



Meeting #5, August 1-2, 2023

Xcel Energy/Southwestern Public Service Company's Integrated Resource Plan

MEETING SUMMARY

Approximately 44 stakeholder representatives from 28 different organizations plus a team of Xcel/SPS Energy professionals attended a meeting focused on developing input to SPS's Integrated Resource Plan. SPS and the Lea County Economic Development Council hosted an in-person venue in Hobbs, New Mexico to supplement the virtual ZOOM venue.

The purpose of the meeting was to prepare stakeholders to provide input to the Action Plan in September. Key outcomes of the meeting were:

- Measure of consensus regarding priority needs
- Understanding of modeling inputs/assumptions
- Insights from modeling results completed to date
- Awareness of stakeholder requested modeling runs

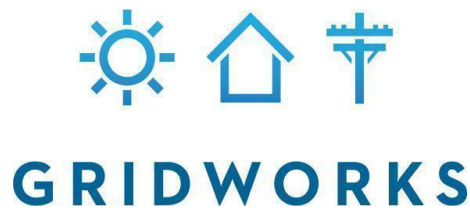
Meeting materials (listed below) in addition to this meeting summary are available at: [Xcel Energy/Southwestern Public Service Company \(SPS\) – Gridworks](#)

- [SPS IRP Meeting #5 Day 1 – 8/1/23 Video](#)
- [SPS IRP Meeting #5 Day 2 – 8/2/23 Video](#)
- [Solar+Storage](#)
- [Statement of Need Elements 7/24/23](#)
- [Slide Deck – Gridworks/SPS IRP 8/1 & 8/2 Stakeholder Engagement Meetings](#)
- [Slide Deck – Xcel/SPS IRP Stakeholder Engagement Meetings 8/1 – 8/2/23](#)
- [NM IRP Modeling Scenario Requests – 8/1 – 8/2/23](#)
- [V2 PRC staff Qs to SPS 7/10/23 w SPS comments](#)

Schedule Revisions

Two revisions to the schedule for the remaining stakeholder meetings were announced:

- August 29 meeting time changed. New time is 1:00 PM – 5:00 PM MDT** (previously scheduled from 2 -3:30 PM)
- September 13 is a new meeting. Time is 1:00 PM – 3:00 PM MDT**
- September 21 meeting is unchanged: 1:00 PM – 5:00 PM MDT
- October 26 meeting is unchanged: 2:00 PM – 3:30 PM MDT



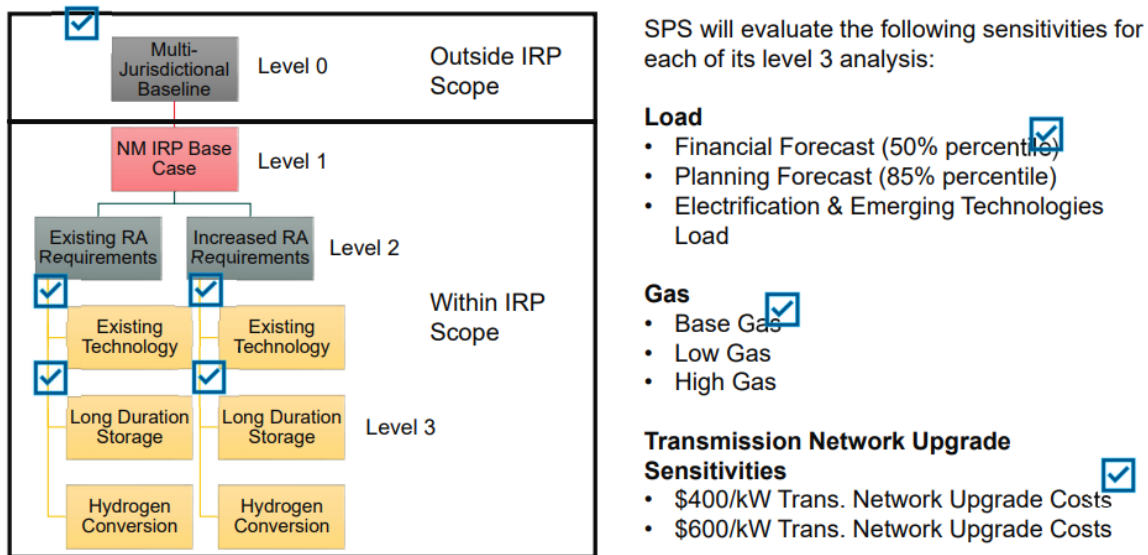
Modeling Results to Date

The SPS team presented updates on modeling assumptions and inputs including the most recent demand and energy forecasts; wind, solar and battery cost and ELCC data; and natural gas and energy market price forecasts. The team also presented draft modeling results to date, which included runs indicated by the check marks in the graphic below. For additional details, see the SPS slide deck, listed above.

