2026 PNM IRP Facilitated Stakeholder Workshop 4

March 11, 2026

Software and Data Base Access

EnCompass can be made available with some limitations:

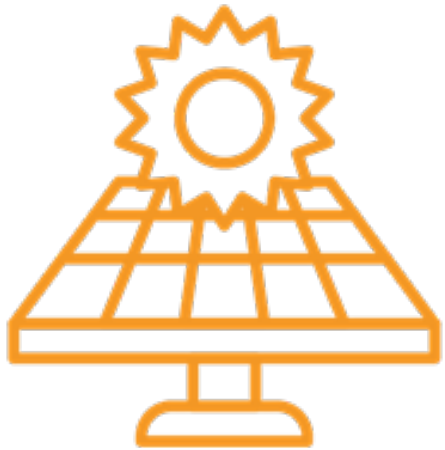
- Organizations will need to select a single individual for access.
- PNM computer access agreement and procedures will need to be completed and followed.
- Ability to use the software or work with the data structure requires experience. PNM will not be providing training or support.
- Parties requesting access will need to contact PNM at irp@pnm.com along with a phone number for PNM to discuss.

EnCompass and SERVM data files can be made available on Venue site.

- EnCompass database and output summaries in Excel format will be placed on the confidential VENUE site.
- SERVM data files can be made available in csv format. An executable version can be obtained from PowerGem if a stakeholder licenses SERVM.

Stakeholder Information Available on VENUE

- Resource information tables 2026 IRP Workbook
  - Nuclear and coal – existing
  - Est. fuel costs - coal & nuclear
  - Fixed O&M – existing
  - Natural gas – existing
  - Solar - own, existing
  - Solar & storage - PPA, existing
  - Geothermal, wind PPA – existing
  - New resources options data
  - New resources FOM
  - New resources CAPEX
  - Zonal Topology
  - EE bundle characteristics
  - Demand response
  - Transmission adders – Project milage added.



Available Information (cont.)

- Modeling Framework and Assumptions 2026 IRP Workbook
  - Modeling-Financial Assumptions
  - Futures
  - Sensitivity cases
  - ELCC (by Technology) – values added
  - RPS Requirement
  - CO2 Emission Targets
  - Price Multiplier Table (Inflation)

Available Information (cont.)

- Commodity price and load tables 2026 IRP Workbook
  - Load - annual peak demand
  - Load - annual energy
  - Hydrogen pricing
  - Annual Market Energy Prices
  - Natural gas pricing
  - Carbon pricing

Available Information (cont.)

- Energy Efficiency and Demand Response Folder (added)
  - EE and DR Workpapers
- Load_Forecast__Feb11_Workshop_Request workbook (added)
  - Load forecast demand and energy graphs and EV hourly profile data
- PNM GETS.pdf
  - White paper on PNM Grid Enhancing Technologies implementation (added)
- Generic Resources Folder
  - Geothermal (Hydro-thermal) Datasheets (added)
- Corrected EE and DR Potential Study – posted at https://www.pnm.com/2026-IRP
- Load Forecast Information Folder (added)
  - Workpapers for load components added/subtracted from CTP (base) to get HEG and LEG forecasts.
  - Workpapers on econometric variables and regression results.

Sharing Model Results

Delayed sharing initial base case results

- Review of initial results has taking longer than expected
- EnCompass base case and output summaries will be provided on VENUE when available

Review results of base case futures and sensitivities in April workshop

2026 IRP Framework - Futures & Sensitivities

Futures

Key Assumption	Current Trends & Policy	High Economic Growth	Low Economic Growth
Load Forecast	Reference	High	Low
BTM Solar Forecast	Reference	Low	High
EV Adoption Forecast	Reference	High	Low
Building Electrification Forecast	Reference	High	Low
Economic Development Forecast	Reference	High	Low
Gas Price Forecast	Reference	Reference	Reference
Carbon Price Forecast	Reference	Reference	Reference
Technology Cost Forecast	Reference	Reference	Reference

Sensitivities

No	Current Trends & Policy (CTP)	High Economic Growth (HEG)	Low Economic Growth (LEG)
1	None	None	None
2	High Electric Vehicles	TOU	TOU
3	TOU	Extreme Economic Development	ETA 400 thru 2044, Zero CO2 by 2045
4	Transmission Project - Rio Sol	Transmission Project - Rio Sol	No ETA
5	Transmission Project - SunZia	Transmission Project - SunZia	
6	Transmission Project - Blackwater DC Tie	Transmission Project - Blackwater DC Tie	
7	Transmission Project - Four Corners	Transmission Project - Four Corners	
8	Late Long-Duration Storage Maturity	Late Long-Duration Storage Maturity	
9	No New Natural Gas Resources	ETA 400 thru 2044, Zero CO2 by 2045	
10	No ETA	No ETA	
11	ETA 400 thru 2044, Zero CO2 by 2045		
12	Federal CO2 tax beginning 2030		

Sensitivities subject to change or modification

Requests structured around framework.

