

NEW MEXICO / TEXAS

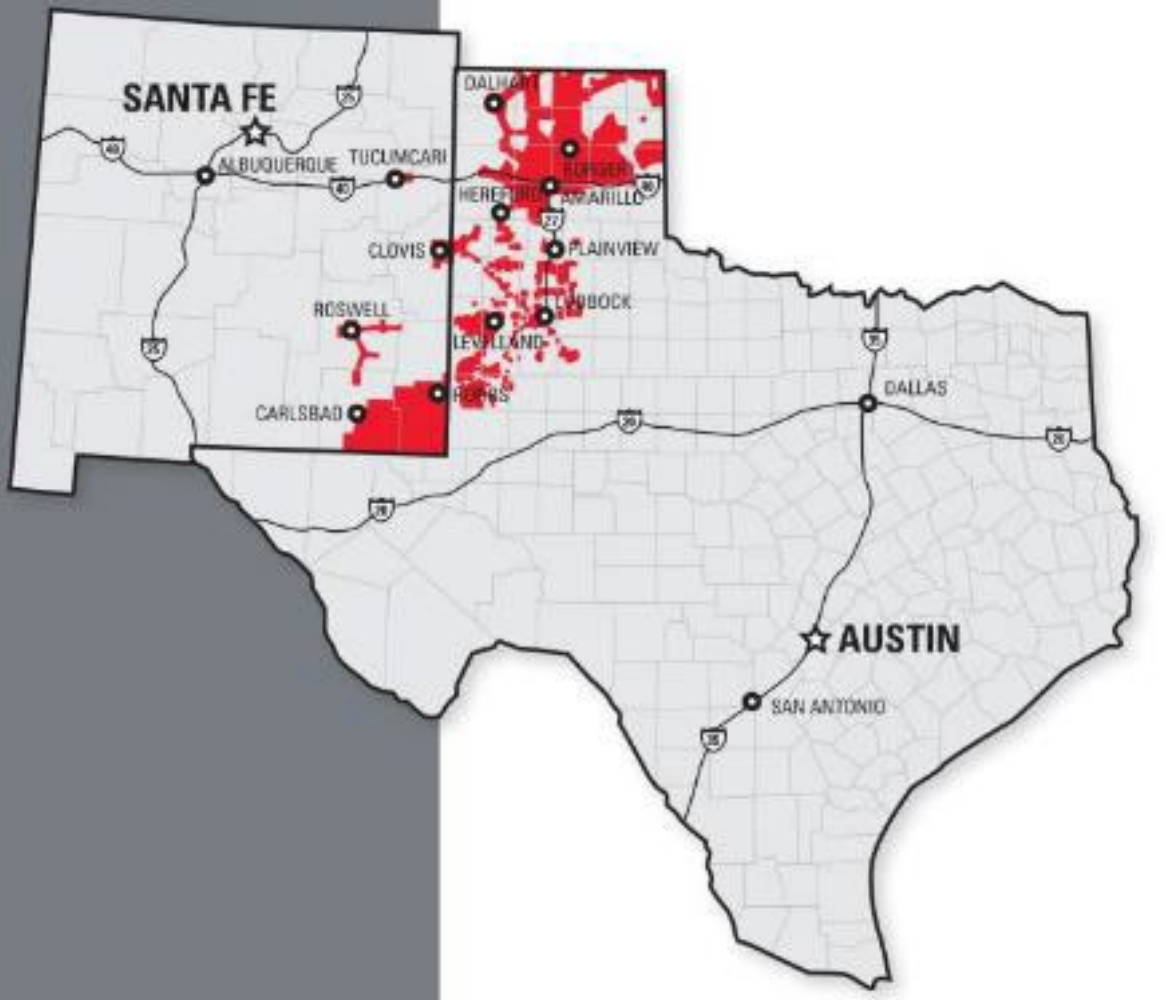
SOUTHWESTERN PUBLIC SERVICE COMPANY 2026 INTEGRATED RESOURCE PLAN

