

SIERRA CLUB STATEMENT ON FARMINGTON'S PLANS TO ABANDON PURCHASE OF SAN JUAN GENERATING STATION

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ALBUQUERQUE - According to news reports, the Farmington Electric Utility has abandoned its plans to acquire a larger portion of the San Juan Generating Station (SJGS) once two of the plant's units retire in 2017.

Farmington's acquisition of additional power from the plant was part of a plan to help stabilize ownership of the plant after four other owners announced their intent to exit the plant in 2017. Farmington's decision to not increase their ownership at SJGS comes at a critical time when PNM, the operator and largest owner of the plant, is before the Public Regulatory Commission putting forth a plan that will keep the plant running well beyond 2017. Farmington's decision also comes just weeks after PNM introduced a rate proposal that if approved would result in nearly a \$10 month increase to the average residential home bill due to utility's plans to continue burning coal at the plant for the foreseeable future.

In response, Nellis Kennedy-Howard, Senior Representative for the Sierra Club's Beyond Coal to Clean Energy campaign, issued the following statement:

"Here in New Mexico and across the country, coal is on its way out and our state deserves a plan for a healthy transition to clean energy. Farmington's plans to abandon its efforts to acquire an increased portion of the SJGS demonstrates just how risky coal is and should send a warning sign to other owners of the plant. Coal is dirty, dangerous and as the Farmington Electric Utility's announcement shows, a bad investment. Rather than continue to lock ratepayers across the region into a future of even more coal dependence and more coal pollution, the remaining owners of the SJGS should take this opportunity to commit to a clean energy transition that protects public health, creates jobs, and secures a brighter future for our region."

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