SYSTEM OVERVIEW RECAP
## Current Summer SPS Loads and Resources Table - Planning Load

<table>
<thead>
<tr>
<th>LINE NO.</th>
<th>DESCRIPTION</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TOTAL ACCREDITED CAPACITY (MW)</td>
<td>5,418</td>
<td>5,411</td>
<td>5,158</td>
<td>4,918</td>
<td>4,472</td>
<td>3,178</td>
<td>3,170</td>
</tr>
<tr>
<td>2</td>
<td>FIRM LOAD OBLIGATION</td>
<td>4,332</td>
<td>4,580</td>
<td>4,680</td>
<td>4,735</td>
<td>4,881</td>
<td>4,898</td>
<td>5,032</td>
</tr>
<tr>
<td>3</td>
<td>TOTAL PLANNING RESERVE MARGIN</td>
<td>650</td>
<td>687</td>
<td>702</td>
<td>710</td>
<td>732</td>
<td>735</td>
<td>755</td>
</tr>
<tr>
<td>4</td>
<td>CAPACITY NEED</td>
<td>4,982</td>
<td>5,267</td>
<td>5,383</td>
<td>5,446</td>
<td>5,613</td>
<td>5,633</td>
<td>5,787</td>
</tr>
<tr>
<td>5</td>
<td>RESOURCE POSITION (MW): LONG/(SHORT)</td>
<td>436</td>
<td>144</td>
<td>(224)</td>
<td>(527)</td>
<td>(1,141)</td>
<td>(2,455)</td>
<td>(2,618)</td>
</tr>
</tbody>
</table>

- Resource Position is an important factor for determining the need for new generating resources during the planning period - It is **not** the only consideration.
## Existing Generation

### 2024 Capacity Overview by Resource Type

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Maximum Capability (MW)</th>
<th>Accredited Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>1,067</td>
<td>1,067</td>
</tr>
<tr>
<td>Coal to Gas</td>
<td>1,018</td>
<td>1,018</td>
</tr>
<tr>
<td>Gas – Steam</td>
<td>1,427</td>
<td>1,427</td>
</tr>
<tr>
<td>Gas – CT</td>
<td>822</td>
<td>822</td>
</tr>
<tr>
<td>Gas – CC</td>
<td>558</td>
<td>558</td>
</tr>
<tr>
<td>Wind</td>
<td>2,451</td>
<td>447</td>
</tr>
<tr>
<td>Solar</td>
<td>190</td>
<td>78*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,533</strong></td>
<td><strong>5,418</strong></td>
</tr>
</tbody>
</table>

*NM Approved portion only

- The maximum capability of a unit is the maximum output of a generator
- Accredited capacity considers a generator’s production during peak demand
## Existing SPS Generating Resources

