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**San Juan Generation Station Carbon Capture
FEED Study Completed and Publicly Released
Design and Costing Confirm Technical and Financial Aspects
of Adding Carbon Capture to San Juan Generating Station**

Farmington, New Mexico, November 14, 2022 – Today Enchant Energy announced that the San Juan Generating Station Carbon Capture Front-End Engineering Design (FEED) Study is now publicly available. The study was partially funded through an agreement with the United States Department of Energy.

The FEED Study was successful in establishing and defining the technical requirements, scope, schedule, and costing for the project to add carbon capture technology to the San Juan Generating Station located in Northwest New Mexico. Once the carbon capture facilities are constructed and fully operational, the plant will be able to operate while capturing 95% of the carbon dioxide emissions that are produced.

“The FEED Study was extremely successful from an engineering and project management perspective,” said Cindy Crane, Enchant Energy CEO. “The study completed enough engineering to update the cost estimate and confirm the schedule for installing carbon capture and storage at the San Juan Generating Station.”

The carbon dioxide captured at San Juan Generating Station will be permanently sequestered in underground formations near the plant as well as sold and transported via pipeline to the Permian Basin for enhanced oil recovery. San Juan Generating Station with carbon capture is positioned to provide reliable low carbon power much sooner than potential nuclear power plant construction and with much lower atmospheric carbon dioxide emissions than natural gas generation without carbon capture.

Additional reliable power sources are needed to mitigate the grid reliability issues that are forecast in the Western United States due to rapidly closing of legacy power plants and to enable the addition of more wind, solar and battery power to the grid. Internal Revenue Code Section 45Q tax credits for carbon dioxide sequestration and/or use in enhanced oil recovery were recently enhanced by bipartisan federal

legislation to further encourage the development of projects like San Juan Generating Station carbon capture that per the FEED Study has a \$1.55 billion dollar capital budget.

The City of Farmington is a 5% owner of the San Juan Generating Station and is working to acquire the remaining 95% of the plant from the existing owners. The 95% ownership will then be transferred to Enchant Energy who will operate the plant.

“The results of the FEED Study are very positive,” said Farmington Mayor, Nate Duckett. “Successfully completing the FEED Study is an important step for the carbon capture project at San Juan Generating Station that will enable the plant to resume operation and provide reliable cost-effective electric power to the customers of the Farmington Electric Utility System.”

The core technology for the carbon capture system to be installed at San Juan Generating Station uses a proprietary amine-based solvent carbon dioxide capture system developed by Mitsubishi Heavy Industries America, Inc., (MHIA). An earlier iteration of the technology was successfully implemented in 2016 by MHIA on a slipstream from a coal-fired boiler at the Petra Nova Plant in Texas.

“We are extremely pleased that our technology has been able to be successfully integrated into the FEED Study for adding carbon capture to the San Juan Generating Station,” said Timothy Thomas, Senior Vice President – Engineered Systems Division, MHIA. “There is building momentum for carbon capture technology as a way for countries across the world to address the need for reliable electricity generation in an environmentally friendly manner.”

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