Background Presentation

Justin Gable | Director, Resource Planning & Bidding



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

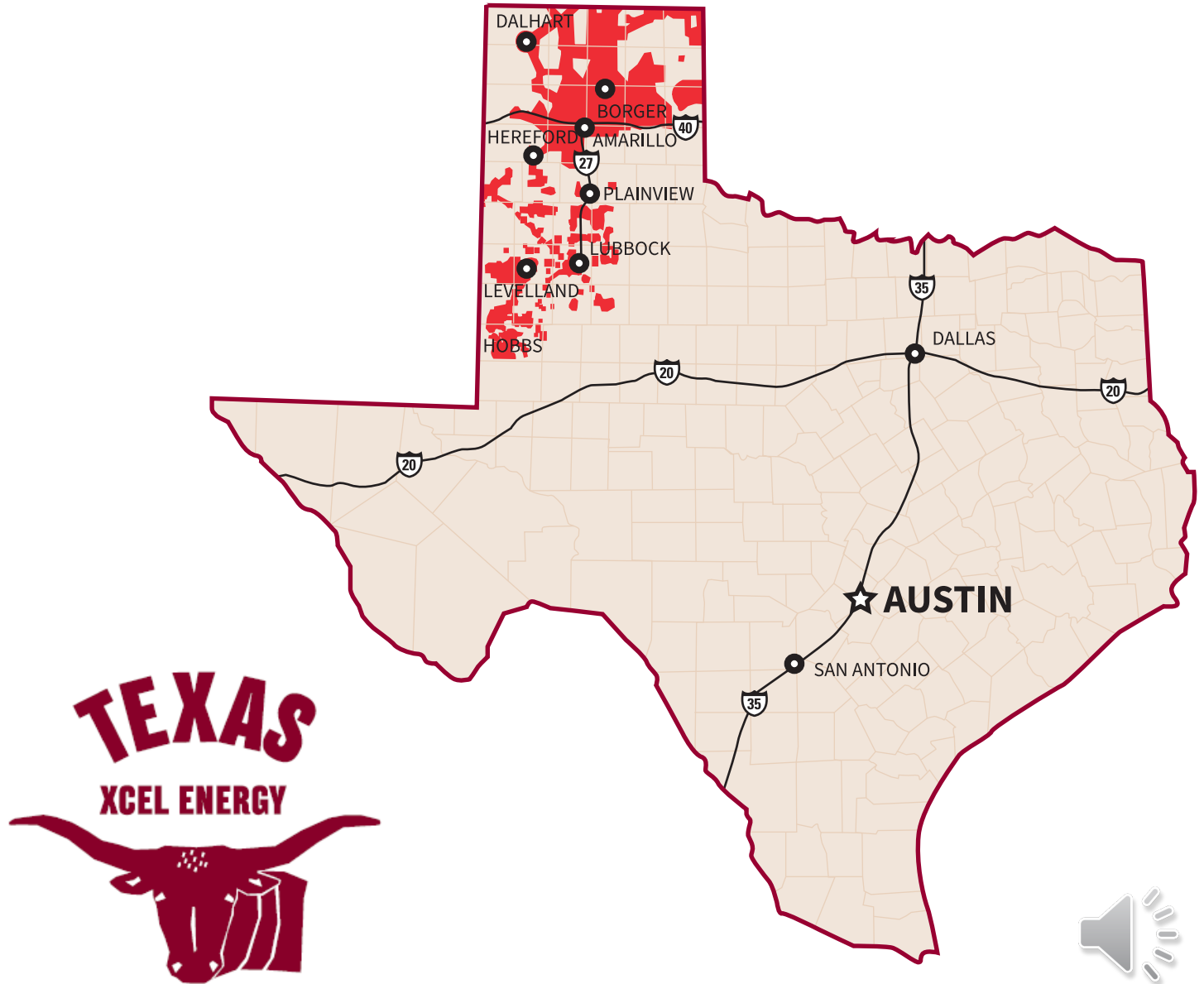
99.97%

electric reliability

Residential electric bills

19% below national average*

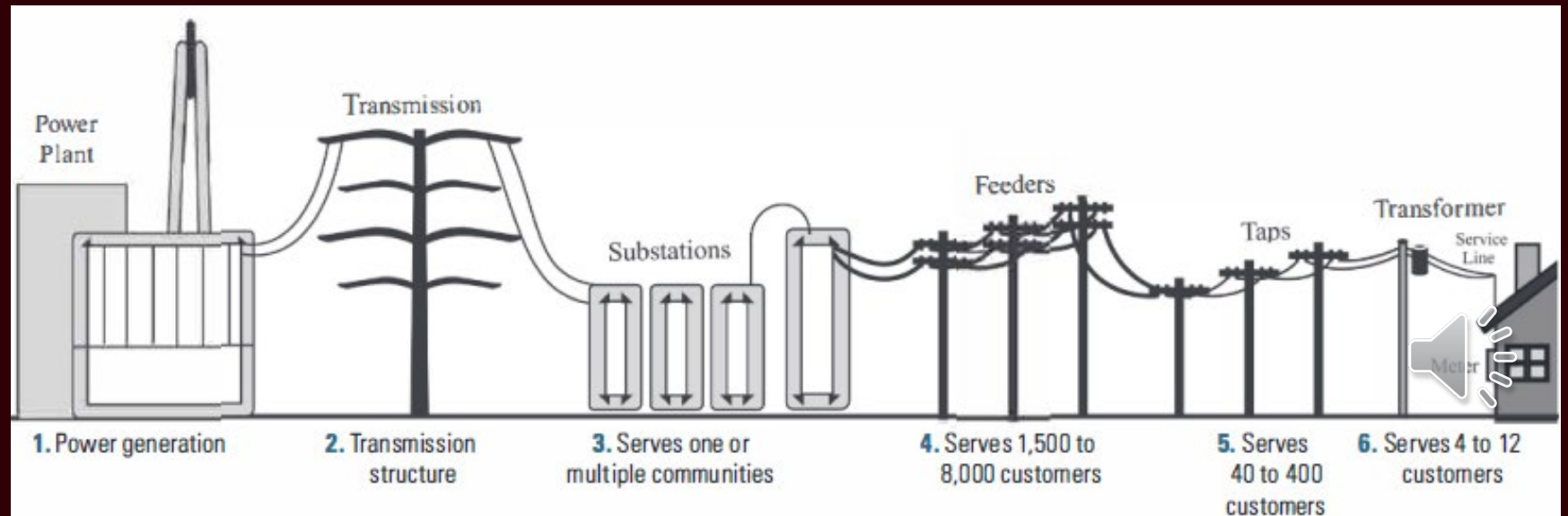
*U.S. Energy Information Administration data based on cost per MWh for 2024 through July 2025; Texas C&I rates approximately 43% lower than the national average during the same period.



We Do It All



Electric generation
Bulk Transmission
Local Distribution
Customer Care





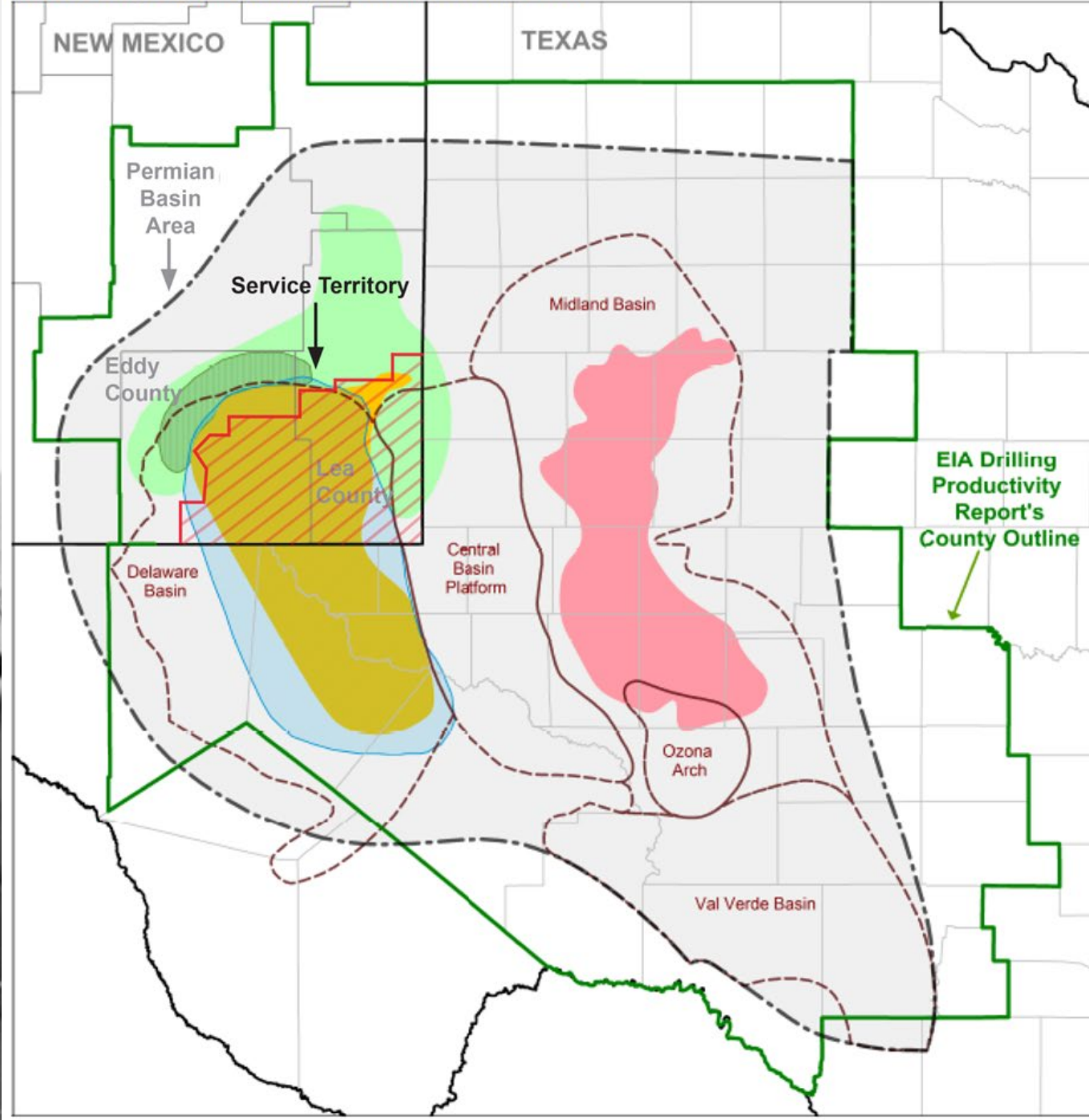
Increasing Load

- 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





Selected oil-producing formations in the Permian Basin



- Delaware
- Glorieta-Yeso
- Bone Spring
- Wolfcamp
- Abo-Yeso
- Spraberry

US DATA CENTERS

International Energy Administration (IEA):

- “After globally consuming an estimated 460 terawatt-hours (TWh) in 2022, data centers’ total electricity consumption could reach more than 1,000 TWh in 2026. This demand is roughly equivalent to the electricity consumption of Japan.”
- With approximately 2,700 facilities, US data center electricity consumption is expected by IEA to grow at a rapid pace in the coming years, increasing from around 200 TWh in 2022 (~4 percent of US electricity demand), to almost 260 TWh in 2026 to account for 6% of total electricity demand.

