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December 3, 2021

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NEW MEXICO GAS COMPANY TO TEST HYDROGEN BLENDING
PROJECT IS EXPECTED TO DELIVER GHG EMISSIONS REDUCTIONS

ALBUQUERQUE – New Mexico Gas Company has initiated a pilot project to test the blending of hydrogen with natural gas, with the objective of lowering its greenhouse gas emissions. If successful, the Company believes blending has the potential to result in as much as a 10 percent reduction in emissions.

Initially, the pilot project will be executed in a closed system where the blended gas will be tested in appliances that NMGC customers typically use in their homes and businesses. A subsequent phase of the pilot project will involve the blending of hydrogen with natural gas in small segments of the distribution system that serves customers.

“Because combustion of hydrogen emits only water, blending hydrogen into natural gas reduces the greenhouse gas intensity of the natural gas stream, with the potential for creating lower-carbon energy for our customers,” said Ryan Shell, President of New Mexico Gas. “Hydrogen blending leverages our state’s natural gas resources, as well as the Company’s existing infrastructure and expertise.”

Phase 1 of the pilot project is just beginning. Pre-mixed hydrogen and natural gas are being tested in a portion of the NMGC system that does not serve customers. The Company will test the blended hydrogen and natural gas on appliances, with a focus on safety and training as well as appliance performance.

In Phase 2, planned for late 2022 or early 2023, hydrogen will be blended into an isolated part of the Company’s distribution system that serves customers, initially at a concentration of five percent by volume. Before delivering blended natural gas and hydrogen to customers, there will be active engagement with homes and businesses that will receive the blended fuel.

For Phase 2, hydrogen will be produced by the BayoGaaS™ Hydrogen Hub, a highly efficient hydrogen production unit built by BayoTech, Inc. (“BayoTech”), an Albuquerque-based innovator in hydrogen solutions.

“We’re excited to partner with New Mexico Gas on this innovative project,” said Mo Vargas, BayoTech’s CEO. “With the commissioning of a BayoTech hydrogen hub in Albuquerque, transportation and industry in New Mexico will now have a local source of reliable, economical and clean hydrogen to decarbonize their businesses.”

The cost of initial work on hydrogen blending has been paid entirely from a research and development fund provided by Emera Inc., NMGC’s parent company.

“Hydrogen provides us with an opportunity to reduce greenhouse gas emissions and we’re invested in exploring its potential,” added Gerald Weseen, Vice President, Regulatory, Strategy & External Affairs at New Mexico Gas. “We’re proud to partner with BayoTech in developing their made-in-New Mexico technology to fuel our hydrogen blending project.”

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About New Mexico Gas Company

As the largest natural gas distribution utility in the state, New Mexico Gas Company serves 530,000 customers throughout New Mexico. New Mexico Gas is a subsidiary of Emera Inc. Visit our website at www.nmgco.com

About BayoTech

BayoTech, an innovator in hydrogen solutions, is committed to addressing the global need for reliable, cost-effective, and low-carbon hydrogen. BayoTech sites hydrogen production close to demand and distributes it to nearby consumers via high-pressure gas transport and storage equipment. Customers are accelerating the decarbonization of their energy and transportation systems through BayoTech's supply of hydrogen molecules, sale and lease of equipment, and zero-emission power solutions. Learn more at www.bayotech.us

About Emera

Emera Inc. is a geographically diverse energy and services company headquartered in Halifax, Nova Scotia, with approximately \$31 billion in assets and 2020 revenues of more than \$5.5 billion. The company primarily invests in regulated electricity generation and electricity and gas transmission and distribution with a strategic focus on transformation from high carbon to low carbon energy sources. Emera has investments throughout North America, and in four Caribbean countries. Emera’s common and preferred shares are listed on the Toronto Stock Exchange and trade respectively under the symbol EMA, EMA.PR.A, EMA.PR.B, EMA.PR.C, EMA.PR.E, EMA.PR.F and EMA.PR.H. Depositary receipts representing common shares of Emera are listed on the Barbados Stock Exchange under the symbol EMABDR and on The Bahamas International Securities Exchange under the symbol EMAB. Additional Information can be accessed at www.emera.com or at www.sedar.com.