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NEW MEXICO GAS COMPANY SEEKS TO BUILD LNG STORAGE FACILITY
ON-SYSTEM STORAGE WILL ENSURE CUSTOMER ACCESS TO AFFORDABLE GAS

ALBUQUERQUE – New Mexico Gas Company has applied to the New Mexico Public Regulation Commission for a certificate of public convenience and necessity authorizing construction of a liquefied natural gas (LNG) storage facility in Rio Rancho, N.M. Once constructed, the facility will, within a few years, replace NMGC’s current leased storage capacity in west Texas. It will help ensure reliable gas supply for NMGC customers and also reduce customer exposure to gas price volatility.

The proposal is rooted in NMGC’s response to an order by the Commission last year to examine alternatives for gas storage, including NMGC-owned assets, as a result of extraordinarily high gas prices experienced during Winter Storm Uri in February 2021.

The proposed facility, connected directly to NMGC’s pipeline system, will have a storage tank capable of holding 1 Bcf (billion cubic feet) of natural gas in liquid form. It will have the ability to liquefy natural gas into LNG and the ability to vaporize LNG back into natural gas for use on NMGC’s system when needed. LNG is an odorless, colorless, cryogenic liquid stored at minus 260° Fahrenheit. In this form, LNG takes up about 1/600th of the volume of natural gas in the gaseous state, which makes it ideal for large-scale storage. As a result, LNG storage facilities are common throughout the country.

The LNG storage tank will also be able to be filled from and deliver natural gas to tanker trucks, for delivery as needed throughout the state for NMGC’s operational needs. The facility will occupy about 25 acres on a 160-acre property on the outskirts of Rio Rancho north of Double Eagle II Airport.

If authorized, construction of the facility will occur over several years, with a target of being operational late in 2026. The cost for constructing the facility is estimated to be approximately \$180 million.

Approval of the application filed today would not immediately increase rates for customers because NMGC will not seek to recover the cost of the facility until it is placed in service in 2026. A request to recover an approved cost of the LNG facility through customer rates will be part of a future rate case.

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About New Mexico Gas Company

As the largest natural gas distribution utility in the state, New Mexico Gas Company provides service to more than 540,000 homes and businesses and about 1.3 million people throughout New Mexico. The Company has more than 700 employees in 26 offices, who are responsible for safely and reliably operating 12,300 miles of pipelines across the state. New Mexico Gas Company is a subsidiary of Emera Inc. Our website is www.nmgco.com

About Emera

Emera Inc. is a geographically diverse energy and services company headquartered in Halifax, Nova Scotia, with approximately \$40 billion in assets and 2021 revenues of more than \$5.7 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 in Canada, the United States and in three 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, EMA.PR.H, EMA.PR.J and EMA.PR.L. 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.