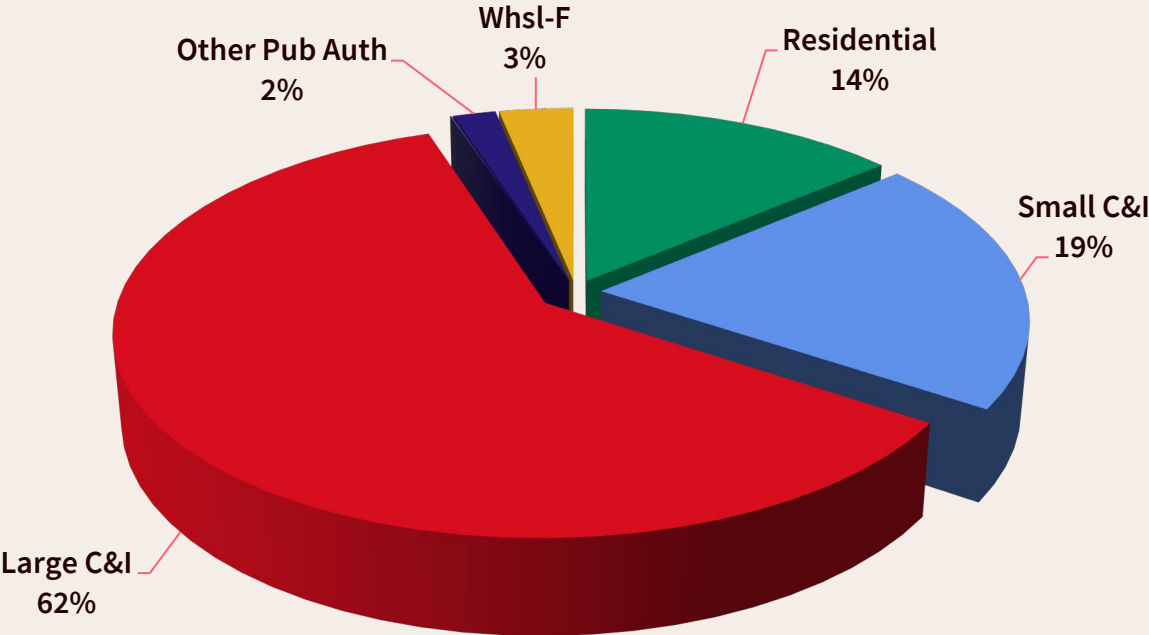
There has been explosive growth in datacenters in Texas.

- As of October 2025, Dallas/Fort Worth is home to 193 facilities, the Houston area has 55, Austin is at 40, the San Antonio region has 52, and there are 57 across the balance of the state, including 31 in West Texas, for a total of 397 versus 247 in June 2024.¹