1. Select a future

- ☐ Current Trends & Policy
- ☐ High Economic Growth
- ☐ Low Economic Growth

2. Select a Sensitivity

- ☐ None
- ☐ High Electric Vehicles
- ☐ TOU
- ☐ Transmission Project Rio Sol
- ☐ Transmission Project Sun Zia
- ☐ Transmission Project Blackwater DC Tie
- ☐ Transmission Project Four Corners
- ☐ Late Long-Duration Storage Maturity
- ☐ No New Natural Gas Resources
- ☐ No ETA
- ☐ ETA 400 thru 2044, Zero CO2 by 2045
- ☐ Federal CO2 tax beginning 2030
- ☐ Other

3. Choose Attributes

I. Demand Drivers

II. Candidate Resources

III. Commodities

Load Forecast

- ☐ BTM Forecast
- ☐ EV Adopt. Forecast
- ☐ Building Electrific.
- ☐ TOU Forecast
- ☐ Economic Dev.

EE/DR

- ☐ EE Bundles
- ☐ DR Potential Programs

Gas Pricing

- ☐ mid case
- ☐ high case
- ☐ low case

Technology

- ☐ Pricing
- ☐ Availability

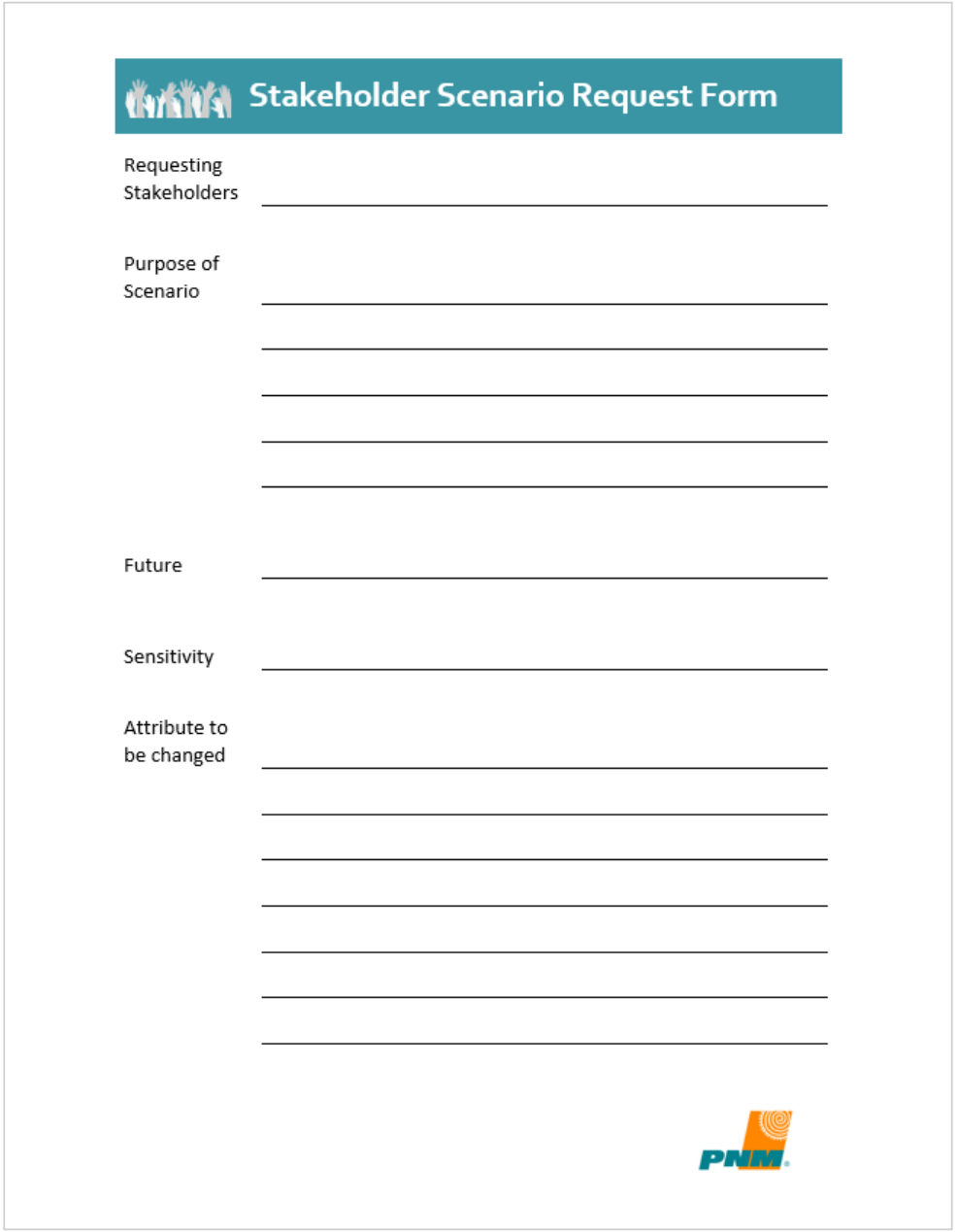
Carbon Tax

- ☐ Include
- ☐ Exclude

- ☐ Other
- ☐ Other

Form for Collecting Stakeholder Scenario Requests

- Requesting Stakeholders
- Purpose of Scenario
- Selected Future
- Selected Sensitivity
- Attribute to be changed and description



Stakeholder Scenario Request Form

Requesting Stakeholders

Purpose of Scenario

Future

Sensitivity

Attribute to be changed

Changes to Inputs

Inputs/Attributes that can be chosen

Fuel Prices
Natural gas (low)
Natural gas (mid)
Natural gas (low)

Candidate resources
- exclusion of certain technologies
- Inclusion of new technologies
- Capital costs
- Availability Dates
- Force-in of technology by year

CO2 pricing
Inclusion/Exclusion

Sensitivities

Inputs/Attributes that require time for adjustment

Candidate DSM resources
- EE Bundles
- DR Potential Programs

Load Forecasting
BTM Solar Forecast
EV Adoption Forecast
TOU Forecast
Building Electrification Forecast

Static Input/ Assumptions

Futures (CTP, HEG, LEG)

Reliability requirements (ELCCs, PRM, etc)

Weighted average cost of capital (WACC)

Study period (2026-2045)

Questions from Stakeholders

- Energy and capacity projections, 2025-2046, stacked bar chart by components –
  - Added on Venue before March 5 Office Hours meeting
- Workshop #3, Slide 17, demand or supply? What are the acronyms?
  - Hourly Demand Shape – typical peak day.
  - PV – Rooftop Solar
  - Res – Residential
  - SP – Small Power
  - GP – General Power
  - LP – Large Power
  - LS – Large Service
