

NEW MEXICO

SOUTHWESTERN PUBLIC SERVICE COMPANY 2026 INTEGRATED RESOURCE PLAN

Meeting #1 Facilitated Stakeholder Process
March 5, 2026





IRP CORE TEAM

Zoë Lees | Regional VP, Planning & Policy

Jarred Cooley | Senior Director, Strategic Planning

Justin Gable | Director, Resource Planning & Bidding

Linda Hudgins | Regulatory Policy Specialist





ABOUT XCEL ENERGY

Zoë Lees | Regional VP, Planning & Policy



SERVING EIGHT STATES

3.8 million

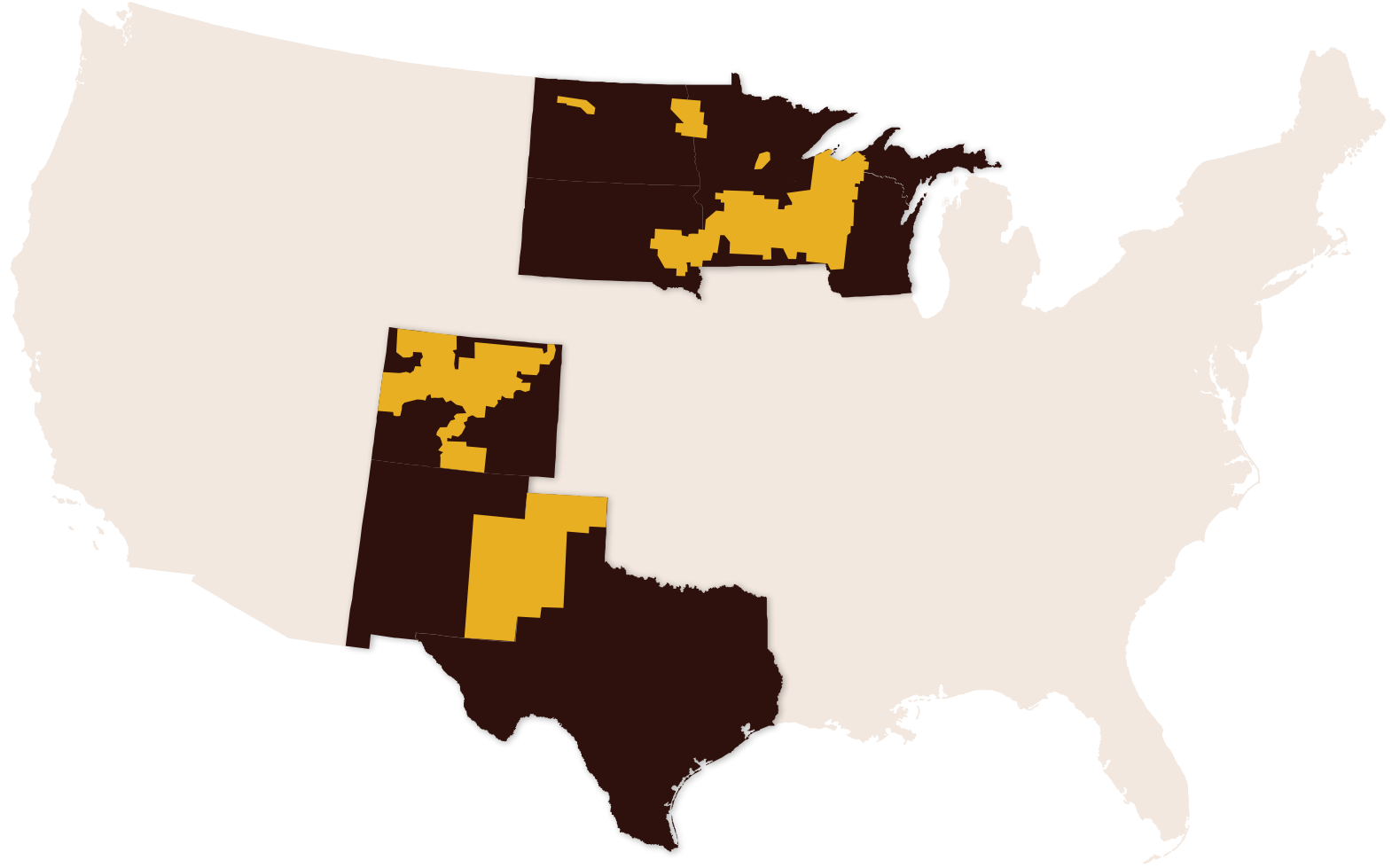
electric customers

2.2 million

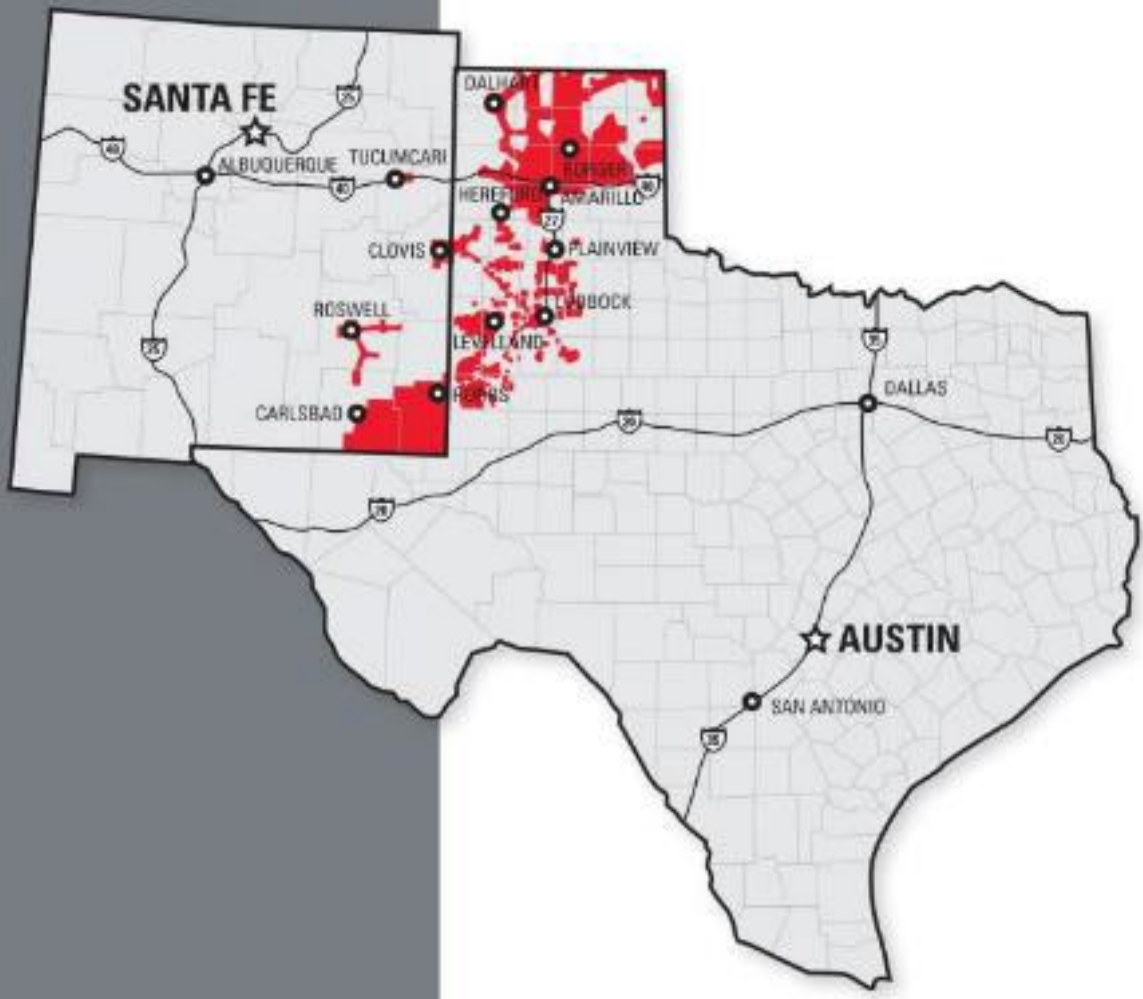
natural gas customers

National leader

- Wind energy
- Energy efficiency
- Carbon emissions reductions
- Storm restoration



