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FOR IMMEDIATE RELEASE

Farmington, Enchant Energy applaud Department of Energy's Funding of Front-End Engineering Design Study for Retrofitting San Juan Generating Station with Carbon Capture Utilization and Storage Technology

FARMINGTON, NM - The City of Farmington and Enchant Energy applaud the Department of Energy's announcement to fund a site-specific Front-End Engineering Design study for retrofitting the San Juan Generating Station with carbon capture, utilization and storage technology. The FEED study will be a collaboration between Enchant Energy LLC, a wholly owned subsidiary of Enchant Energy Corporation and the City of Farmington and funded through a DOE grant in the amount of \$2.9 million. The funding will cover 80% of the \$3.6 million total costs of the FEED study and associated studies. Enchant Energy will fund the remaining 20% of the project costs. The City of Farmington will contribute services of City employees valued at \$10,000.

The project will be executed by a consortium of leading consulting and engineering firms including Sargent & Lundy, the WISER Institute at the University of Illinois, Acme Equities LLC, Navigant Consulting, EJM Associates LLC, and Tenaska Power Services.

"Earning the DOE's support for funding such a key part of this project speaks to its tremendous potential," said Farmington Mayor Nate Duckett. "The FEED study is a significant step forward in proving the technical and economic viability of extending the life of San Juan Generating Station."

"The DOE is the leading organization in the world in the carbon capture and storage field. Their expertise was acquired over the past decade and culminated in the Petra Nova Carbon Capture Utilization and Storage project that came online in 2017 and has been successfully capturing 90% of its CO₂ emissions for the past three years," said Jason Selch, Enchant Energy CEO. "We are honored that the San Juan Generating Station carbon capture retrofit project met the DOE's requirements for funding the FEED study."

The DOE grant provides up to \$35 million in federal funding for cost-shared research and development projects that will accelerate wide-scale deployment of CCUS through assessing and verifying safe and cost-effective anthropogenic CO₂ commercial-scale storage sites and carbon capture and/or purification technologies. These types of projects have the potential to take advantage of the 45Q tax credit, which provides a tax credit for each ton of CO₂ sequestered or utilized. The credit was recently increased to \$35 per metric ton for enhanced oil recovery and \$50 per metric ton for geologic storage.

The DOE announced the following details regarding funding for Enchant Energy: *Large-Scale Commercial Carbon Capture Retrofit of the San Juan Generating Station* – Enchant Energy (New York, New York) will collaborate with the City of Farmington to perform a site-specific FEED study for retrofitting the San Juan Generating Station in Waterflow, New Mexico, with carbon capture, utilization and storage technology. The FEED study will allow Enchant Energy to determine the technical and economic viability of extending the life of an existing plant using a CCUS system. If successful, a CCUS retrofit of the existing San Juan Generating Station could reduce significant CO₂ emissions per year.

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