2026 PNM IRP Facilitated Stakeholder Meeting PNM Supporting Team

DECEMBER 9, 2025

INTEGRATED PLANNING AND TRANSMISSION DEVELOPMENT TEAM

LAURIE WILLIAMS

SVP Integrated Planning and Transmission Development

Integrated System Planning (ISP) provides a unified, cost-effective planning approach to ensure PNM reliably and affordably meets future customer needs by coordinating investments across the optimal combination of generation, transmission, and distribution solutions

TOM DUANE
Integrated Resource Planning

KELSEY MARTINEZ
Regional Markets & Transmission Strategy

ERFAN HAKIMIAN
Transmission/Distribution Planning & Contracts

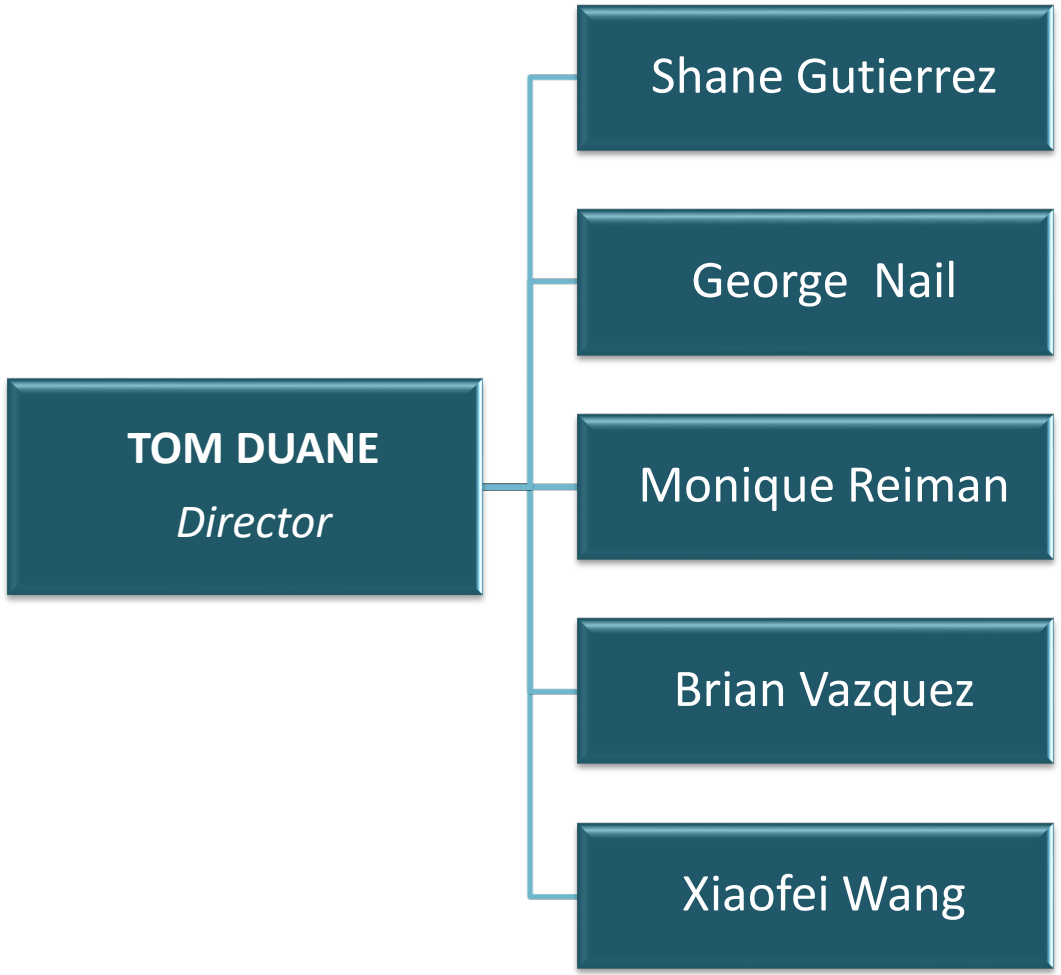
JESUS FLORES
Transmission Engineering

GARY BARNARD
Generation Development

CINDY BUCK
Distribution Planning

STEPHEN JENKINS
Transmission Planning

INTEGRATED RESOURCE PLANNING TEAM



SUPPORTING TEAMS

Customer Solutions	Alaric Babel
Energy Efficiency and Demand Response	Sharon James
Regulatory	Adam Alvarez
	Lisa Contreras
Pricing	Julio Aguirre
Load Forecasting	Aslam Hayat (Manager)
	Hector Dorbecker