Texas & New Mexico Customers



**411,564
Electric
Customers**



**99.9%
Electric
Reliability**

POWERING THE REGION

128,000+

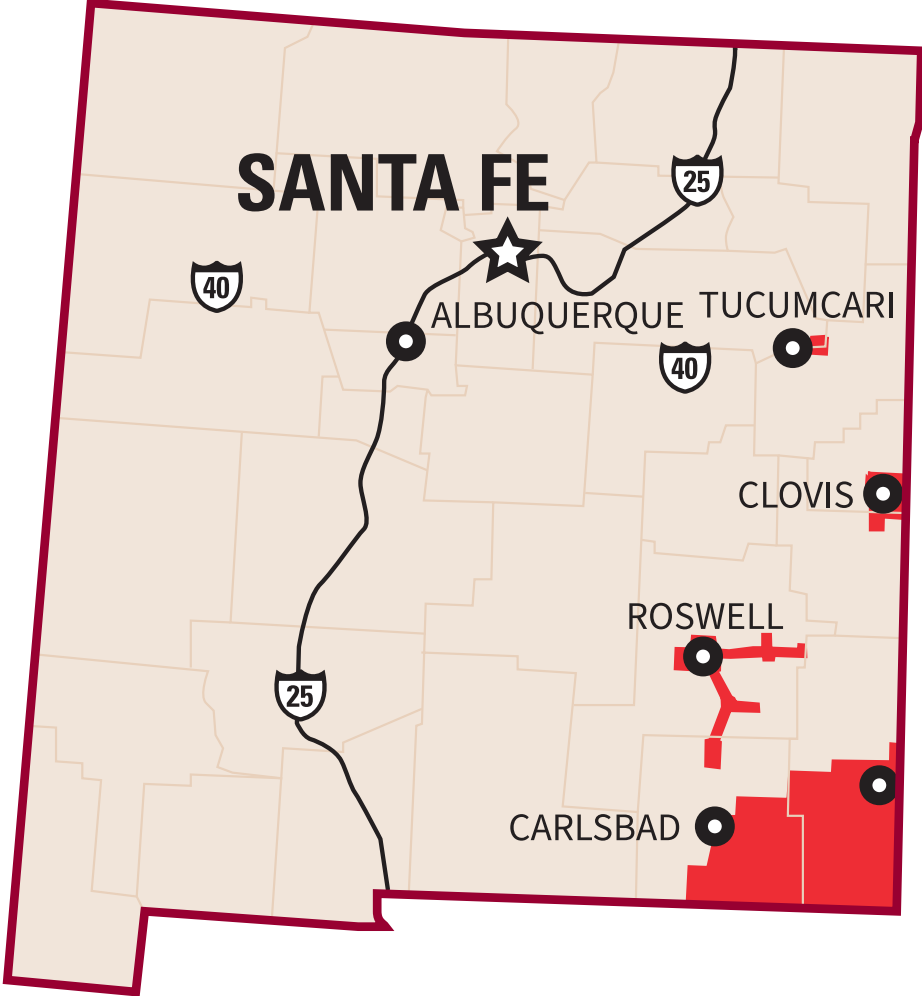
electric customers

99.97%

electric reliability

Residential electric bills

17% below national average



POWERING THE REGION

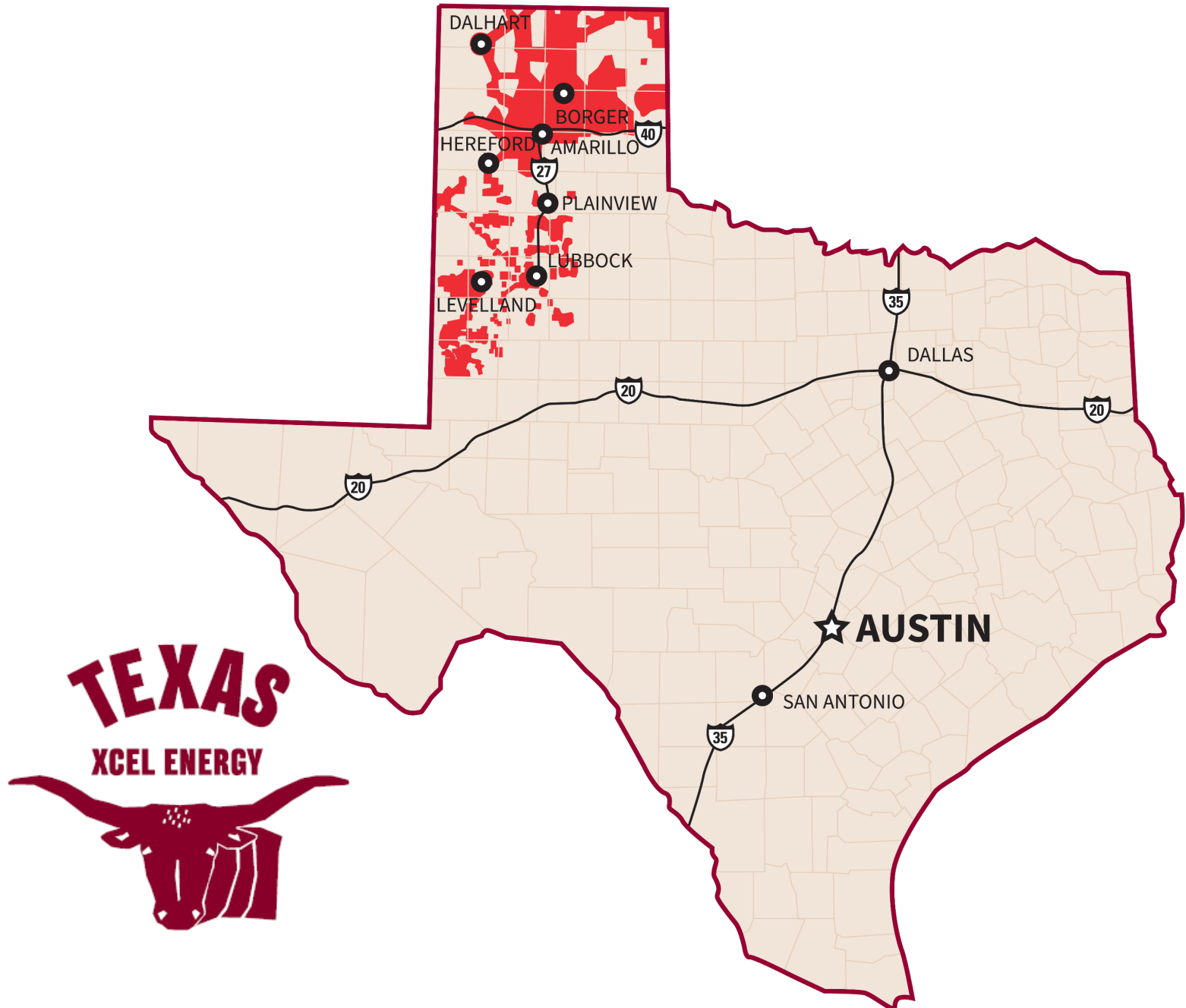
283,000+
electric customers

99.97%
electric reliability

Residential electric bills

19% below national average*

*U.S. Energy Information Administration data based on cost per MWh for 2024 through July 2025; Texas C&I rates approximately 43% lower than the national average during the same period.