<table>
<thead>
<tr>
<th>Plant Name</th>
<th>Fuel</th>
<th>Maximum Capability</th>
<th>COD Year</th>
<th>Retirement / Expire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cunningham 2</td>
<td>Gas ST</td>
<td>183</td>
<td>1965</td>
<td>2025</td>
</tr>
<tr>
<td>Maddox 2</td>
<td>Gas CT</td>
<td>61</td>
<td>1976</td>
<td>2025</td>
</tr>
<tr>
<td>Blackhawk (PPA)</td>
<td>Gas CT</td>
<td>220</td>
<td>1999</td>
<td>2026</td>
</tr>
<tr>
<td>Nicholas 2</td>
<td>Gas ST</td>
<td>106</td>
<td>1962</td>
<td>2027</td>
</tr>
<tr>
<td>Plant X 4</td>
<td>Gas ST</td>
<td>189</td>
<td>1964</td>
<td>2027</td>
</tr>
<tr>
<td>Tolk 1</td>
<td>Coal</td>
<td>532</td>
<td>1982</td>
<td>2028</td>
</tr>
<tr>
<td>Tolk 2</td>
<td>Coal</td>
<td>535</td>
<td>1985</td>
<td>2028</td>
</tr>
<tr>
<td>Nicholas 1</td>
<td>Gas ST</td>
<td>107</td>
<td>1960</td>
<td>2028</td>
</tr>
<tr>
<td>Maddox 1</td>
<td>Gas ST</td>
<td>112</td>
<td>1967</td>
<td>2028</td>
</tr>
<tr>
<td>Nicholas 3</td>
<td>Gas ST</td>
<td>244</td>
<td>1968</td>
<td>2030</td>
</tr>
<tr>
<td>Jones 1</td>
<td>Gas ST</td>
<td>243</td>
<td>1971</td>
<td>2031</td>
</tr>
<tr>
<td>Jones 2</td>
<td>Gas ST</td>
<td>243</td>
<td>1974</td>
<td>2034</td>
</tr>
<tr>
<td>Hobbs (PPA)</td>
<td>Gas CC</td>
<td>558</td>
<td>2008</td>
<td>2034</td>
</tr>
<tr>
<td>Harington 1</td>
<td>Coal-to-Gas</td>
<td>339</td>
<td>1976</td>
<td>2036</td>
</tr>
<tr>
<td>Harington 2</td>
<td>Coal-to-Gas</td>
<td>339</td>
<td>1978</td>
<td>2038</td>
</tr>
<tr>
<td>Harington 3</td>
<td>Coal-to-Gas</td>
<td>340</td>
<td>1980</td>
<td>2040</td>
</tr>
<tr>
<td>Cunningham 3</td>
<td>Gas CT</td>
<td>106</td>
<td>1998</td>
<td>2040</td>
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<tr>
<td>Cunningham 4</td>
<td>Gas CT</td>
<td>101</td>
<td>1998</td>
<td>2040</td>
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<tr>
<td>Jones 3</td>
<td>Gas CT</td>
<td>166</td>
<td>2011</td>
<td>2056</td>
</tr>
<tr>
<td>Jones 4</td>
<td>Gas CT</td>
<td>168</td>
<td>2013</td>
<td>2058</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plant Name</th>
<th>Type</th>
<th>Maximum Capability</th>
<th>COD Year</th>
<th>Retirement / Expire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caprock</td>
<td>Wind</td>
<td>80</td>
<td>2004</td>
<td>2024</td>
</tr>
<tr>
<td>San Juan</td>
<td>Wind</td>
<td>120</td>
<td>2005</td>
<td>2025</td>
</tr>
<tr>
<td>Wildorado</td>
<td>Wind</td>
<td>161</td>
<td>2007</td>
<td>2026</td>
</tr>
<tr>
<td>Spinning Spur</td>
<td>Wind</td>
<td>161</td>
<td>2012</td>
<td>2027</td>
</tr>
<tr>
<td>SunEd</td>
<td>Solar</td>
<td>50</td>
<td>2011</td>
<td>2031</td>
</tr>
<tr>
<td>Mammoth Wind</td>
<td>Wind</td>
<td>199</td>
<td>2014</td>
<td>2034</td>
</tr>
<tr>
<td>Palo Duro Wind</td>
<td>Wind</td>
<td>250</td>
<td>2014</td>
<td>2034</td>
</tr>
<tr>
<td>Roosevelt Wind</td>
<td>Wind</td>
<td>250</td>
<td>2015</td>
<td>2035</td>
</tr>
<tr>
<td>Chaves</td>
<td>Solar</td>
<td>70</td>
<td>2016</td>
<td>2041</td>
</tr>
<tr>
<td>Roswell</td>
<td>Solar</td>
<td>70</td>
<td>2016</td>
<td>2041</td>
</tr>
<tr>
<td>Hale</td>
<td>Wind</td>
<td>478</td>
<td>2019</td>
<td>2044</td>
</tr>
<tr>
<td>Sagamore</td>
<td>Wind</td>
<td>522</td>
<td>2020</td>
<td>2045</td>
</tr>
<tr>
<td>Lorenzo</td>
<td>Wind</td>
<td>80</td>
<td>2018</td>
<td>2048</td>
</tr>
<tr>
<td>Wildcat</td>
<td>Wind</td>
<td>150</td>
<td>2018</td>
<td>2048</td>
</tr>
</tbody>
</table>

Within the 20-year planning period:
- All existing thermal generation is scheduled to retire, except Jones 3 & 4 (234 MW)
- All renewable generation is scheduled to expire / retire except Sagamore, Hale, Lorenzo, Wildcat
New Mexico Load vs. Current Resources Balance - Planning Forecast \(^{(1),(2)}\)