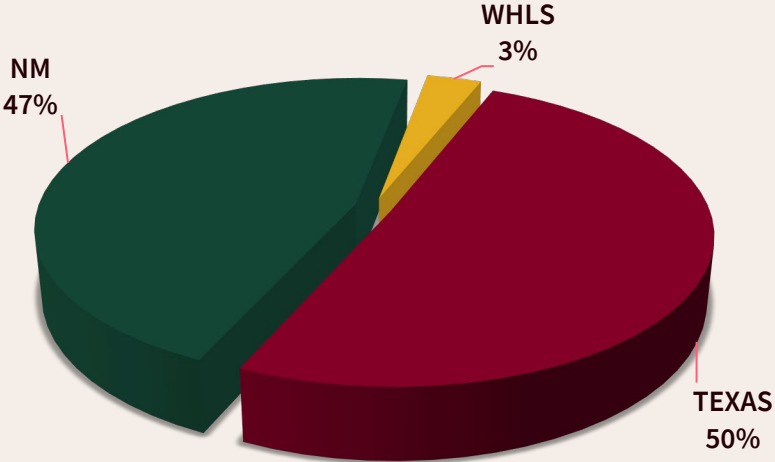


TEXAS & NEW MEXICO CUSTOMER MIX

Texas & New Mexico Sales by Class

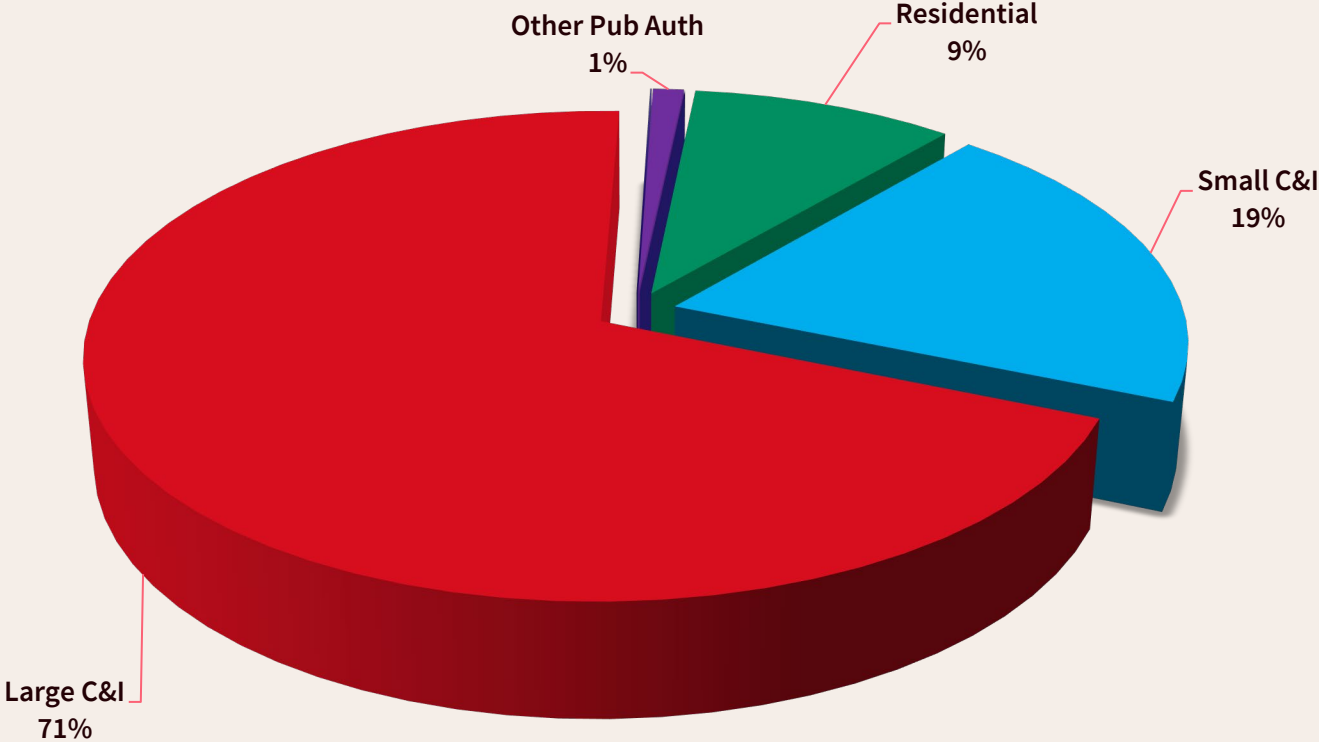


Jurisdictional Sales Split

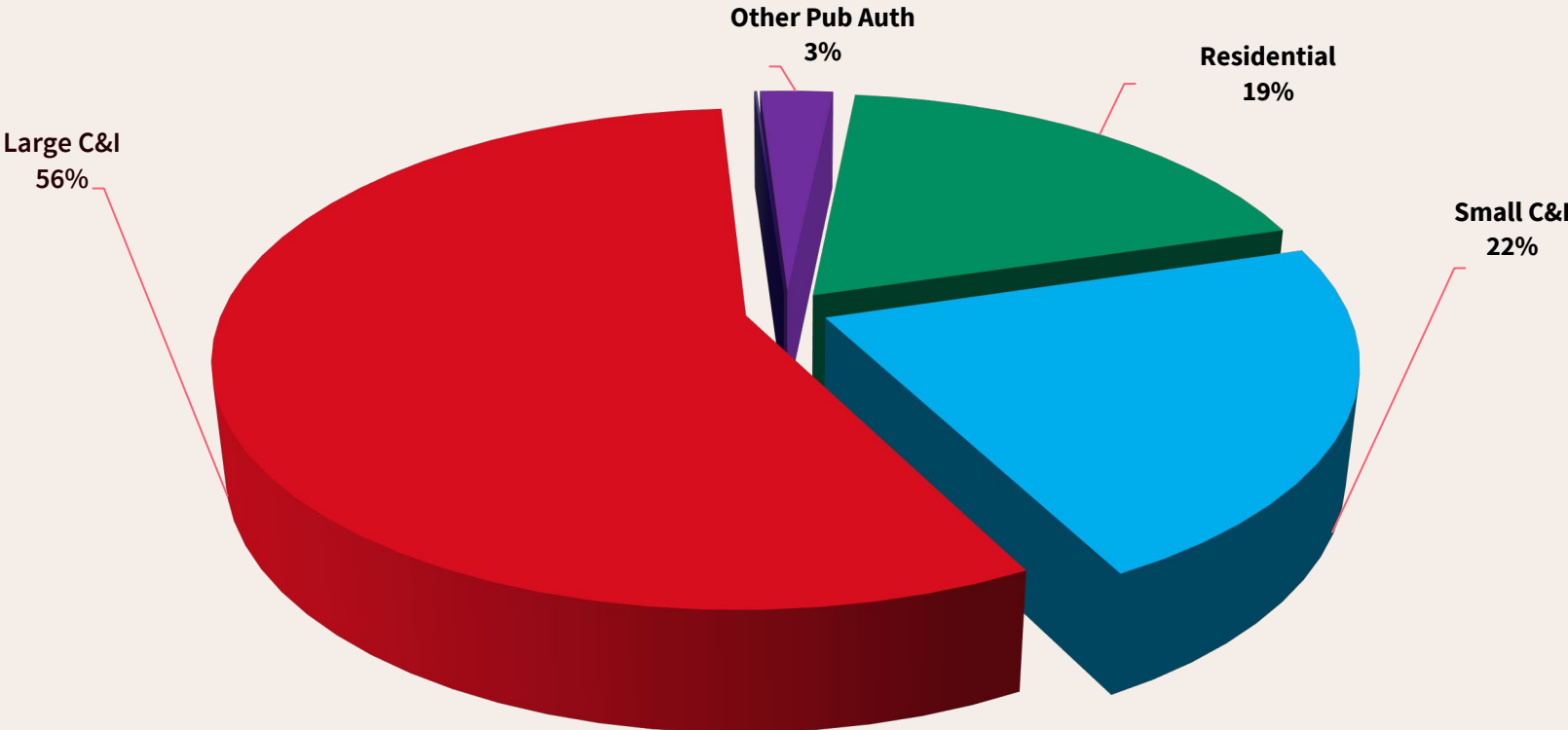


NEW MEXICO

New Mexico Sales by Class



Texas Sales by Class



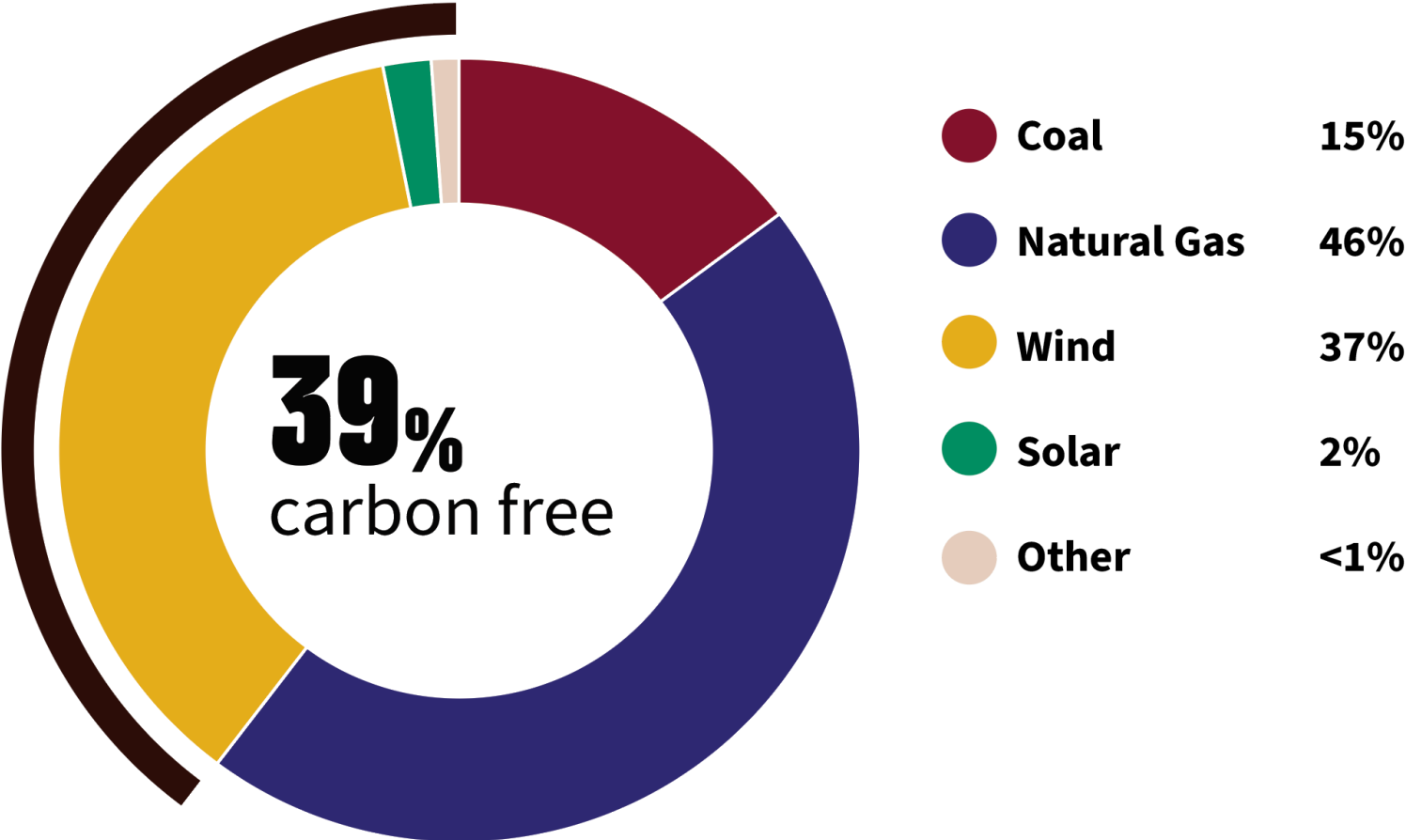
NM IOU Comparison

2024 Information	SPS	EPE	PNM
Customer Sales Mix (2024)			
Residential	15%	40%	34%
Commercial	22%	29%	37%
Industrial	61%	12%	26%
Other	1%	18%	2%
Production Peak (2024)	4,458 MW	2,316 MW	2,147 MW

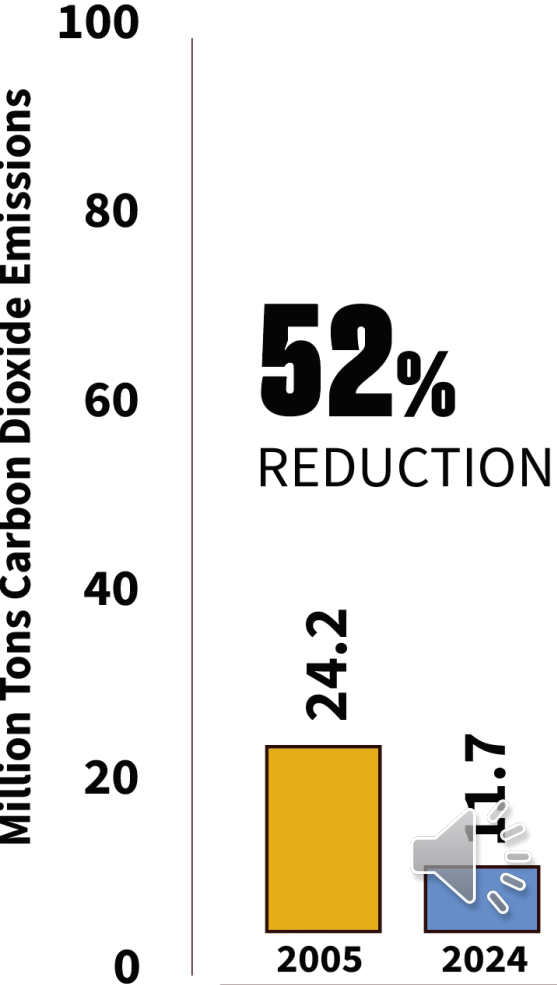
Source - FERC Form 1



2024 Energy Mix – New Mexico and Texas



REDUCING CARBON EMISSIONS



SPS's Changing Capacity Position



SPP Planning Reserve
Margin Increases



Increased Load



Generation Unit
Retirements



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.