LONG-TERM PRIORITIES

1

Accelerating Clean Energy Delivery

By investing in clean energy generation and electrification programs, we're helping create a sustainable future, aligning with customer aspirations and state-level policy goals.

2

Customer-Focused Innovation and Value

We are deepening our commitment to serve and support our customers' needs efficiently and through a best-in-class customer experience, while keeping bills as low as possible.

3

Expanding the Grid

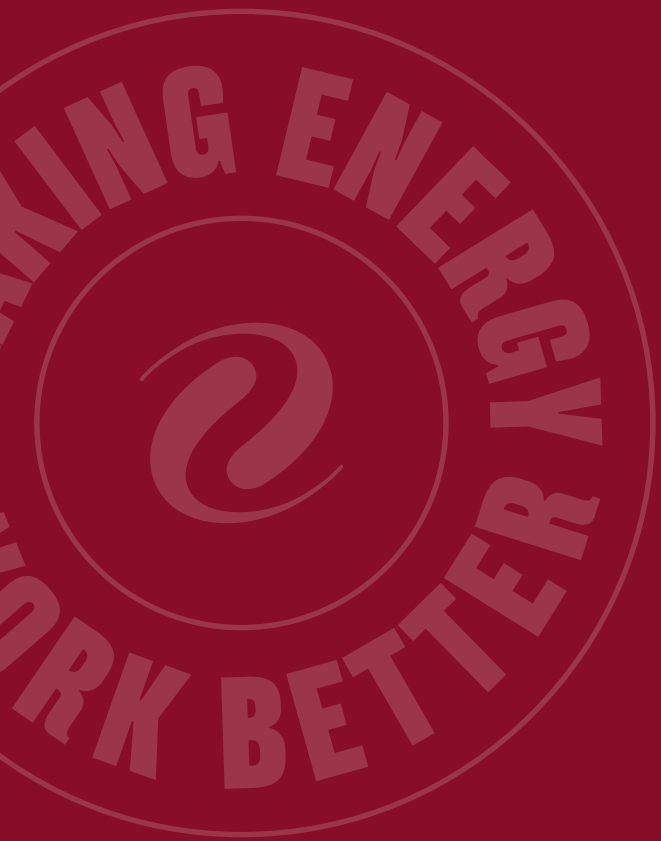
We are scaling our electrical system to meet growing demands, ensuring our customers have electricity when and where they need it – today, tomorrow and in the decades to come.

4

Modernizing for Safety and Resilience

We're modernizing and hardening our grid to withstand increasing extreme weather events and national security threats, while ensuring continued safe operation.





INTEGRATED RESOURCE PLANNING OVERVIEW

Jarred Cooley | Senior Director, Strategic Planning



2023 IRP ACTION PLAN UPDATE

- 2023 IRP filed October 13, 2023
- Action Plan - take steps to implement the 2023 IRP during the three-year period 2024 – 2026, consisting of the first stages to acquire resources needed to meet SPS’s needs through the end of 2030.

Summary of Compliance Report Filed in Docket 23-00073-UT

Action Plan Item	Status
Issue Request for Proposals (“RFP”) pursuant to Rule 17.7.3.12 NMAC process	Implemented. RFP issued July 22, 2024. SPS also issued an RFP in October 2025 for additional capacity and additional projects needed to comply with 2030 RPS requirements.
Evaluate existing generation life extensions for SPS-owned units.	Implemented. Extensions for Nichols Units 1 and 2, Plant X Unit 4, and Maddox Unit 1, totaling 521 MW, were selected for the portfolio based on modeling results and engineering reviews.
Subsequent resource approval filings	Plan to implement, including any approvals related to associated transmission investment. SPS has/will submit resource approval filings for projects selected in the 2024 RFP. In addition, SPS will submit resource approval filings for projects selected in the 2025 RFP in 2026.
Advance efforts to build SPS’s renewable energy customer programs. Evaluate expansion of Renewable*Connect.	SPS launched its NM Large Commercial & Industrial Renewable*Connect program on August 1, 2025. Currently the program is not fully subscribed despite several attempts to direct market the program to the subset of eligible customers. At this time, expansion of the existing program is not needed due to current subscription levels.
Evaluate Demand Response Options, including the Interruptible Credit Option (“ICO”), and request regulatory approval where appropriate.	In Case No. 24-00269-UT, SPS included a proposed ICO tariff aimed at Primary General Service, Secondary General Service, and Large General Service Transmission (“LGST”) customers. This request was approved on October 30, 2025. On October 10, 2024, in Case No. 24-00259, SPS proposed an additional demand response market offering, the SPP IM Demand Response Option Tariff, which is a pilot interruptible program for LGST customers. SPS’s application, as modified by the Stipulation, was approved on June 26, 2025.
Include an interruptible tariff request in upcoming Energy Efficiency Reconciliation filing.	See note above regarding Demand Response Options and ICO.
Conduct TOU study according to the rate case stipulation in Case No. 22-00286-UT.	The Study has been completed, and a comprehensive TOU Summary has been provided to all participants and published for public access on Xcel Energy’s website.
Develop RFI for long-lead time emerging dispatchable resources.	Implemented; RFI issued August 21, 2024, and a re-issuance on July 15, 2025 to further focus the information request and simplify the response process.
Develop RFP bid evaluation documents that include appropriate reliability and resiliency assessments.	SPS provided its Evaluation of Proposals to the Independent Monitor on June 17, 2025. The Independent Monitor filed its Final Report on July 17, 2025. The report includes an assessment of the evaluation process.



