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Electric Utility in Texas, New Mexico Becomes the First to Go Coal-Free in the Region

El Paso Electric Celebrates Milestone, National Environmental Organization Lauds Utility

EL PASO, Texas--(BUSINESS WIRE)-- El Paso Electric (EPE) (NYSE: EE) today celebrates a milestone as the only utility in Texas and New Mexico to generate electricity 100 percent coal-free. By eliminating the coal generation from the company's portfolio and increasing its investment in utility-scale solar, EPE is avoiding releasing more than two billion pounds of carbon dioxide into the atmosphere, which is the equivalent to taking 190,000 cars off the road or planting 20 million trees.

This announcement comes at the end of a 50-year contract and sale of EPE's seven percent ownership of the coal-fired generating plant, Four Corners Generating Station, located near Farmington, New Mexico. EPE decided that it would not extend its contract due to the uncertainty of significant economic and environmental impacts, and EPE's ownership of Four Corners was sold to a subsidiary of Pinnacle West Capital Corporation, which is also the parent company of Arizona Public Service Company, based in Phoenix, Arizona on July 6, 2016.

"This decision was not only the best environmental decision for our community, but it was also beneficial financially for all of our customers," said El Paso Electric CEO, Mary Kipp. "El Paso Electric has a firm commitment toward providing safe, reliable, and clean energy that is also cost-effective, and as we analyzed our production of electricity, we began to see the ways in which we could make efficient use of new technologies that would be more economically viable for our operations."

In recent years, the use of coal has become a contentious issue with many environmental groups which have worked together to take action to eliminate or severely limit its use in electric power generation. As more utilities try to do their part in reducing harmful emissions, EPE believes that the elimination of coal generation for our region is the right step forward.

"I congratulate El Paso Electric on ending its ownership portion of the Four Corners coal power plant in New Mexico. While there is still more work to be done to fully realize Texas and New Mexico's renewable energy potential, we know that shifting away from carbon-polluting coal plants is one of the most important things we can do to avoid the worst impacts of climate change, which is already making droughts more serious and drying up the Rio Grande," remarked Dr. Al Armendariz, deputy regional director of the Sierra Club's Beyond Coal Campaign.

Since 2009, El Paso Electric has been making significant investments in local generating facilities and in 2014, EPE doubled its utility-scale solar. That same year, EPE was recognized by the Solar Electric Power Association for its significant advances in renewable energy technologies.

"We remain committed to building a portfolio that includes renewable technologies that complement our local, quick-start, clean-burning natural gas units," Kipp added.

As of July 27, 2016, El Paso Electric has a generation mix consisting of nuclear energy from Palo Verde Nuclear Generating Station located near Tonopah Arizona, the nation's largest producer of emission-free energy; local clean-burning natural gas plants; and a combination of ownership and power purchase agreements of large-scale solar facilities, which includes the largest solar facility in the state of New Mexico and the largest solar facility in El Paso County.

EPE continues to make advancements in solar energy with a new Community Solar Program launching in 2017, pending Texas regulatory approval. This program will provide all of EPE's customers in Texas the option to subscribe to solar energy from a local solar facility in east El Paso County.

About El Paso Electric

El Paso Electric is a regional electric utility providing generation, transmission and distribution service to approximately 400,000 retail and wholesale customers in a 10,000 square mile area of the Rio Grande valley in west Texas and southern New Mexico. El Paso Electric has a net dependable generating capability of 1,990 MW.

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El Paso Electric
Eddie Gutierrez, 915-497-3495
Vice President - Public, Government and Customer Affairs
eduardo.gutierrez@epelectric.com

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