1. Based on Summer Planning Load Forecast, 1H23
2. Capacity MWs shown on an accredited "firm" basis

< 2.6 GW accredited capacity needed by 2030

Impact of Generator Retirements

<table>
<thead>
<tr>
<th>Year</th>
<th>Solar</th>
<th>Wind</th>
<th>Natural Gas (CT)</th>
<th>Natural Gas (CC &amp; Steam)</th>
<th>Coal</th>
<th>Firm Load Obligation (Planning Forecast)</th>
<th>Capacity Obligation (15% RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td></td>
<td></td>
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<td></td>
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<td>2031</td>
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<td>2032</td>
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<td>2033</td>
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<td>2034</td>
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<td>2035</td>
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<td>2036</td>
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<td>2037</td>
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<td>2038</td>
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<td>2039</td>
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<tr>
<td>2040</td>
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<tr>
<td>2041</td>
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<tr>
<td>2042</td>
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</tr>
</tbody>
</table>
2021 ACTION PLAN UPDATE
SPS’s initial 2021 IRP action plan did not identify the need for any new generating resources.

However, SPS supplemented the action plan to incorporate the following changes:

- Passage of the Inflation Reduction Act
- Increase in planning reserve margin requirement from 12% to 15%
- Implementation of the ELCC methodology for renewable accreditation
- Increased load growth – particularly in SE New Mexico

In November 2022, in accordance with the supplemented action plan, SPS filed an all-source solicitation for new generating resources.

In June 2023, SPS announced the successful projects that would be advanced to contract negotiations.*

*As negotiations are on-going, SPS cannot share commercially sensitive information at this time.
2022 RFP Bid Selection

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Project</th>
<th>Tech</th>
<th>Size(MW)</th>
<th>COD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPS</td>
<td>Plant X1-2 Solar</td>
<td>Solar</td>
<td>150</td>
<td>4/1/2026</td>
</tr>
<tr>
<td>SPS</td>
<td>Cunningham1 Solar</td>
<td>Solar</td>
<td>72</td>
<td>4/1/2026</td>
</tr>
<tr>
<td>SPS</td>
<td>Cunningham 2 Solar</td>
<td>Solar</td>
<td>196</td>
<td>4/1/2027</td>
</tr>
<tr>
<td>Contour Global</td>
<td>Blackhawk Station</td>
<td>Thermal</td>
<td>230</td>
<td>Existing</td>
</tr>
</tbody>
</table>

Recommend portfolio will more than triple the size of SPS’s solar fleet from 190 MW to 608 MW

SPS is also continuing to explore battery energy storage proposals from the November 2022 RFP – More to follow
Load vs. Current and Recommended Future Resources Balance

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Capacity MWs shown on an accredited “firm” basis
2023 IRP - MODELING APPROACH
Determining the cost of resource portfolios

- SPS uses the EnCompass production cost model to determine the most cost-effective portfolio(s) of resources to meet projected future energy demand.
- Resource Portfolios must meet predetermined reliability and clean energy requirements (e.g., planning reserve margin requirements).
- System costs are calculated on a present value revenue requirement basis (“PVRR”).
- Results are only as accurate as the modeling inputs - critical inputs are often subject to sensitivity analysis (e.g., load forecasts, gas prices).
- Qualitative factors, often outside the scope of the model, should also be considered.
- The lowest cost portfolio of resources may not be the optimal portfolio.
Load vs. Current and Recommended Future Resources Balance

Short-Term Planning Horizon (Action Period)

Medium-Term Planning Horizon

Long-Term Planning Horizon
17.7.3.8 D: A multi-jurisdictional utility shall include in its IRP a description of its resource planning requirements in the other state(s) where it operates, and a description of how it is coordinating the IRP with its out-of-state resource planning requirements.

SPS
- Is a multi-jurisdictional utility serving retail customers in Texas, and wholesale customers;
- Is not required to file an IRP in Texas;
- Conducts resource planning analyses on a system-wide basis

Before conducting any analysis, SPS will first perform EnCompass modeling excluding any jurisdictional specific requirements (e.g., renewable portfolio standards) to establish a baseline for out-of-state decision-making purposes only.