PROACTIVE PLANNING FOR FUTURE ENERGY NEEDS

Electricity Demand

- Anticipated 40% growth in Texas-New Mexico service area by 2030.

Reliability Standards

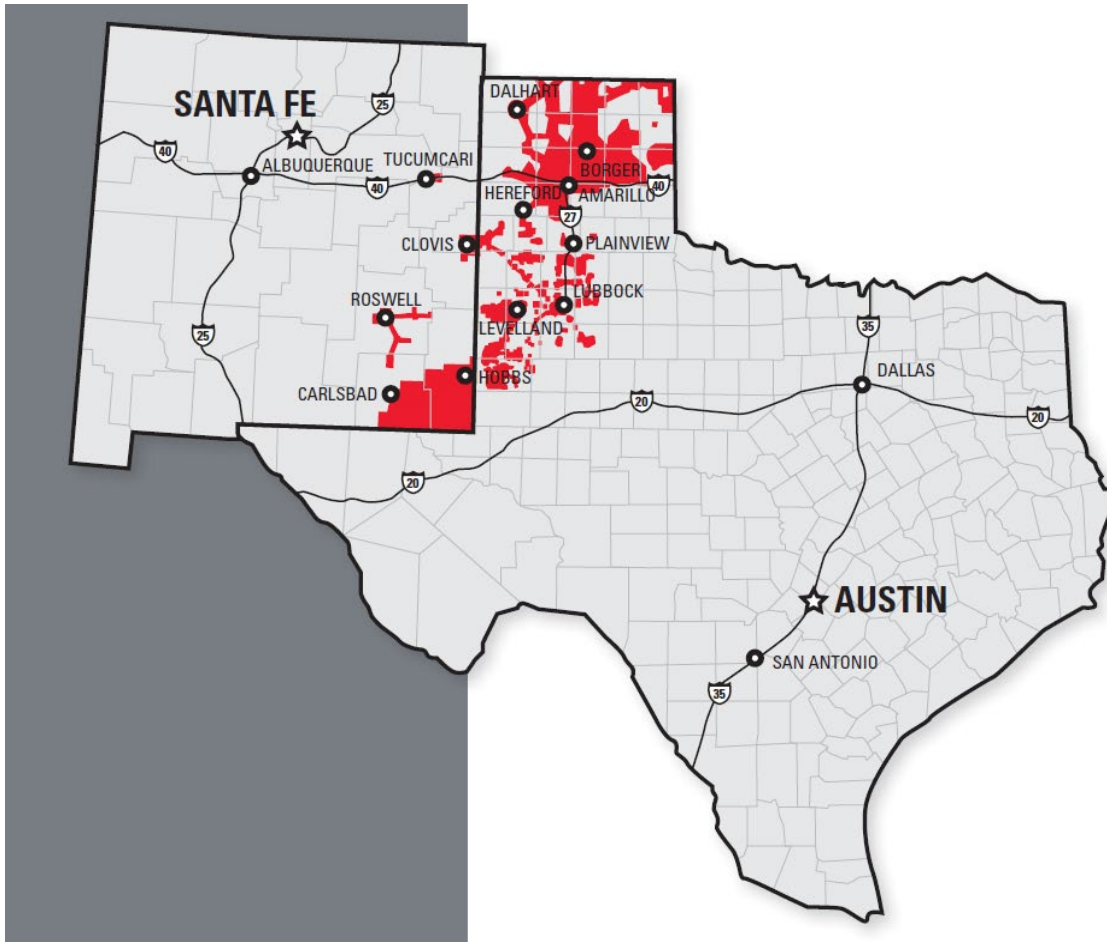
- New planning reserve margins
- 38% (winter), 17% (summer) by 2029.

Strategic Advantages

- Replaces aging assets, prudently extend gas units and PPAs
- Reduces market costs & curtailments
- Secures tax credits, maximizes capacity
- Lowers market reliance
- Abundant energy supply enhances regional competitiveness
- DC Ties