- Share the load market price curve info on Venue
  - PNM's response: All market curve prices that PNM is using for the 2026 IRP were uploaded to the 2026 IRP Facilitated Stakeholder Process Venue site on February 9, 2026.
- The presented LCC model did not include decommissioning. We have some pretty significant lessons learned in the O&G Industry. Is it unfair to make geothermal to address decomm?
- Please provide your statistics for load forecasting; how are you accounting for new customers?
  - New Data added on Venue – listed earlier in presentation.

Questions from Stakeholders

- I have a question regarding the list of modeling parameters on Workshop 3 slide 26, “Beginning 2045 La Luz, Lordsburg and any new gas CT’s include H2 burn conversion cost and utilize H2 as fuel”. That adds up to 518MW of capacity. Since only green H2 would meet the ETA requirements and the daily supply of hundreds of thousands of kg per day of green H2 fuel does not exist, what is PNM assuming for capex to generate the fuel? $billions of investment in solar or wind plus electrolyzers would be needed. Is that included in the cost of this option?
  - PNM’s response: Yes, the capital costs to convert from gas to H2 is included in modeling and provided in the data hosted on the 2026 IRP Facilitated Stakeholder Process Venue site. PNM assumes that H2 production will be implemented by a third party to serve PNM facilities within a plant radius of 50 miles. To simulate the cost of hydrogren production, a cost estimate was provided by EPRI for electrolyzers and as well as the pipeline costs to transport hydrogen gas to the facility. Using EPRI’s Low Carbon Resource Initiative (LCRI) Electrolysis Techno-Economic Analysis (TEA) tool to produce levelized cost of hydrogen based on a set of assumptions including the cost to supply green energy to operate the facility. These costs are summed up and included as a H2 fuel cost in the modeling beginning in 2045. Under normal planning assumptions, the conversion capital cost to utilize H2 as fuel would be amortized and depreciated against an expected life. For this IRP, PNM assumed the entire capital cost to convert are considered overnight costs, fully expensed in 2045 assigned to the technology. This assumption penalizes the overall cost of the technology during the planning period.

Questions