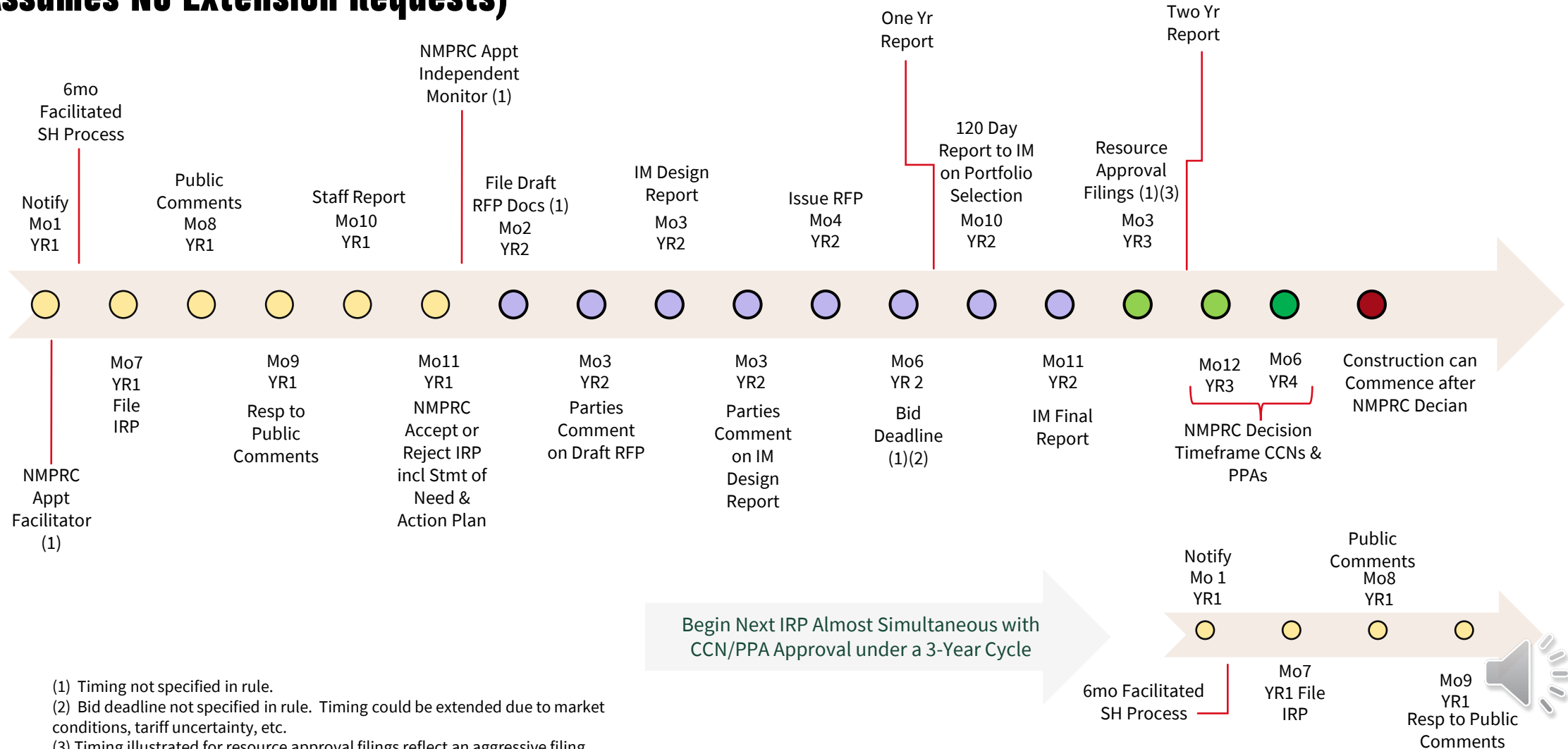
Strategic Advantages

- 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



IRP Rule Timeline

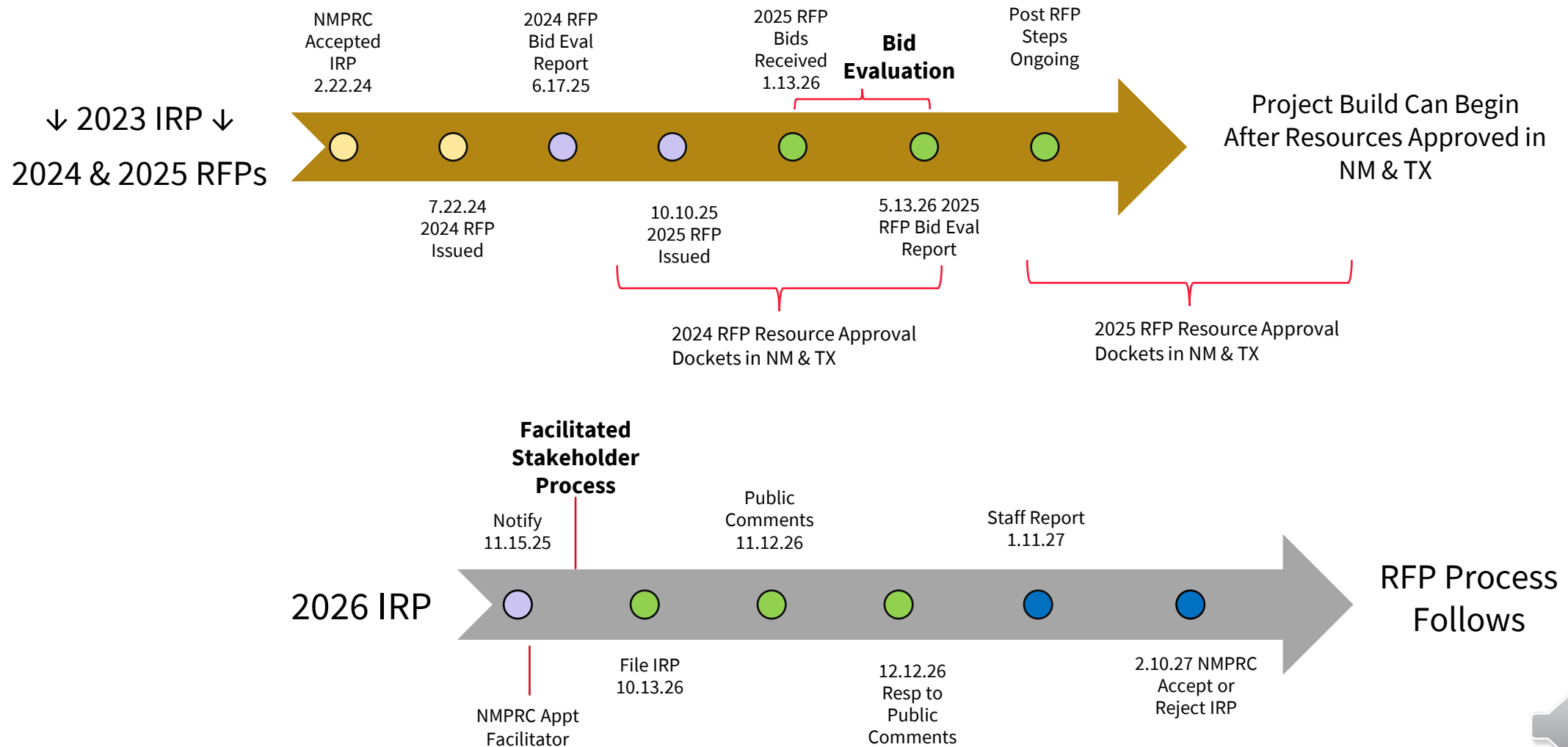
(Assumes No Extension Requests)



(1) Timing not specified in rule.
 (2) Bid deadline not specified in rule. Timing could be extended due to market conditions, tariff uncertainty, etc.
 (3) Timing illustrated for resource approval filings reflect an aggressive filing timeline for utility.

