



Xcel Energy Media Relations
414 Nicollet Mall, 401-7
Minneapolis, MN 55401
(612) 215-5300
www.xcelenergy.com

Xcel Energy proposes to exit coal by 2030

Company plans earlier coal plant retirement, accelerating its nation-leading clean energy transition

MINNEAPOLIS (Oct. 31, 2022) — Xcel Energy announced today a proposal to advance the retirement of coal operations at Tolk Generating Station in Texas to 2028, more than four years earlier than planned. With this earlier retirement, along with accelerated coal plant retirements in other states, the company will exit the use of coal by the end of 2030 when the Comanche 3 coal unit in Colorado retires.

The company is leading the nation's clean energy transition as it reduces carbon emissions 80% by 2030 for electric customers, with a vision to achieve 100% carbon-free electricity by 2050. Retiring coal generation while continuing to add reliable and affordable clean energy sources are key to Xcel Energy's strategy in the eight states it serves.

"As the first energy provider in the nation to set ambitious goals for addressing all the ways our customers use energy – electricity, heating and transportation – we are always striving to provide our customers cleaner energy resources, while saving them money," said Bob Frenzel, chairman, president and CEO of Xcel Energy. "Advancing the retirement of coal operations at Tolk Station demonstrates our commitment to our clean energy strategy, while ensuring our customers and communities have reliable, affordable and safe service."

In addition to accelerating the clean energy transition, retiring coal at Tolk Station earlier than planned is estimated to save Xcel Energy's customers in Texas and New Mexico more than \$70 million. With the proposed earlier retirement date, Tolk will continue flexible operations to optimize generation when natural gas prices are high while managing limited remaining water resources. Additionally, changes in federal laws are making the replacement of coal generation with cleaner energy sources more cost-effective.

In November, Xcel Energy will propose to New Mexico regulators to move Tolk's retirement date, previously set in the 2032-34 timeframe, to 2028. The proposal will go before Texas regulators in February 2023. Xcel Energy plans to continue operations of currently installed synchronous condensers at Tolk after 2028 as they continue to help ensure the stability of the regional grid.

Throughout its clean energy transition, Xcel Energy has focused on affordability and reliability for its customers, while working with employees and communities that host its power plants to ensure a smooth transition. Through future regulatory processes, the company expects a diverse mix of replacement generation, including wind and solar, to be developed near Tolk after coal operations are retired.

"For more than forty years, the dedicated employees at Tolk Generating Station have provided reliable and safe service to our Texas and New Mexico customers and communities," said Adrian Rodriguez, president, Xcel Energy New Mexico, Texas. "While we maximize replacement generation in the region, we're also committed to transition our employees into new roles as needed, something we've done successfully at other Xcel Energy plants."

Tolk Station, located roughly 70 miles northwest of Lubbock, includes two coal-fueled steam units with a combined capacity of 1,067 megawatts.

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About Xcel Energy

Xcel Energy (NASDAQ: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit xcelenergy.com or follow us on [Twitter](#) and [Facebook](#).