CONSULTING SUPPORT

PowerGem (previously Astrape)

– Nick Simmons, Nick Wintermantel, Chase Winkler, Cole Benson

Reliability analysis (ELCC and PRM modeling inputs, portfolio reliability analysis)

Energy and Environmental Economics, Inc. (E3)

– Nick Schlag, Ben Elsey, Sierra Spencer

Report and advisory support

Itron

– Stuart McMenamin

Load Forecasting

EPRI

Resource Technologies

ICF

EE/DR expansion options

SIEMENS

– Anuj Patel

Gas & Market Price Forecasts

Integrated Planning

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THE SYSTEM OF THE PAST

Each utility independently solved for its own load and resource needs

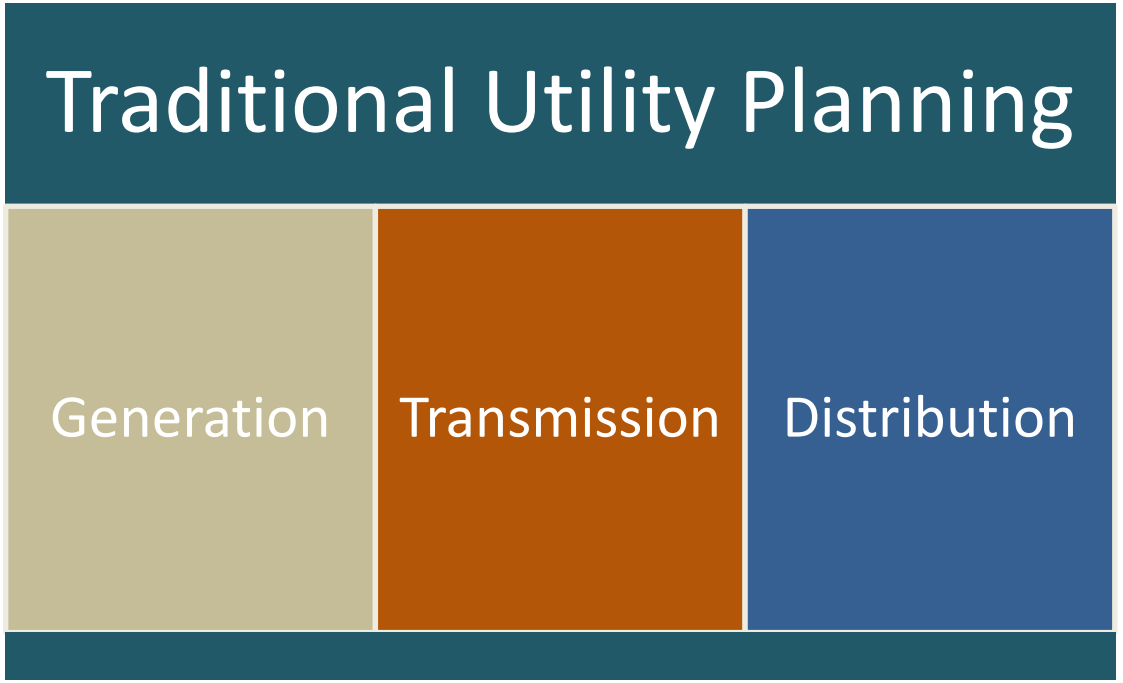
Generation:

- *Electrical industry infrastructure was master planned in the 1960's to serve load with large centralized, remote generation*

Transmission and Distribution:

- *The transmission and distribution grids were originally designed to move predictable, dispatchable, one-way power from utility generation to utility load*

Historically, utility planning for generation, distribution and transmission was done with limited overlap between these areas of business



DRIVERS CREATING NEED FOR CHANGE

Transition to Clean Energy

- Climate change driving state and federal policy changes for decarbonization
- Move to smaller, distributed, and variable output resources
- Commercialization of energy storage that allows for shift in usage of renewables in non-renewable hours of day

Threats to Grid Resilience

- Large quantities of variable and energy limited resources making grid balancing more difficult
- Increasing extreme weather events
- Cyber and physical attacks