This analysis will not form SPS’s base case in the 2023 NM IRP. All scenarios included in the 2023 NM IRP will be compliant with NM jurisdictional rules and requirements
SPS will evaluate the following sensitivities for each of its level 3 analysis:

**Load**
- Base Load (50% percentile)
- High Load (85% percentile)
- Electrification & Emerging Technologies Load (per key accounts recommendation)

**Gas**
- Base Gas
- Low Gas
- High Gas

**Transmission Network Upgrade Sensitivities**
- Base Transmission Network Upgrade Costs
- High Transmission Network Upgrade Costs
Existing Resource Adequacy Requirements
Modeling will include the Southwest Power Pool’s existing 15% planning reserve margin in all months

Increased Resource Adequacy Requirements
Through discussions with the Southwest Power Pool, SPS anticipates the planning reserve margin will increase with a more stringent winter requirement likely. Beginning 2028, Modeling will include a 20% planning reserve margin requirement in the Winter and an 18% PRM in the Summer
### Existing Technology
Modeling will not include any new gas generation. The only new supply-side generating resources available for selection will be solar, wind, and 4-, 6-, and 8-hour lithium-ion battery energy storage systems (“BESS”).

### Long Duration Storage
As existing technology, plus addition of 100-hour long duration BESS.

### Hydrogen Conversion
Allow new firm and dispatchable gas generation assuming conversion to 100% hydrogen before 2040.
Transmission Network Upgrades – The following generation will not incur any network upgrade costs:

- 1,100 MW of accredited capacity interconnected at Tolk (generator replacement)
- 1,000 MW of wind and/or solar at Harrington (surplus interconnection)
- 1:1 for accredited capacity replacement as gas-steam retires
- Battery energy storage (assume it will be co-located at existing or proposed wind or solar facility)
- Simple Cycle gas CT (assume it will be co-located at existing or proposed wind or solar facility)
Stakeholder Modeling Requests

- **Level 0**: Outside IRP Scope
  - Multi-Jurisdictional Baseline

- **Level 1**: NM IRP Base Case
  - Existing RA Requirements
  - Increased RA Requirements

- **Level 2**: Within IRP Scope
  - Existing Technology
  - Long Duration Storage
  - Hydrogen Conversion

- **Level 3**: Level 2 Analysis
  - Identify Level 2 Analysis
  - Identify Level 3 Analysis
  - Identify Sensitivity (Slide 18)
  - Stakeholder Request Changes
Production Cost Modeling is a time and labor-intensive process, SPS respectively requests the working groups submit modeling runs requests ahead of the meeting on July 6, 2023. This will allow time for discussion and development of any inputs and assumptions.

SPS will then review completed modeling with stakeholders during the meeting on August 1, 2023.
IRP PRESENTATION - SPP
Jarred Cooley – Director, Strategic Planning

IRP Stakeholder meeting – Roswell, NM
June 14, 2023
TOPICS TO COVER

• Discuss SPP
• Resource Adequacy efforts at SPP
• Considerations as part of the IRP
What is the Southwest Power Pool?

The Southwest Power Pool (SPP) is:

• A 501(c)(6) nonprofit corporation, based in Little Rock, AR
• FERC approved Regional Transmission Operator (RTO) since 2004
• 114 members, diverse membership
• Stakeholder driven
• Integrated Marketplace – Day ahead and real time market
• A Tariff Administrator
• Independent Board of Directors (9)
MEMBERS IN 14 STATES

- Arkansas
- Iowa
- Kansas
- Louisiana
- Minnesota
- Missouri
- Montana
- Nebraska
- New Mexico
- North Dakota
- Oklahoma
- South Dakota
- Texas
- Wyoming
Benefits of being part of SPP

- Access to larger pool of generation resources – low cost energy
- Decrease generation reserves
- Collaborative Transmission Planning
- Generation Interconnection Queue
- Load interconnection requests
- Outage coordination
- Cost Allocation
- Training Opportunities
- Compliance
SPP Generation Interconnection Queue

Definitive Interconnection System Impact Study (DISIS)
• Current Queue – 561 projects, 111.5 GW
• 7 cluster studies currently in progress
• DISIS-2023-001 window will remain open

Studies consist of three phases (outlined in Attachment V of the SPP OATT)
• Phase 1 – reliability impact
• Phase 2 – reliability and stability impact
• Phase 3 – reliability and stability, issuance Generation Interconnection Agreement (GIA)
  – Between Phases 1 and 2 and Phases 2 and 3, generators are required to pay or are withdrawn
What SPP does not do