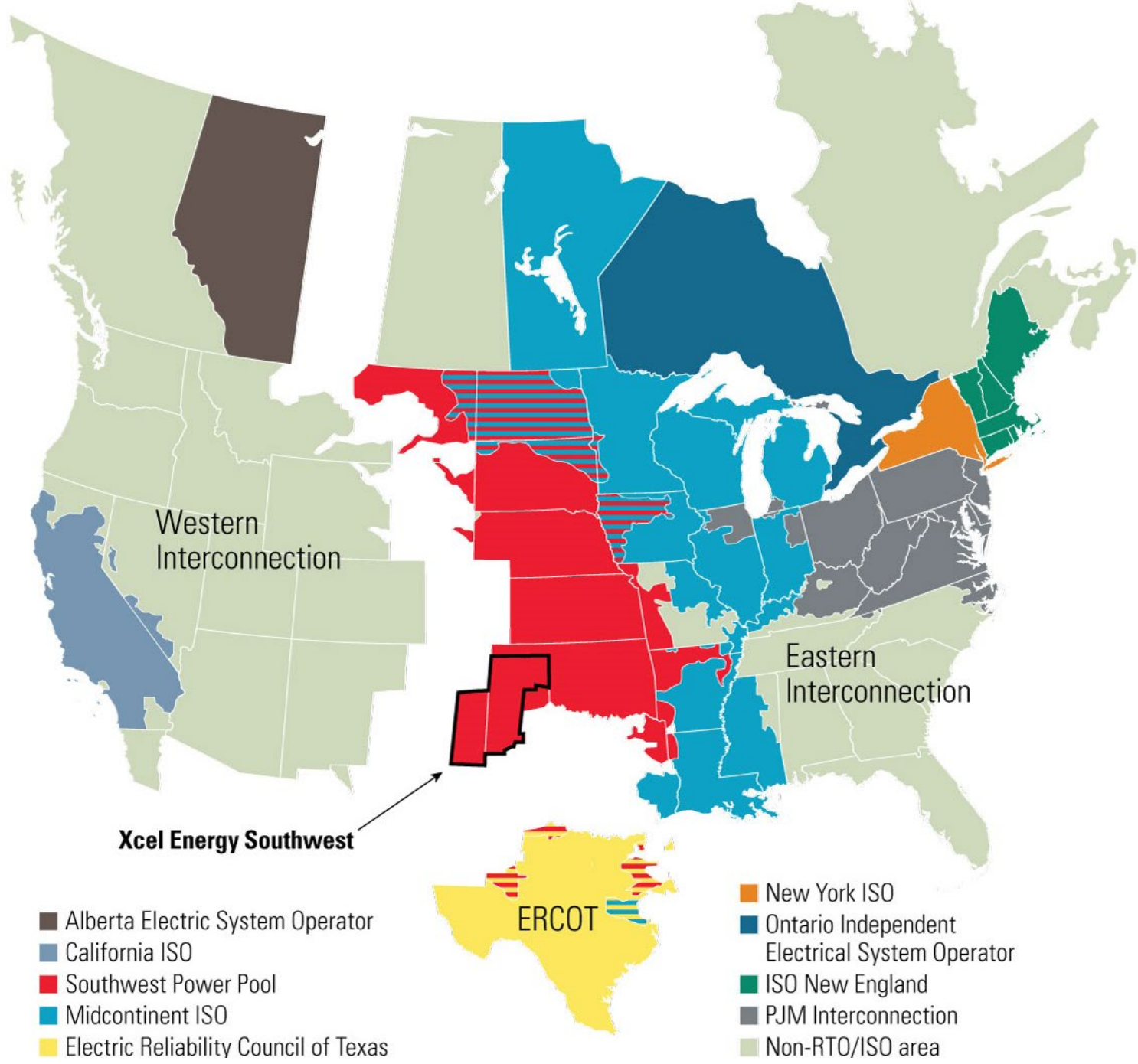


SPS's Current Status on Timeline



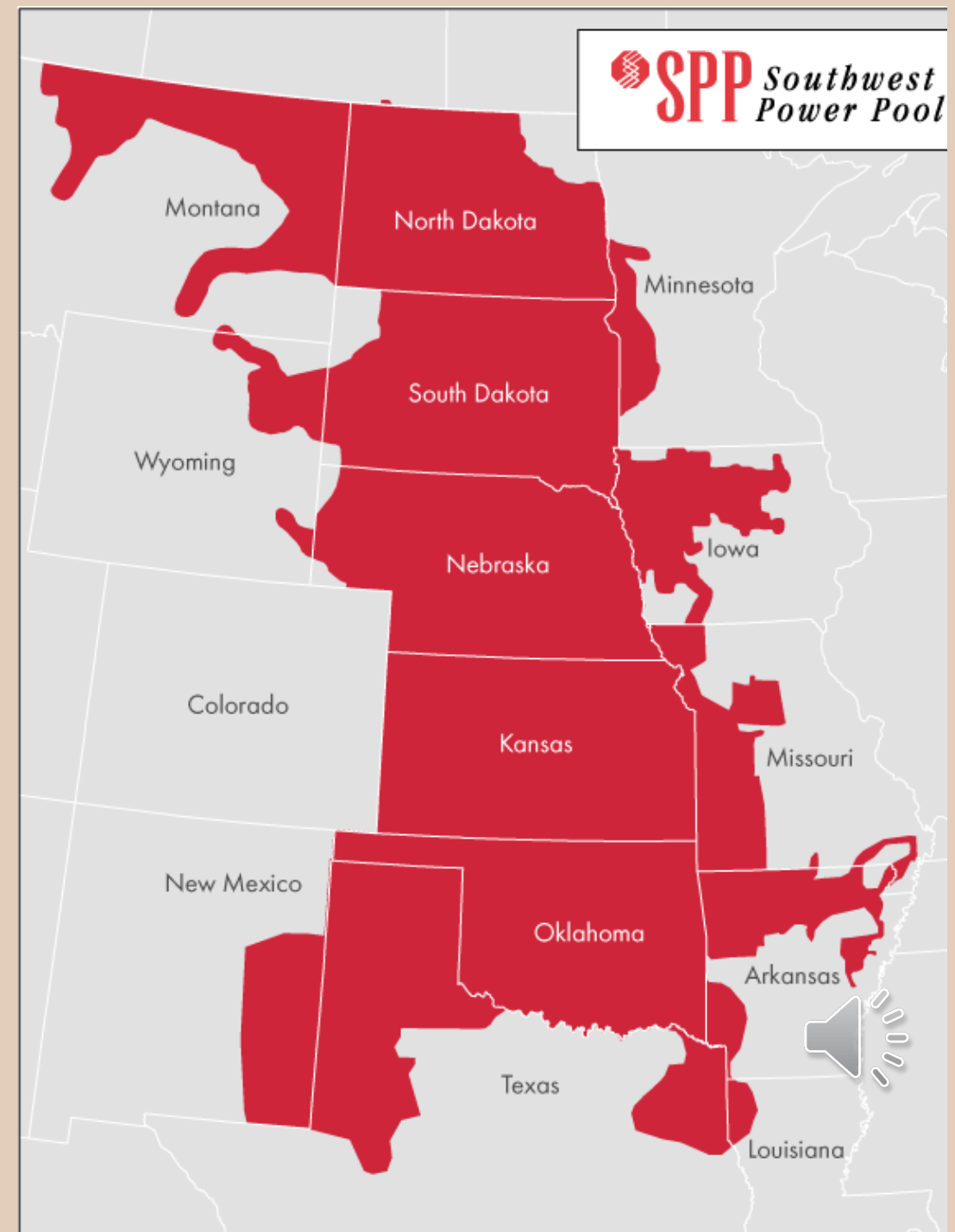
NORTH AMERICAN POWER GRIDS

SPP
 Xcel Energy
 ERCOT & WECC



SOUTHWEST POWER POOL MEMBERSHIP

- SPS is a member of the Southwest Power Pool (SPP).
- SPP is a regional transmission organization (RTO) approved by FERC that oversees the bulk electric grid and wholesale power market in central United States, providing a portfolio of services, including reliability coordination, tariff administration, regional scheduling, and market operations.
- SPP also performs coordinated and transparent regional planning for more than 60,000 miles of high-voltage transmission facilities in the SPP footprint, is the balancing authority for the consolidated 14-state balancing area and operates the SPP Integrated Marketplace.



