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Enchant Energy and Westmoreland Mining Holdings, LLC
Sign Memorandum of Understanding
Parties will work to establish Coal Supply Agreement

Farmington, New Mexico, January 30, 2020 –Enchant Energy Corporation (Enchant Energy) and the City of Farmington announce the signing of a Memorandum of Understanding (MOU) between Enchant Energy and Westmoreland Mining Holdings, LLC (Westmoreland). The MOU sets forth the parameters around which Enchant Energy and Westmoreland will seek to enter into a Coal Supply Agreement (CSA) as part of the project to add carbon capture to San Juan Generating Station (SJGS).

Enchant Energy has entered into an agreement with the City of Farmington to acquire a 95% ownership stake in SJGS in 2022 when the current owners other than the City of Farmington exit the plant. Enchant Energy is developing the project to add proven amine-based technology that will enable the capture of at least 90% of the post-combustion carbon dioxide at the plant (Carbon Capture Utilization and Storage, or CCUS). The goal of the project is to enable SJGS to continue operating past 2022 and produce low-emissions electricity in an environmentally responsible manner thereby protecting jobs and tax revenues.

City of Farmington and Enchant Energy agree that the recent New Mexico Supreme Court decision on the applicability of the Energy Transition Act will have no adverse impact on a successful CCUS project at SJGS, especially because the CCUS project complies with the emissions limitations for SJGS imposed by the ETA.

“Westmoreland’s coal mine adjacent to SJGS has coal reserves sufficiently advanced through environmental, regulatory and permitting approvals to enable the mining and supply of coal to Enchant Energy required for the project,” said Peter Mandelstam, Enchant Energy, Chief Operating Officer. “We look forward to working on the details of a mutually beneficial CSA.”

“Enchant Energy continues to make progress on the key strategic issues necessary to add carbon capture technology to SJGS and keep the plant operating, thus saving 1,600 direct and indirect jobs, preserving tax revenues that support education, and making it the nation’s cleanest burning coal-fired facility,” said Farmington Mayor Nate Duckett. “This MOU is a positive step towards securing a long-term supply of coal for the plant.”

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About City of Farmington:

Farmington is a city located in the northwest corner of New Mexico. It is a subset of the overall MSA: Aztec, Kirtland, Bloomfield, Shiprock, unincorporated areas of San Juan County and parts of the Navajo Nation. The MSA is named after Farmington as it has the largest population of the MSA territory - nearly 46,000 people. Farmington is structured under the council-manager form of government consisting of a city manager, mayor and four city councilors who represent each district in the city. The City of Farmington has been a minority owner of San Juan Generating Station for over 37 years. Learn more at <http://www.fmtn.org/>

About Enchant Energy:

Enchant Energy is a New Mexico company that seeks to capture CO₂ for sequestration purposes and de-carbonize electricity production by investing in state-of-the-art environmental technology at San Juan Generating Station. These activities are intentionally designed to further New Mexico’s dual goals of substantially reducing its statewide CO₂ output, and supporting New Mexico’s economy by employing hundreds of people in San Juan County and on the Navajo Nation by providing reliable, low-cost wholesale electricity. Learn more at: <https://www.enchantenergy.com/>