

REFERENCE TITLE: San Carlos irrigation project; divestiture

State of Arizona
Senate
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2026

SCM 1007

Introduced by
Senator Shope

A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS TO ENACT LEGISLATION DIVESTING THE
UNITED STATES OF THE SAN CARLOS IRRIGATION PROJECT ELECTRIC SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States of America:

2 Your memorialist respectfully represents:

3 Whereas, the San Carlos irrigation project (SCIP) electric system is
4 one of only two electric systems in the United States that are operated by
5 the United States Bureau of Indian Affairs; and

6 Whereas, SCIP's primary energy source was intended to be electric
7 power from hydropower projects; and

8 Whereas, extended drought in SCIP's geographic region continues to
9 reduce hydropower generation, requiring SCIP to seek power on the open
10 market; and

11 Whereas, due to federal procedures and regulations and oversight by
12 the Bureau of Indian Affairs agency, SCIP faces challenges in securing
13 purchased power through long-term contracts and is required to make most
14 purchases on a cash basis from short-term contracts and the day ahead
15 market, resulting in rate instability and unpredictable costs for
16 customers; and

17 Whereas, in order to raise funds for capital improvements, SCIP
18 recently had to significantly increase its rates up to 40%, which was an
19 undue financial burden for its customers and resulted in many having their
20 SCIP service cut off due to their inability to pay; and

21 Whereas, federal regulations limit the ability for SCIP to invest in
22 its system through improvements that are funded outside of federal
23 appropriations, therefore preventing SCIP from raising funds from bonds as
24 other federal utilities do; and

25 Whereas, the large and rough geographic area of SCIP's territory,
26 which is located on both tribal and nontribal lands, creates a service
27 territory that is fragmented and difficult to maintain and, as a result,
28 requires significant financial investment to upgrade and modernize; and

29 Whereas, the challenges with maintaining the system have led to
30 system degradation, which has caused repeated and extended power outages
31 impacting customers across the system during both the summer and winter
32 seasons when customers are most reliant on electric service; and

33 Whereas, since the mid-1980s, problems have persisted with the SCIP
34 system, resulting in congressionally approved legislation authorizing the
35 Bureau of Indian Affairs to divest the SCIP electric system; and

36 Whereas, stakeholders, including impacted customers, have renewed
37 efforts to improve the reliability and affordability of electric service
38 for SCIP customers; and

39 Whereas, neighboring nonprofit public power utilities, the San
40 Carlos Apache Tribe and the Gila River Indian Community have engaged in
41 discussions to service the entire SCIP electric system and provide
42 reliable, affordable and safe service to all SCIP customers within their
43 respective community boundaries while supporting stable employment for
44 SCIP employees.

1 Wherefore your memorialist, the Senate of the State of Arizona, the House
2 of Representatives concurring, prays:

3 1. That the United States Congress pass legislation divesting the
4 United States and the Bureau of Indian Affairs of the San Carlos
5 irrigation project electric system.

6 2. That the United States Congress provide funding for a necessary
7 system study and desperately needed improvements that will provide the
8 reliable, affordable and safe power that San Carlos irrigation project
9 customers deserve and are entitled to as citizens of the United States and
10 Arizona.

11 3. That the Secretary of State of the State of Arizona transmit
12 copies of this Memorial to the President of the United States Senate, the
13 Speaker of the United States House of Representatives and each Member of
14 Congress from the State of Arizona.