Customer Participation

- Energy “Prosumer” customer participation in resource provision
- Time of day rates, demand response, energy efficiency, rooftop and community solar

Increasing System Demand

- Economic development centered around energy transition in NM
- Electrification
- Advanced computing / manufacturing growth
- System constraints limit ability to support growth

Legacy Infrastructure

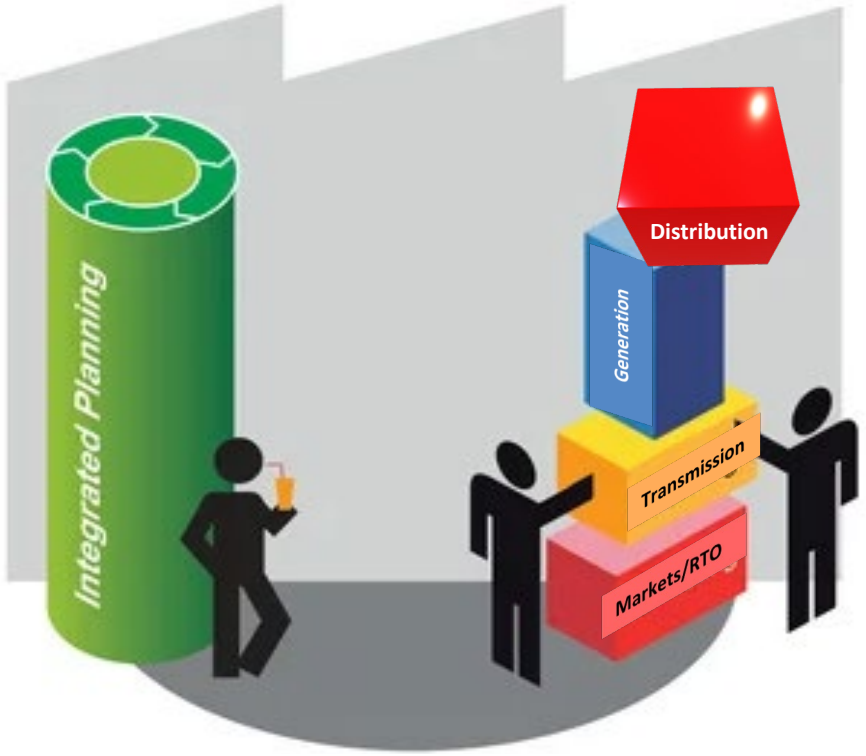
- Transmission and Distribution infrastructure originally constructed in the 1950’s-70’s
- Not originally designed and engineered for two-way power flows
- Limited visibility into distribution-level operating conditions and system constraints

System evolution requires an integrated system view, innovative solutions and adaptability