SPP does not do:

• Transmission – Siting, Construction, or Permitting
• Generation – Planning, Siting, Construction, or Permitting
• All the NERC and FERC compliance activities
• Planning for transmission facilities below 100 kV
RESOURCE ADEQUACY AND IMPACTS TO IRP
Resource Adequacy at SPP

Widely viewed as the most critical topic at SPP currently

SPP Open Access Transmission Tariff and bylaws gives authority on Resource Adequacy methodology to the Regional State Committee (RSC)

- RSC is comprised of one Commissioner per state in SPP’s footprint (14)
  - Chair O’Connell is on the RSC for NM
- SPP Board of Directors (BOD) can:
  - Approve same proposal as RSC
  - Defer authority to the RSC
  - Approve alternative proposal
Resource Adequacy at SPP

Multiple groups (mix of stakeholders and regulators) have direct input to the RSC and BOD:

• Supply Adequacy Working Group
• Cost Allocation Working Group
• Improved Resource Availability Task Force
  • Created following Winter Storm Uri, likely going away by end of the year
• Resource and Energy Adequacy Leadership (REAL) Team
  • Created January 2023
  • This group will be driving a lot of the Resource Adequacy policy going forward
• Grid of the Future / Strategic Planning
Reliability focus - IRATF

Following Winter Storm Uri – SPP

• Inertia – looking at market solution
• Primary frequency response – looking at market solution
• Ramp – looking at assignment to load serving entities
• Flexibility
• Fuel assurance
## Real Task Prioritization

### In-Person Session
- **May**
  - Market Mechanisms
  - Value of Loss Load
  - Review SIRs
- **July**
  - Fuel Assurance
  - Ramp Flexibility
  - Incremental Load on RA
- **September**
  - RA Methodology/Tools
  - LRE RA Policies
  - EUE Methodologies
- **November**
  - Future Capacity Accreditation & PRM
  - RA Accreditation Policy Adjustments
  - RA Seasonal Application Construct

### Virtual Session
- **June**
  - Future Grid Study
  - 2hr
- **August**
  - Regional RTO RA Policies
  - 4hr
- **October**
  - Generator Interconnection
  - Transmission Policy & Outages
  - 4hr
- **December**
  - State Capacity Policies
  - 3hr
What has happened thus far (2022-2023) – Key Items

SPP RSC and/or BOD have:

- Approved change in PRM from 12% to 15% for Summer 2023
- Approved Planning Based Accreditation for conventional units (FERC filing late 2023)
- Approved Sufficiency value curve (FERC approved)
- Approved language for non-tariff violation if pay deficiency payment on PRM (FERC approved)
- Approved Winter deliverability requirement

FERC reject the SPP ELCC filing March 2023 – SPP working on new filing
Planning Reserve Margin

Currently have a Planning Reserve Margin (PRM) of 15% - Set forth by SPP

- Was approved to be moved from 12% to 15% July of 2022
  - Implementation is Summer 2023
  - This is a minimum requirement to meet

- Value driven by the Loss of Load Expectation (LOLE) study

- Failure to meet the PRM will result in Deficiency Payments (outlined in SPP tariff)
ELCC and PBA

Effective Load Carry Capability (ELCC)
• Applies to renewables

Performance Based Accreditation (PBA)
• Applies to conventional resources

SPP and stakeholders working on finalizing ELCC and PBA for RSC and SPP BOD approvals Oct 2023
What is coming up at SPP (not firm dates):

- Winter PRM (Part 1): create a winter PRM for 2023-2024 at 15% (mirror summer’s PRM)
  - Expected SPP approvals - July 2023
- Winter PRM (Part 2): create a stand-alone winter PRM for 2025-2026 (separate from summer)
  - Expected SPP approvals - January 2024
- Performance Based Accreditation (PBA) and Effective Load Carry Capability (ELCC)
  - Expected SPP approvals - October 2023
- Summer PRM: looking to increase the existing Summer PRM in next 2 years (LOLE study being worked on currently)
Additional Items at SPP

Expected SPP approvals – October 2023

- Ramping requirements for Summer 2026
- Strengthen firm fuel requirements
- Demand Response policies related to capacity accreditation for interruptible load

