaland

4. A.A.C. R14-2-211.

Assistant Secretary Newland et al.
September 6, 2024
Page 4 of 4

Secretary
Department of the Interior
doexecsec@ios.doi.gov

Stephen Roe Lewis
Governor
Gila River Indian Community
executivemail@gric.nsn.us
ddesiderio@akingump.com
info@gilariver.org

Terry Rambler
Chairman
San Carlos Apache Nation
trambler@scatui.net
santana.dillon@scat-nsn.gov

San Carlos Irrigation Project
scipbusiness@bia.gov

Ferris Begay
Project Manager
San Carlos Irrigation Project
ferris.begay@bia.gov