VIA EMAIL AND CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 29, 2025

Claudette Horn
Director, Environment & Land Use Permitting
PNM
414 Silver Ave. SW
Albuquerque, NM 87102

RE: Stage 1 Abatement Plan Required, San Juan Generating Station, 6800 N County Road, Waterflow, NM

Dear Claudette Horn,

This correspondence is to inform Public Service Company of New Mexico (PNM) that the New Mexico Environment Department (NMED) hereby requires a Stage 1 Abatement Plan (S1AP) proposal for the San Juan Generating Station (SJGS) located at 6800 N County Road, Waterflow, New Mexico (Site). NMED designates PNM, as a current owner of the Site, as a responsible party, as defined in the New Mexico Water Quality Act, NMSA 1978 § 74-6-2, for groundwater and soil contamination associated with former operations at the Site.

In 2023 the New Mexico Legislature passed House Bill 142 (HB-142) to strengthen oversight, transparency, and accountability related to potential legacy contamination at the Site. Subsequently, NMED initiated a comprehensive investigation into environmental conditions at the site, with a primary focus on groundwater contamination, regulatory compliance, and long-term public health protection.

SJGS began operations in 1973, ceased operations in 2022, and is currently undergoing demolition. Due to the long operational history, extensive industrial activities, and complex hydrogeological conditions, the Site presents multiple potential sources of groundwater and soil contamination. Historical records, monitoring data, and past site activities indicate that the discharge of process wastewater, coal combustion by-products, and chemical waste may have contributed to contamination of both shallow and deep groundwater systems. Known contaminants of concern, based on historic monitoring, include nitrate, sulfate, arsenic, selenium, uranium, boron, and volatile organic compounds (VOCs), with concentrations in several monitoring wells exceeding New Mexico's groundwater quality standards. Additional Site monitoring and characterization is required to assess potential contaminants of concern and the extent of contamination, as historic monitoring was limited to discharge permit compliance. Historic monitoring has not addressed the full extent of potential contaminants from industrial activities at the Site.

Ms. Claudette Horn
PNM
July 29, 2025

Pursuant to Section 4104 of the New Mexico Ground and Surface Water Protection Regulations (20.6.2 NMAC), NMED hereby requires PNM to submit a S1AP in conformance with 20.6.2.4106.C NMAC **within 60 days of receipt of this correspondence**.

The purpose of the S1AP is to design and conduct site investigation(s) to adequately define site conditions and provide the data necessary to select and design an effective abatement option. NMED will issue a press release within 30 days of receipt of the S1AP as required by 20.6.2.4108.A NMAC. The press release will summarize the following:

1. the source, extent, magnitude and significance of water pollution, as known at the time;
2. the proposed S1AP investigation; and
3. the name and telephone number of an agency contact who can provide additional information.

Failure to submit the S1AP for NMED approval within 60 days shall result in a violation of the Water Quality Act, NMSA 1978, §§ 74-6-1 to -17, and the Water Quality Control Commission Regulations, 20.6.2.4000 through 20.6.2.4115 NMAC. Such violations may result in formal enforcement action, which can include the issuance of an administrative compliance order and civil penalties of up to $10,000 per day per violation.

NMED will require PNM to submit a financial assurance plan which covers the estimated costs to conduct abatement activities pursuant to Section 4101.C of 20.6.2 NMAC.

NMED will require PNM to enter into an oversight funding agreement for compensation of the department for reasonable costs associated with oversite of abatement activities pursuant to Section 4104.D of 20.6.2 NMAC.

For any questions or concerns relating to this matter, please contact Paul Chamberlain at 505-670-2571 or paul.chamberlain@env.nm.gov, or Laurel Seus at 505-670-0569 or laurel.seus@env.nm.gov, or ros.general@env.nm.gov.

Through the NMED Delegation Order dated June 23, 2025, the Cabinet Secretary has delegated the authority to sign letters requiring an Abatement Plan to the Chief of the Ground Water Quality Bureau.

Thank you for your prompt attention to this matter.

Sincerely,

Justin Ball Digitally signed by Justin Ball
Date: 2025.07.29 11:46:32 -06'00'

Justin Ball, Chief
Ground Water Quality Bureau

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