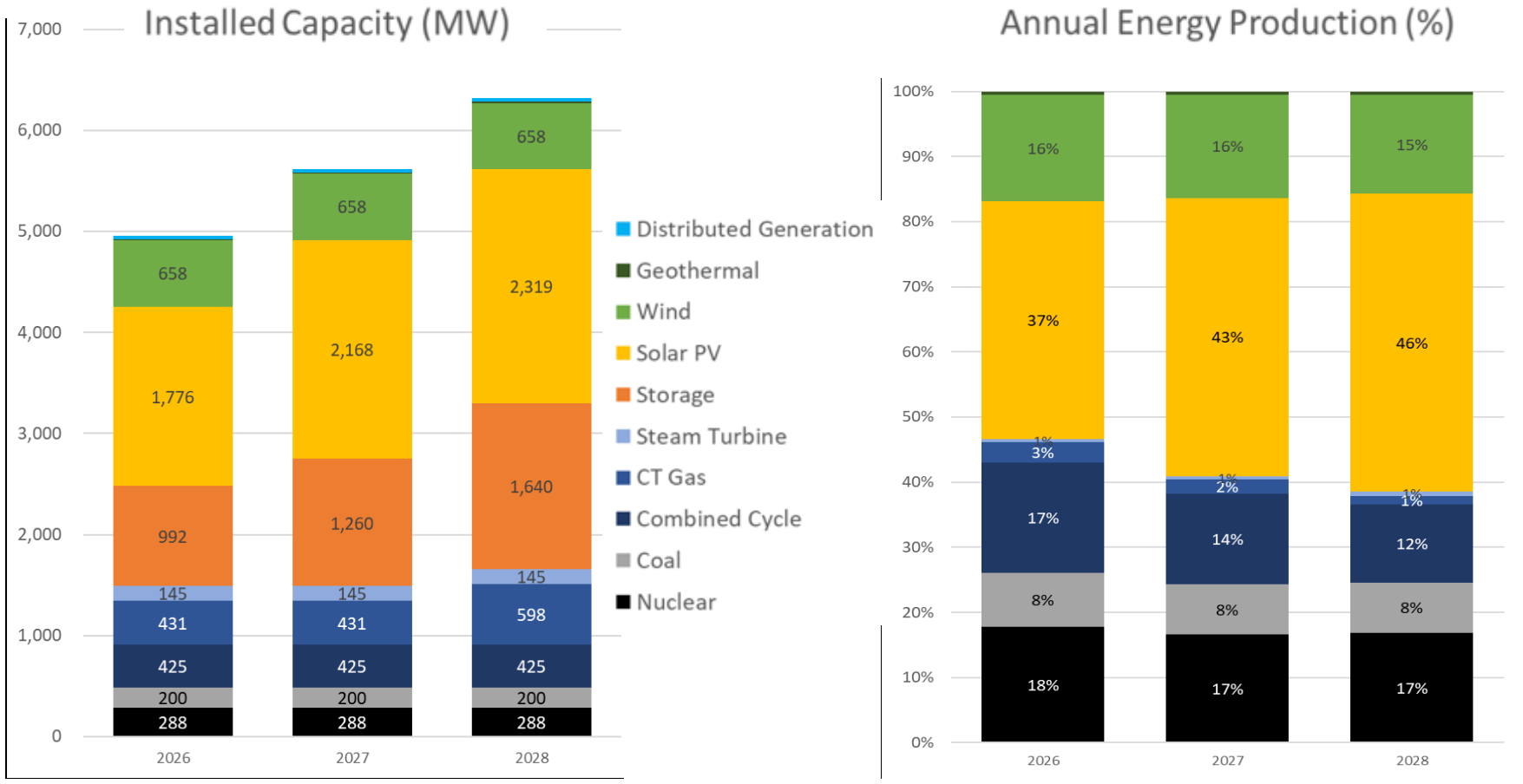
BENEFITS OF INTEGRATED PLANNING

PNM's planning groups have been consolidated under one operational function to take advantage of these benefits

- PNM is one of only a few companies that have consolidated planning and is on the leading edge due to advanced progress to carbon free
- Critical and necessary to optimize investments due to increased interplay between generation, transmission, and distribution system
- Broadens solutions across widest possible array of potential technology
  - For example, non-wires solutions, such as Grid Enhancing Technologies (GETS), being considered along with more traditional alternatives
- Enhance operational reliability through co-optimized solutions
- Assures customers and regulators that most efficient and cost-effective solutions are identified



PNM'S JOURNEY TO CARBON FREE



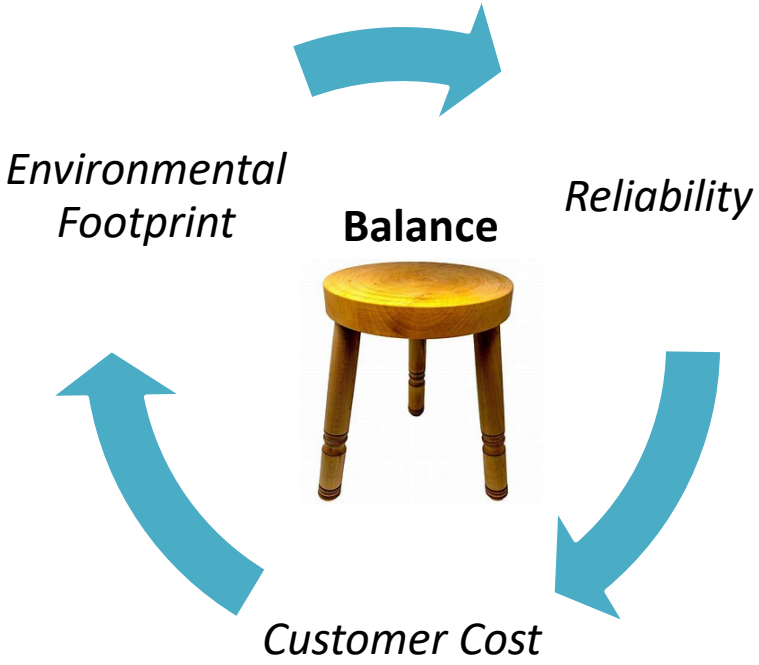
PNM's energy production will be comprised of 71% zero carbon in 2026, and about 78% in 2028.