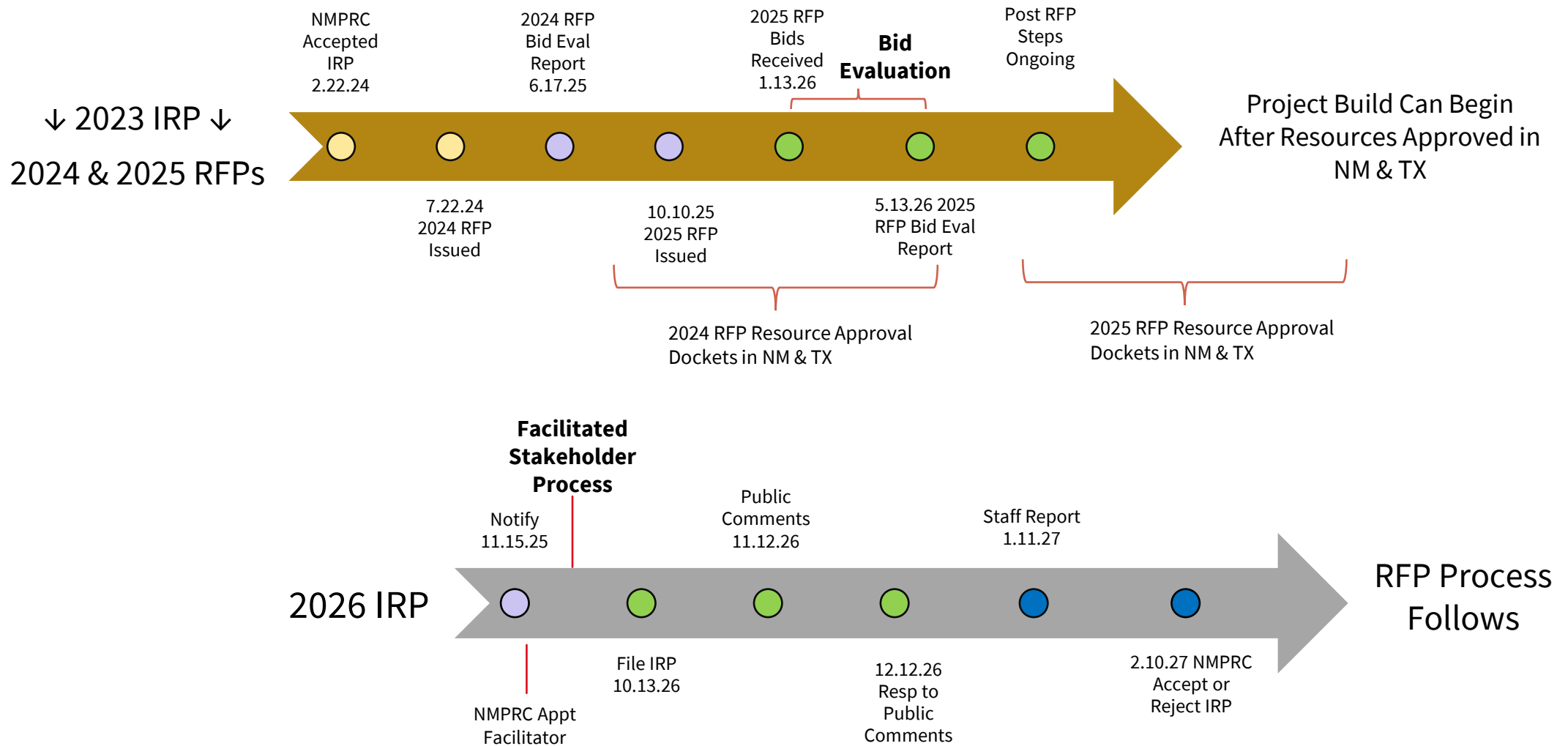


TEXAS & NEW MEXICO



- SPS is a multi-jurisdictional utility, serving customers in New Mexico and Texas
- **Operated** as a single system
- **Planned** as a single system
- Because of New Mexico Rules, the IRP document will be based on those rules and filed in a New Mexico Public Regulation Commission Docket

SPS'S CURRENT STATUS ON TIMELINE



CCN FILINGS / 2024 RFP TEXAS & NEW MEXICO



Initial CCN Filings

- Submitted September 2025, requesting approval for seven self-build generation projects with over 3,849 MW capacity.

PPA Filing

- Submitted December 2025, includes surplus battery energy storage projects selected through 2024 RFP, supporting deployment from 2027 to 2030.

Regulatory and Grid Impact

- Filings enhance grid reliability, facilitate renewable integration, and seek expedited reviews with service area exceptions.



NEW RESOURCES

CURRENT RESOURCE APPROVAL DOCKETS

Existing Unit Extensions:

521 MW

Total Portfolio:

4,419 MW
(nameplate)

2,774 MW
(summer
accreditation)

2,444 MW
(winter
accreditation)

COMMERCIAL STRUCTURE	IN- SERVICE	PROJECT	TECHNOLOGY	COUNTY	STATE	NAMEPLATE CAPACITY	ACCREDITED CAPACITY
Purchase Power	2027	Chaves	Surplus Battery Energy Storage	Chaves	NM	50	24
	2027	Lorenzo	Surplus Battery Energy Storage	Crosby	TX	50	29
	2027	Roswell	Surplus Battery Energy Storage	Chaves	NM	50	24
	2027	Wildcat Ranch	Surplus Battery Energy Storage	Cochran	TX	120	92
	2027	Mammoth Plains	Surplus Battery Energy Storage	Dewey	OK	150	114
	2028	Palo Duro	Surplus Battery Energy Storage	Ochiltree	TX	150	114
Self-Build	2027	Plant X	Surplus Battery Energy Storage	Lamb	TX	150	52
	2028	Yellow House	Surplus Wind	Lamb	TX	300	47
	2028	Sagamore	Surplus Battery Energy Storage	Roosevelt	NM	322	232
	2028	Gaines County	Gas Thermal	Gaines	TX	1,160	1,003
	2028	Plant X	Surplus Solar	Lamb	TX	189 (RPS 30)*	9
	2029	Lariat	Surplus Wind	Lamb	TX	800	135
	2029	Tolk Station	Gas Thermal	Lamb	TX	928	899
TOTAL						4,419	2,774**

