

PNM Files Appeal over Power Plant Proposal

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ALBUQUERQUE, N.M. (AP) — New Mexico's largest electric utility is going to court in hopes of putting the brakes on a plan to trim emissions from a coal-fired power plant that serves more than 2 million customers throughout the Southwest.

Public Service Company of New Mexico filed an appeal Friday with the Denver-based 10th Circuit Court of Appeals.

The company also sought a stay on a decision made by the U.S. Environmental Protection Agency in August. The federal agency had rejected an attempt by the state and the utility to scale back an order for installing what the EPA considers as top-of-the-line emission-cutting technology at the San Juan Generating Station near Farmington.

The request was made in a letter sent to EPA Administrator Lisa Jackson.

The 1,800-megawatt plant is New Mexico's single largest source of electricity, and also provides power to customers in California, Arizona and Utah. PNM owns 46 percent of the plant and operates it on behalf of eight other owners.

The EPA had given PNM five years to install selective catalytic reduction technology to reduce haze-causing emissions. The utility contended the technology is unnecessary, expensive and would result in a financial burden for customers.

The order was expected to cost the plant's owners at least \$740 million. PNM's share would be nearly \$345 million.

PNM officials said they were committed to improving the plant's performance and reducing its environmental impact but that the EPA's mandate will prove too costly for customers.

"EPA's aggressive, five-year compliance timeframe means that without a stay, we will be forced to begin spending enormous sums of money without knowing if EPA's decision will stand," said Pat Themig, PNM vice president of generation.

Environmental groups that have been critical of PNM and the plant said they were not surprised by the utility's action.

The utility estimated that if the appeal process were to last a year, PNM and the other owners would spend more than \$43 million on early design and construction during that time. In two years, PNM estimated spending at \$246 million.

PNM officials argue the expenditures would be made without knowing whether EPA's decision would be upheld by the court.

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"With the stakes for us and our customers so high, we believe a request for stay is a reasonable request to make," said Pat Vincent-Collawn, president and chief executive of PNM's parent company, PNM Resources.

Environmentalists and health advocacy groups had supported the EPA's order, calling it a step toward cutting back on the haze and pollution that has plagued the region for decades.

They have argued that the utility's plan for installing selective non-catalytic reduction technology would reduce only 20 percent of the plant's nitrogen oxide emissions, compared with 80 percent under the EPA plan.

Jeremy Nichols of WildEarth Guardians, one of the groups putting pressure on the utility, said his group also filed an appeal in anticipation of the utility's attempt to "sabotage" the EPA's order. The group was concerned that the EPA decided to allow the utility five years, instead of three, to make the changes.

"This promises so many great benefits for clean air, for a healthy environment, for public health. It's unfortunate that PNM would see fit to target that when New Mexicans could gain so much from this," Nichols said.

PNM argued that its proposed emissions controls would produce visibility improvements similar to those expected under the EPA order, but at one-tenth of the cost.

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