

### **PNM SELECTS SARGENT & LUNDY TO ENGINEER AIR EMISSION REDUCTION PROJECTS AT SAN JUAN STATION**

*April 7, 2005* - Sargent & Lundy LLC has been awarded a contract by Public Service Company of New Mexico (PNM) to provide detailed engineering for the recently announced major air emissions reduction projects at the San Juan Generating Station (SJGS). In addition to PNM, which operates the plant, SJGS is also owned by Tucson Electric Power, Southern California Public Power Authority, M-S-R Public Power Agency, Tri-State Generation & Transmission, City of Anaheim, Los Alamos County Utilities, City of Farmington, and Utah Associated Municipal Power Systems. The engineering contract for the program at the 1,798-megawatt, coal-fired plant near Farmington, N.M. includes:

- Mercury control technology on all four units to reduce mercury emissions. After initial evaluation of the performance of this technology on Units 3 and 4, PNM will install the technology on the plant's remaining two units.
- New advanced low-nitrogen oxide (NO<sub>x</sub>) burners and overfire air on all four units to reduce the NO<sub>x</sub> emissions rate by 35 percent from the current permitted level.
- Baghouse control technology on the plant's four units to reduce the particulate matter emission rate by 70 percent from the current permitted level.
- Additional sulfur dioxide (SO<sub>2</sub>) emissions reductions from increased scrubbing by enhancing the removal efficiency of the existing pollution control system to 90%.

Engineering will begin immediately and the installations will be fully operational on all four units by January 2010. SJGS is one of the first coal-fired plants in the nation to make a voluntary investment in mercury emissions reduction technology, and PNM's aggressive program will also make significant reductions in particulate matter, NO<sub>x</sub>, and SO<sub>2</sub> emissions.

"All of us at Sargent & Lundy appreciate PNM's confidence in our engineering and project management expertise in undertaking major air quality control programs," said Bud Wendorf, Sargent & Lundy Chairman & CEO. Sargent & Lundy Senior Vice President Bob Herbster, who is directing the

engineering team for the SJGS effort, added " We have assembled a veteran team, and we're truly looking forward to working with PNM to make this showcase project highly successful."

PNM Resources is an energy holding company based in Albuquerque, N.M. PNM, the principal subsidiary of PNM Resources, serves about 460,000 natural gas customers and 405,000 electric customers in New Mexico. SJGS is PNM's primary generation source, providing 65 percent of the power needed by PNM customers. PNM operates the plant on behalf of the company and eight other owners. The company also sells power on the wholesale market in the Western United States. PNM Resources stock is traded primarily on the NYSE under the symbol PNM.

Sargent & Lundy LLC is a worldwide leader in professional services for the electric power industry and has been dedicated exclusively to serving electric power and energy business clients for 114 years. The firm provides comprehensive engineering, energy business consulting, and project and project management services for new and operating fossil-fuel and nuclear power plants and power delivery systems.

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