Key takeaways from the August 1 presentation and discussion include:

- SPS projects a significant increase in renewable energy resources by 2030 in all scenarios modeled (approximately 2x increase from 2022 to 2030); (See slides 24 and 31)
- Current modeling indicates substantial need for dispatchable capacity and variable renewable energy generation to cost-effectively meet reliability criteria with pending retirements of fossil-fueled generation; and (See slides 41 and 42)
- Future resource needs will be examined further with modeling of remaining scenarios, including stakeholder-requested scenarios.

SPS – Modeling Hierarchy



© 2020 Xcel Energy

3

Stakeholder Requested Modeling Runs

Eight stakeholder model requests were received by SPS by the announced deadline. The SPS modeling team has been working with stakeholders to define the parameters and objectives of each request. A list of the main topics included in the requests follows.



Requests/topics that now defined and have been confirmed with the requestors:

- Aggregated virtual power plant (distributed energy resources)
- Demand response scenario
- Time of use rates scenario
- Early compliance with renewable energy and carbon free targets
- Inclusion of reciprocating engines as a resource option
- Including a load forecast case that reflects high electrification in the commercial and industrial sectors as identified in the Permian Basin Electrification Study

Requests/topics that will be modeled but require discussion on final details include:

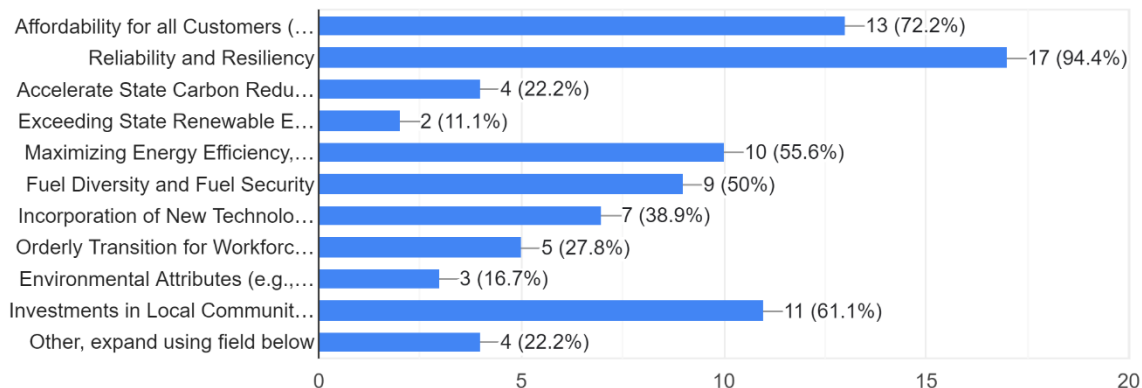
- Resource assumptions on hydrogen conversion and CCS deployment
- Talk retirement in 2028, but with specified generation levels until then
- Environmental compliance costs under the Good Neighbor Plan
- High renewable energy penetration under the Inflation Reduction Act
- Compliance with EPA Section 111

Stakeholders' Needs

Input regarding stakeholders' needs is captured in the input document to the Statement of Need (listed in the meeting materials above). In addition, a mechanism for assessing the level of consensus regarding stakeholder needs was deployed during the meeting. The factors included items listed in the Statement of Need input document, the NM IRP Rule's Appendix A, and ideas offered by stakeholders in prior meetings. Stakeholders were invited to submit their priority needs via a survey tool. Results are shown below:

Choose only 5 factors that are your priority needs.

18 responses



OTHER FACTORS OFFERED BY RESPONDENTS ARE SHOWN BELOW:



GRIDWORKS

- Ability to grow load-following supply as demand increases due to electrification projects
- Capacity and Resiliency: Ability to handle EVs, Heat Pump HVAC/H2O etc AND Distribution Level Resiliency with no single points of failure or dependence on the National Grid
- It may be interesting to see how this group responds to these priority needs, but the PRC Staff looks at the requirements of the IRP App A.
- Support the development of the world and human growth with accessible energy through fossil fuel availability and cleaner energy than what is being used in developing nations.

NEXT MEETING: The next meeting of the group, Meeting #6, is scheduled for August 29. The focus will be discussion of all modeling results.

Meeting time is 1 PM – 5 PM. The meeting will take place on ZOOM:

<https://us02web.zoom.us/j/8569536132> (ID: 8569536132)

Participants were given time to complete an on-line meeting survey.

ACTION REQUEST: For those who completed the survey, thank you. The survey instrument is available anytime (see below). Please take a few minutes to provide your feedback.

Please Access and Complete the Survey Now

...by either:



Scanning the QR Code to the right

OR



Visiting this link: bit.ly/SPS-IRP-Feedback

Feedback allows us to:

1. Measure effectiveness of this new process for the NM PRC
2. Improve Gridworks' facilitation effectiveness
3. Hear your concerns and suggestions