Expected SPP Approvals - 2024

- Improve generation maintenance and outage policies
- Creation of Value of Loss of Load (VOLL) and Expected Unserved Energy (EUE) metrics and associated policies
Considerations to include in IRP modeling:

• ELCC and PBA implementation by SPP
• Upcoming changes to implement at Winter PRM by SPP
• Upcoming changes to implement an increased Summer PRM by SPP
• Changes to how demand response resources are accredited by SPP

Other item – Reliability

• Ramping, inertia, frequency response, fuel diversity, etc.
• Not captured in the models but critical to keeping the lights on
QUESTIONS?
STAFF recommends the IRATF:

Approve the recommendations summarized below:

- **Inertia:**
  - MWG to design and implement changes to the Market logic to ensure SPP BAA is operating with adequate Inertia response.
  - MWG to determine the Market product needed to ensure adequate headroom for providing Inertia and compensate for lost opportunity costs.
  - GIUF to establish inertial response capability requirements applicable to all new resources.

- **Primary Frequency Response:**
  - MWG design and implement changes to the Market logic to ensure SPP BAA is operating with adequate Primary Frequency Response.
  - MWG to determine the Market product needed to ensure adequate headroom for providing Primary Frequency Response and compensate for lost opportunity costs.

- **Ramp:**
  - SPP staff develop a Revision Request for allocating a share of the required Ramp attribute quantity to operate SPP BAA reliable, to LREs through Attachment AA.

- **Flexibility:**
  - SPP Staff, working with MWG & SAWG to develop a common understanding of what the attribute flexibility means for SPP BAA.

- **Fuel assurance:**
  - SPP Staff, working with MWG & SAWG to develop a common understanding of what the attribute fuel assurance means for SPP BAA.

- **RPA1.6 yearly attribute adequacy assessment:**
  - SPP Staff perform a yearly RPA1.6 type of effort based on new ITP scenarios and report results to impacted stakeholder groups.

- **RPA1.7 biennial policy assessment:**
  - SPP Staff perform a biennial RPA1.7 effort to re-assess for all reliability attributes the need for market product, policies or requirements and report results to impacted stakeholder groups and RSC.
Western Services (Not Applicable to SPS)

• Markets+
  • Currently in Development, Phase 2 in progress
• RTO West
  • 6 utilities currently investigating
• Western Reliability Coordinator
• Western Energy Imbalance Services Market (WEIS)
  – Launched 2021 – real time market, buy and sell energy
• Western Resource Adequacy Program (WRAP)
• Western Interconnection Unscheduled Flow Mitigation Plan
Sales and Demand Forecast Overview

• Xcel Energy’s Sales, Energy, and Demand forecasting team creates multi-year forecasts of class-level customer counts and sales by state and system-level energy and peak demands
  – Forecasts are key inputs to many planning processes, including the Integrated Resource Plan

• Forecasts are developed using:
  – Regression/statistical analysis
  – Trend analysis
  – Contract terms

• Exogenous adjustments include:
  – Demand Side Management
  – Distributed generation solar
  – Electric Vehicles
  – Individual large customer information

• Forecast scenarios
  – Base Load (50th percentile)
  – High Load (85th percentile)
  – Electrification and Emerging Technologies
Inputs and Key Drivers

• Key inputs to the models include:
  – Historical sales, customer counts, and weather
  – Historical economic trends – drivers include housing stock, population, personal income, employment, state/metro gross product and oil production

• Key forecast drivers include:
  – Forecasted service territory economics – provided by an external vendor, IHS Markit
  – Weather – 30-year normals used in the forecasts, data from NOAA for select weather stations
  – Demand Side Management
  – Distributed Solar
  – Electric Vehicles
  – Large customer additions and expansions
Sales and Peak Trends

- Retail sales growth has accelerated since 2017, even with a pandemic related decline in 2020
- Driven primarily by expansion of the oil and gas industry in New Mexico
- Growth expected to continue through the forecast period

- Retail peak growth has also accelerated since 2017
- Growth expected to continue with economic growth and the addition of new, large loads
Sales Trends by State

- TX sales flat before a pandemic related decline in 2020
- Customer requests from high usage/high load factor industries expected to drive stronger growth in TX

- NM sales have shown strong growth since 2017
- Driven primarily by increases in sales to the oil and gas sector
- Expansion of oil and gas sector expected to continue, with significant potential for growth from electrification