2026 IRP Vision: Challenges and Opportunities

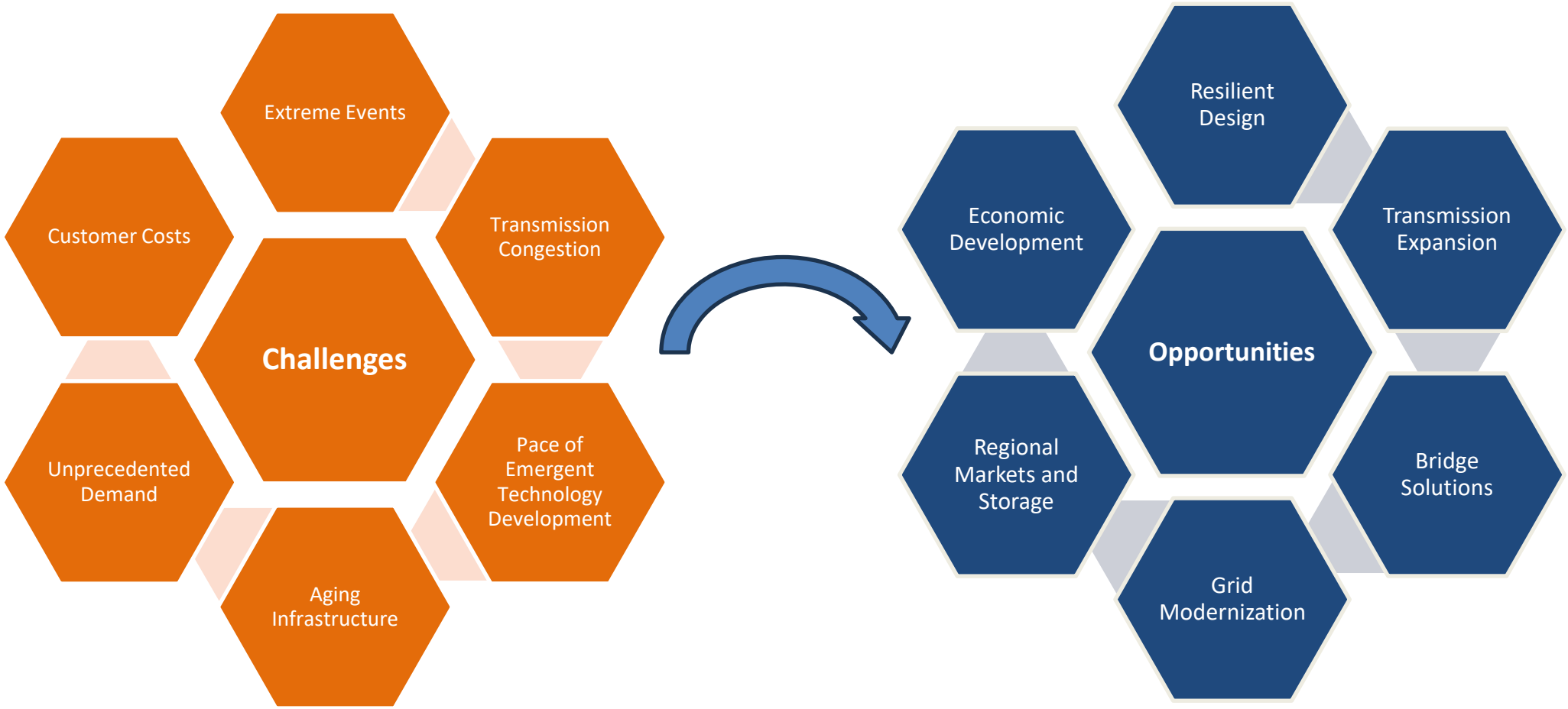
DECEMBER 9, 2025

BALANCE IS THE KEY

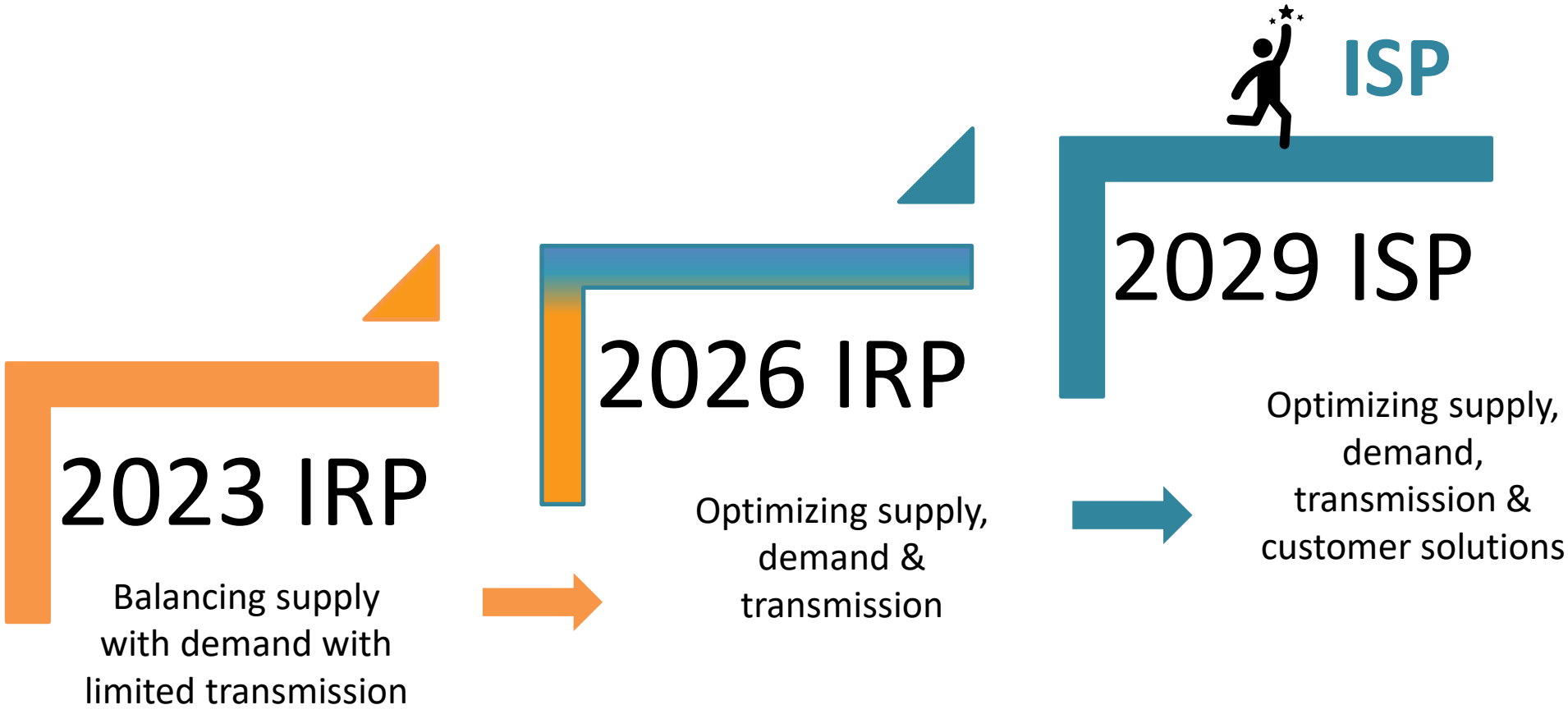
- Reliability is non-negotiable
    - Dispatchable capacity is critical to grid reliability
- PNM is over 70% carbon-free today and is continuing to add renewables and storage – however the final 30% is most difficult and costly
- ETA in condensed period will challenge customer affordability
    - Global supply chains, electric demand, tax credits and potential tariff changes are contributing to upward cost pressure
- Regional markets and transmission expansion provide cost benefits and are foundational to the ETA
    - Provide the reliability needed to accommodate higher levels of renewable and distributed energy by enabling large-scale balancing and flexibility
    - Increase resilience across broad range of weather and other conditions
    - Produce substantial customer economic benefits
- Long-term Strategic Plans ensure successful and most efficient 2045 compliance – set the stage today for a successful tomorrow



