

# News Release

Apr. 06, 2012

## PNM Seeks Lower Emissions Limits For San Juan Generating Station

**Albuquerque:** PNM today requested changes to the New Mexico air permit for San Juan Generating Station to allow for the installation of new visibility controls at the plant in the next several years.

"We are prepared to move forward on installing new environmental controls that will meet federal visibility requirements and further reduce the plant's emissions. Our strong preference is to do this in the most cost-effective way so that the cost to PNM customers and our state's economy is kept as low as possible," said Pat Vincent-Collawn, chairman, president and CEO of PNM parent company PNM Resources.

PNM is appealing a mandate by the U.S. Environmental Protection Agency that the San Juan plant install one particular technology, selective catalytic reduction (SCR), to meet a federal visibility requirement. The State of New Mexico has approved a different technology, selective non-catalytic reduction (SNCR), that can meet that same federal requirement for about one-tenth the cost of EPA's plan. Initial engineering estimates put the cost of EPA's plan at about \$750 million or more, while the state plan would cost about \$77 million.

"Both technologies would improve visibility in regional parks and wilderness areas and would contribute to the state's current goal to restore visibility in those areas to a natural state by 2064, as required by the Clean Air Act," Vincent-Collawn added.

Today's filing, with the N.M. Environment Department, requests air permit changes to allow for the installation of either technology. Prior to a major environmental upgrade completed in 2009, the plant was emitting nitrogen oxides, or NO<sub>x</sub>, at a rate of 0.46 lbs. per mmBtu<sup>1</sup>. The plant's current permit level is 0.30 lbs. per mmBtu and would be lowered to either 0.23 lbs. per mmBtu with the installation of SNCR and 0.05 lbs per mmBtu with the installation of SCR<sup>2</sup>.

### Stay from EPA Needed to Avoid Potentially Unnecessary Investment

Due to the aggressive nature of EPA's requirement that SCR be installed on all four of the plant's units by September 2016, PNM is in the early stages of preparing to install SCR. In January, the company issued a request for proposals for that construction project.

PNM, New Mexico Gov. Susana Martinez and NMED have asked EPA to grant a stay of its decision during their appeal so that customers served by the San Juan plant – an estimated 2 million electric users in New Mexico, Colorado, Utah, Arizona and California – do not have to invest in a technology that the court could find is unnecessary.

According to PNM estimates, about \$246 million of the total expected project cost will be spent through 2013 – a timeframe in which the matter could still be pending in court. As owner of 46 percent of the plant, PNM's portion of these initial SCR costs total about \$21.3 million through the end of this year and about \$112.8 million through the end of 2013.

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#### NEWS MEDIA CONTACT

- ▶ [Don Brown](#)  
Telephone: (505) 241-2882

EPA has recently accepted SNCR as best available retrofit technology on coal plants in three other states -- Colorado, Montana and North Dakota – but has not yet considered New Mexico’s plan to install that same technology. Federal visibility rules give broad discretion to states to make decisions regarding how best to meet those rules within their own states. EPA is required by law to fully consider New Mexico’s plan.

PNM customers interested in learning more about this issue or taking action in support of the state visibility plan can visit [New Mexicans for Common Sense Environmental Policy](#).

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<sup>1</sup>Annual Average

<sup>2</sup>30-day rolling average

**About PNM**

With headquarters in Albuquerque, PNM is the largest electricity provider in New Mexico, serving 500,000 customers in dozens of communities across the state. PNM is a subsidiary of PNM Resources, an energy holding company also headquartered in Albuquerque. For more information, visit [PNM.com](#).

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