RELIABILITY OVERVIEW

- Ensure sufficient resources to meet demand (load)
- Historical emphasis on planning for resources to meet peak demand (i.e., single hour in a year when demand is highest)
- As resource mix transitions towards more intermittent renewable resources, greater focus is needed on meeting demand in all hours (e.g., when wind is not blowing, or 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'



Current Summer SPS Loads and Resources Table

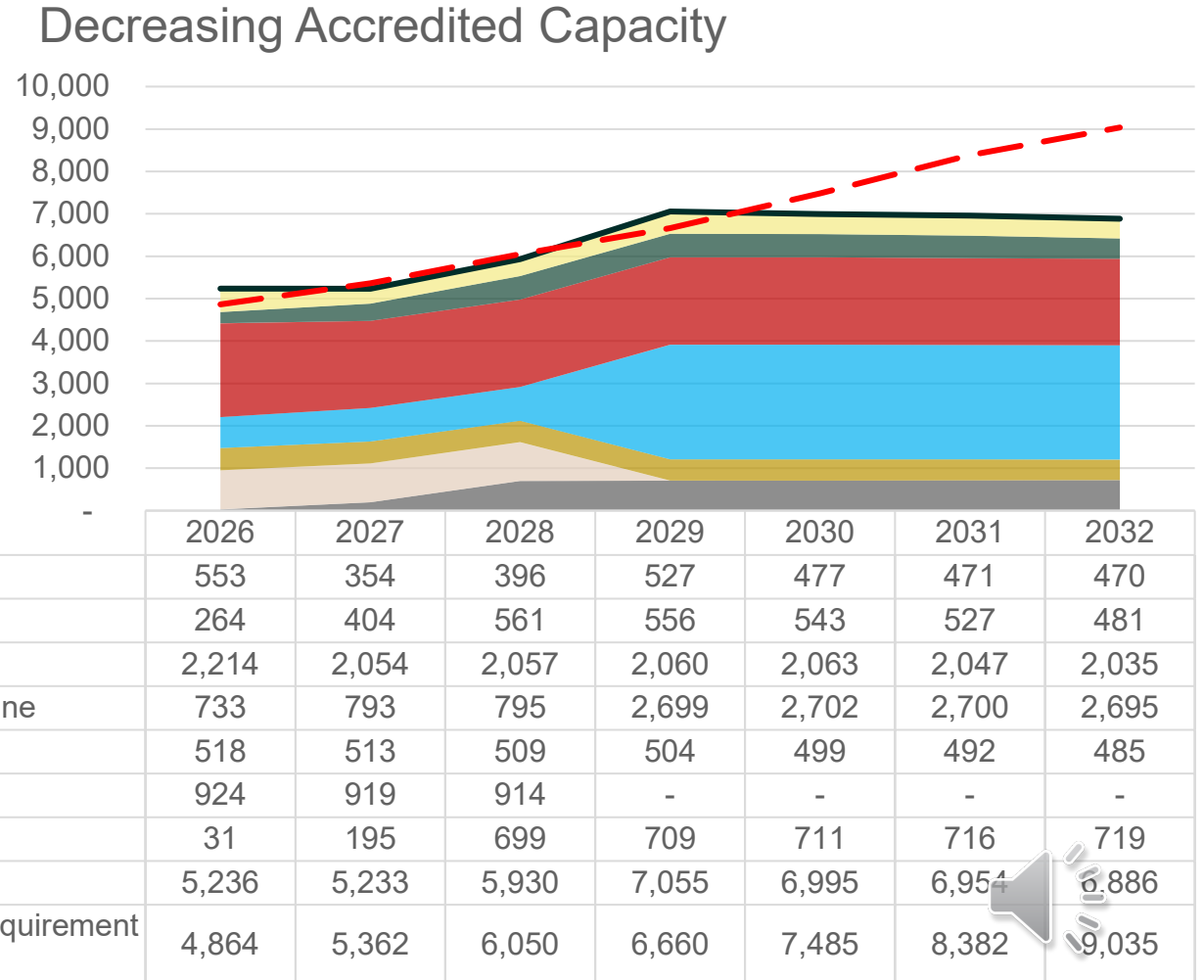
Line NO.	Description	2026	2027	2028	2029	2030	2031	2032
1	TOTAL ACCREDITED CAPACITY (MW)	5,236	5,233	5,930	7,055	6,995	6,954	6,886
2	FIRM LOAD OBLIGATION	4,543	5,008	5,651	6,205	6,997	7,883	8,439
3	TOTAL PLANNING RESERVE MARGIN	321	354	399	455	488	499	596
4	CAPACITY NEED	4,864	5,362	6,050	6,660	7,485	8,382	9,035
5	RESOURCE POSITION (MW): LONG/(SHORT)	372	(129)	(120)	395	(490)	(1,428)	(2,149)

- Resource position (line 5) is decreasing due to a combination of decreasing total accredited capacity (line 1) and increasing load (line 2)
- Total planning reserve margin (line 3) is currently set at 16% but is increasingly volatile



Decreasing Accredited Capacity

- Aging, retiring gas steam fleet
- Retirement of Tolk coal plant
- Expiring wind, gas PPAs
- ‘Firm and dispatchable’ resources required to replace retiring gas, coal resources
- Multi-year process to procure, construct new generating resources includes obtaining a SPP Generator Interconnection Agreement