UTILITY CHALLENGES AND OPPORTUNITIES/MITIGATIONS



IRP LONG TERM VISION



IRP Action Plan Updates and Resource Additions

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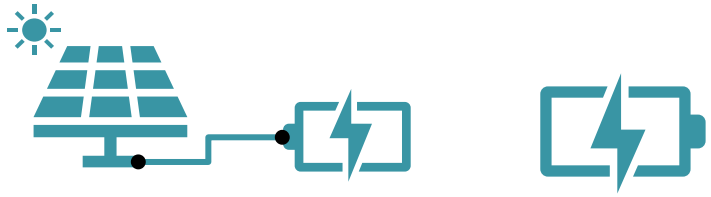
2023 IRP ACTION PLAN ACTIVITIES

1. Issue an all-source RFP for resources coming online between 2029 and 2032
   - RFP Issued in December, shortlisted bids were refreshed over summer due to tax law changes.
   - Phase 3 evaluation is nearing completion
2. Issue an RFI/RFP for long lead time resources or newer technologies that could deliver between 2029 and 2035
   - Contracted with research institute EPRI for comprehensive suite of potential and costs of newer technologies.
3. Evaluate opportunities to abandon FCPP earlier than 2031 as available and in the interest of customers
   - Completed in 2024.
4. Evaluate the ability to create new (or improve existing) demand response and other customer programs (e.g., customer sited storage, interruptible rates)
   - DR RFP Issued
   - EE and DR Potential Studies
   - AMI Enabled Programs
5. Assess the ability to add capacity at PNM's existing plant sites
   - Valencia Energy Facility, Reeves Generating Station & use of existing interconnections
6. Continue to explore the expanded participation in regional markets
   - Committed EDAM participation starting in 2027.
7. Assess the need to utilize other reliability metrics in planning
   - Southwest Resource Adequacy Study Update
8 & 9. Initiate stakeholder engagement and complete 2026 IRP
   - Facilitated Stakeholder Process December 2025 – September 2026
   - NMPRC IRP Filing September 2026

Second Annual Action Plan Report filing December 12th

STATUS OF APPROVED RESOURCE ADDITIONS



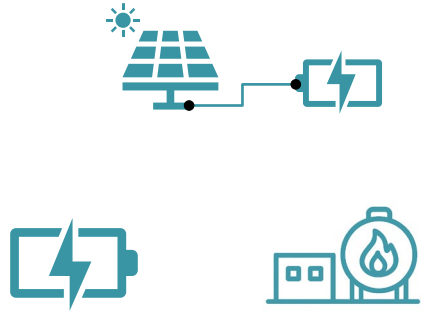
2026 Resource Filing

100 MW/100 MW Solar/BESS (Feb 2026)

60 MW BESS (April 2026)

100 MW BESS (Complete)

50 MW BESS (Complete)



2028 Resource Filing

150 MW BESS (Jan 2028)

167 MW Gas (replaces expiring PPA)

100 MW/50 MW Solar/BESS (May 2027)

150 MW BESS (Dec 2027)

PENDING RESOURCE & TRANSMISSION FILINGS

Rate 36B Customer Resource Filing pending PRC approval	• Case filed in June for Windy Lane PPA and ESA, Star Light PPA and ESA, Four Mile Mesa PPA and ESA • Discovery completed • On November 14, the Hearing Examiner provided a recommendation to approve PNM's application.
Distribution Battery Filing for Five 6 MW BESS additions at existing solar sites	• Case filed in June • Hearings vacated, awaiting hearing examiner recommendation.
2029-2032 Resource Filing Q1 2026	• Replacement of PNM's Four Corners share • Reeves evaluation for replacement or extension • Forecast load growth
345 kV Transmission Line CCN Filing Q4 2025	• Increase reliability in metro area • Begin to reduce reliance on load-side gas redispatch • Expand load serving capability

PNM'S 2026 IRP

ENHANCEMENTS FOR THIS IRP

New DR Program Options based on Updated Potential Study	AMI potential to enable other distribution and customer-based solutions
Transmission – Factor in Retail and Non-Retail Transmission Service Through Nodal Modeling	Enhance insight on locational placement of resources Evaluate potential value of improved interconnections with adjacent systems
Customer impacts	Cost implications to customers for various resource and transmission portfolios


PNM