All are estimated values

Greenfield Projects: Gaines county gas thermal

*Renewable Portfolio Standard for New Mexico state requirements

**Summer accreditation



SPS'S 2025 RFP*

October 10, 2025 - RFP Issued

January 12-13, 2025- Proposals Received

Q2 2026 - Portfolio Announcement

Q3 2026 – Approval Filings

Link to RFP: [Xcel Energy - SPS 2025 All-Source RFP](#)

2030-32 Accredited Capacity Need¹

	2030	2031	2032
Summer (MWac) ²	-	-	51
Winter (MWac)	348	716	869

2030-32 RPS Renewable Credit (REC) Need³

	2030	2031	2032
Annual GWh	1,972	2,274	2,512





INTEGRATED RESOURCE PLANNING DETAILS

Justin Gable | Director, Resource Planning & Bidding

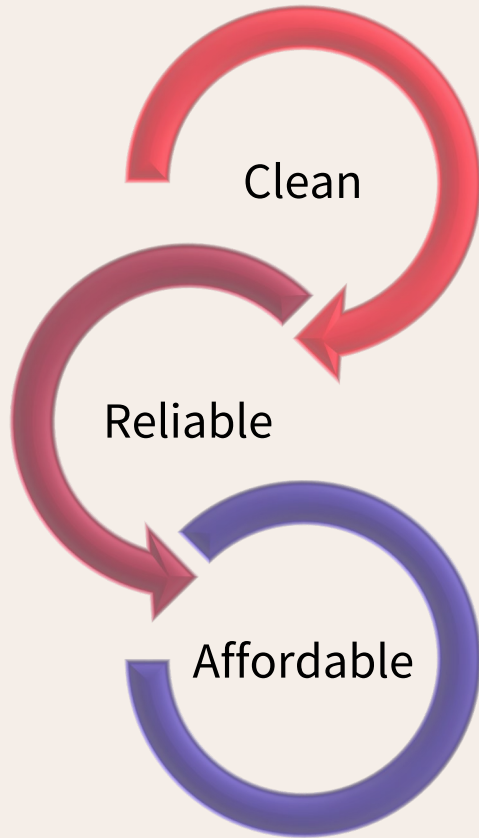


RELIABILITY OVERVIEW

- Ensure sufficient resources to meet demand (load)
- Historical emphasis on planning for resources to meet peak demand (i.e., the single hour in a year when demand is highest)
- As the resource mix incorporates more intermittent renewable resources a greater focus is needed on meeting demand in all hours (e.g., when the wind is not blowing, or the sun is not shining)
- Contingency resources above peak demand are required and set by the Southwest Power Pool
- A comparison of resources and load is often summarized in a ‘Loads and Resources Table’



ELECTRIC SYSTEM REQUIREMENTS - TENETS



SPS is committed to providing clean and reliable energy, while keeping bills affordable for customers

Resiliency is an equally important metric that, at times, can be challenging to quantify.

SPS takes a qualitative approach when evaluating the results of resource planning analyses to determine resiliency benefits and other factors outside the scope of economic modeling

Reliability versus Resilience

Reliability is the ability to maintain power delivery to customers in the face of routine uncertainty in operating conditions, as in cases of fluctuating load and generation, fuel availability, and outage of assets under normal operating conditions. Reliability events typically result in shorter outage durations (seconds to hours) and smaller areas of impact (facilities, campuses, or neighborhoods).

Resilience focuses on preparing for, absorbing, adapting to, and recovering from low-probability, high-consequence disruptive events. Resilience events typically result in longer outage durations (days to months) and larger geographic areas of impact (states, regions, or islands). As a result, they could lead to cascading impacts in other critical infrastructures and parts of the economy.

Source: NREL



LOADS AND RESOURCES TABLE

- An L&R table compares a system’s electric load (demand) to its available and planned resources (supply) over time
- Resources are given an accredited capacity value based on the technology
 - Wind, Solar, and Storage resources use Effective Load Carrying Capability (ELCC)
 - Conventional Units use a Performance Based Accreditation (PBA) calculation
- Other RTO methodologies are factored into this table such as Planning Reserve Margins (PRM) and Demand Response (DR)

Ownership	2026	2027	2028	2029	2030	2031	2032
⊕ RFP 2024	0	171	724	2,775	2,775	2,779	2,782
⊕ SPS	4,061	4,014	4,005	3,089	3,086	3,060	3,031
⊕ PPA	1,174	1,048	1,036	1,029	972	953	911
⊕ Customer	-4,543	-5,008	-5,651	-6,205	-6,997	-7,883	-8,439
⊕ SPP	-321	-354	-399	-472	-532	-599	-641
Total	372	-129	-284	217	-695	-1,690	-2,355

Resources Planned or on the system →

Customer Demand →

Planning Reserve Margin →

INCREASING RESOURCE ADEQUACY REQUIREMENTS

- The transition from traditional thermal resources to more intermittent resources requires additional consideration and evaluation (e.g., ensuring grid stability)
- Recent winter weather events (e.g., Winter Storm Uri) have identified other areas requiring consideration
- Increased Resource Adequacy Requirements to ensure system reliability are required

Winter PRM Changes

2026	2027-2028	2029+
15%	36%	38%

Summer PRM Changes

2026-2028	2029+
16%	17%



INCREASING LOAD

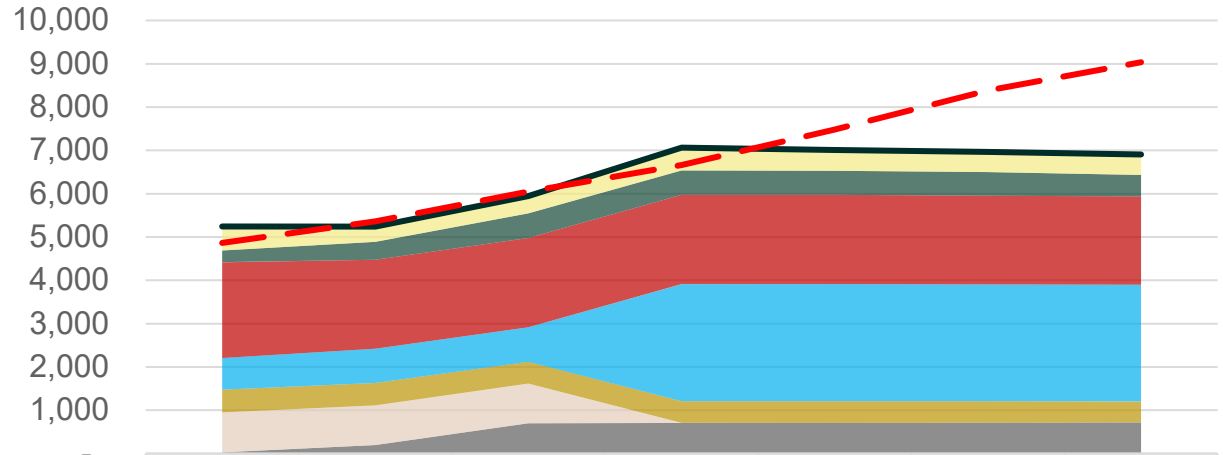
- SPS service territory includes the rapidly expanding Permian Basin
- Push towards electrification of other industries and transportation to reduce carbon emissions
- Low rates attracting high energy ‘emerging’ customers (e.g., data centers, clean fuel producers, and cryptocurrency miners)
- Creates economic opportunities for New Mexico and/or reduces carbon emissions from other industries



DECREASING ACCREDITED CAPACITY

- Aging and retiring gas steam fleet
- Retirement of Tolk coal plant
- Expiring wind and gas PPAs
- Multi-year process to procure and construct new generating resources includes obtaining a Generator Interconnection Agreement from the SPP
- Resource accreditation determined by ELCC for wind, solar and batteries or PBA for traditional thermal facilities in accordance with SPP

Decreasing Accredited Capacity



	2026	2027	2028	2029	2030	2031	2032
Wind	553	354	396	527	478	471	471
Solar	269	412	572	565	554	541	497
Gas - Steam	2,214	2,054	2,057	2,060	2,063	2,047	2,035
Gas - Combustion Turbine	733	793	795	2,699	2,702	2,700	2,695
Gas - Combined Cycle	518	513	509	504	499	492	485
Coal	924	919	914	-	-	-	-
4-Hour Battery	31	195	699	709	711	716	719
Accredited Capacity	5,241	5,240	5,941	7,064	7,007	6,967	6,903
Resource Adequacy Requirement (RAR)	4,864	5,362	6,050	6,660	7,485	8,382	9,035

ISSUES FOR 2026 IRP

Resources

Retiring Owned Generation:

- Nichols 1 Thermal (107 MW) March 2035
- Quay Co Thermal (23 MW) March 2035

Expiring PPAs:

- Spinning Spur Wind (161 MW) December 2029
- Wildorado Wind (161 MW) March 2030
- SunEdison Solar (50 MW) December 2031
- Hobbs/Lea Power CC (604 MW) September 2033
- Palo Duro Wind (250 MW) November 2034
- Mammoth Wind (199 MW) December 2034
- Roosevelt Wind (250 MW) December 2035

2024 RFP Resource Approvals

Generic Resource Assumption

Loads

Challenges

- Significant Load Growth
- High Impact Large Loads (Data Centers or Other Large Single Point Loads)
- General Industrial Growth (Oil & Gas)

Opportunities

- Demand Response (with SPP limitations)
- SPP large load and gen discussions

Reliability

- Primary focus
- SPP Access to Market Energy
- Associated SPP Reliability Requirements
- ELCC Accreditation
- LOLE Study (PRM)
- ELCC Accreditation
- Performance-based accreditation
- SPP AQ Study (Load Additions)
- SPP Generator Interconnection (DISIS)
- Transmission Topology and HVDC Ties

NM RPS Compliance

Challenge

- 2030 50% New Mexico Retail Sales to be served with Renewable Energy
- 2040 80% New Mexico Retail Sales to be served with Renewable Energy
- 2045 Zero-Carbon Standard
- BESS additions before 2045
- Surplus Opportunities