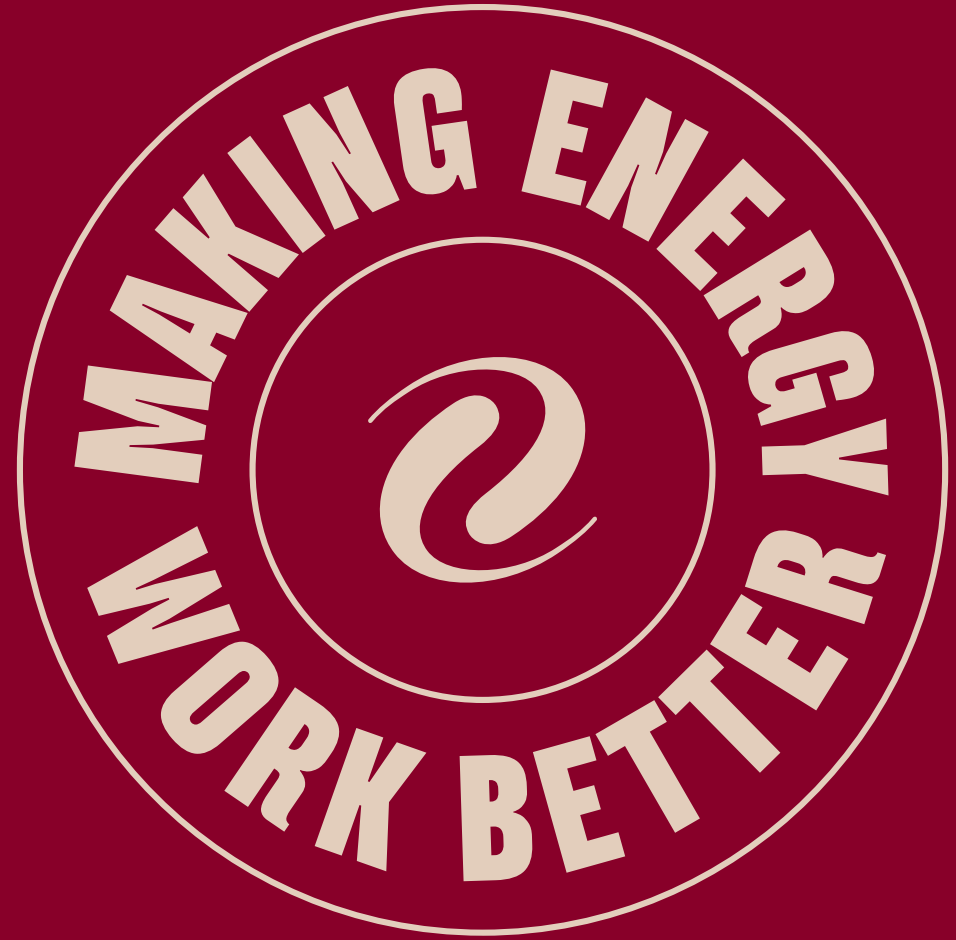


Increasing Resource Adequacy Requirements

- 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



THANK YOU.



[xcelenergy.com](https://www.xcelenergy.com)





APPENDICES



XCEL ENERGY SERVING EIGHT STATES

3.8 million

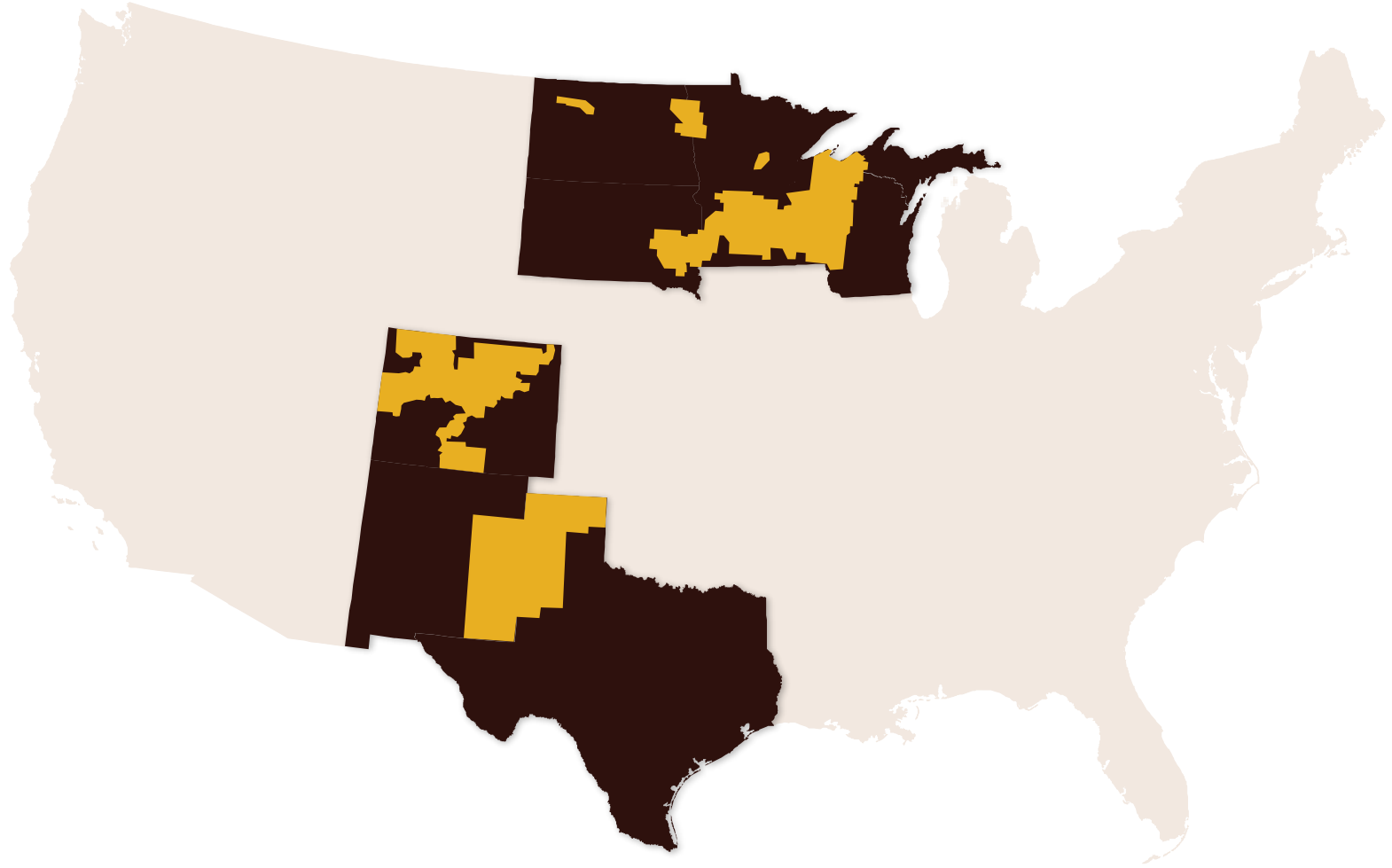
electric customers

2.2 million

natural gas customers

National leader

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



OUR COMMITMENTS

At Xcel Energy, we are committed to **making energy work better for our customers** by providing the reliable and resilient power they need every day.

**WE DELIVER
EXCELLENT
SERVICE**

We always strive to raise the bar on reliability, resilience, safety and affordability, because we know people depend on us to power their everyday.

**WE MAKE
INTERACTIONS
EASIER**

We never settle, continually looking for ways to make customer experiences and interactions simpler, more intuitive and more impactful.

**WE GUIDE
WITH
EXPERTISE**

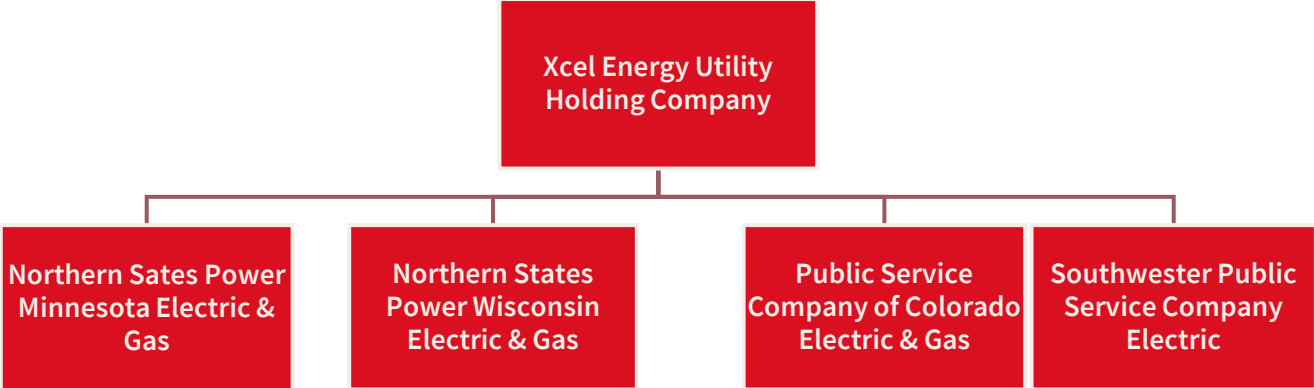
We help customers and stakeholders meet their goals with the guidance, tools and options to choose the right energy and use it more efficiently.

**WE LEAD THE
CLEAN
ENERGY
TRANSITION**

We set ambitious goals and take action to achieve them, helping customers and the industry move toward a better, cleaner future.



CORPORATE STRUCTURE





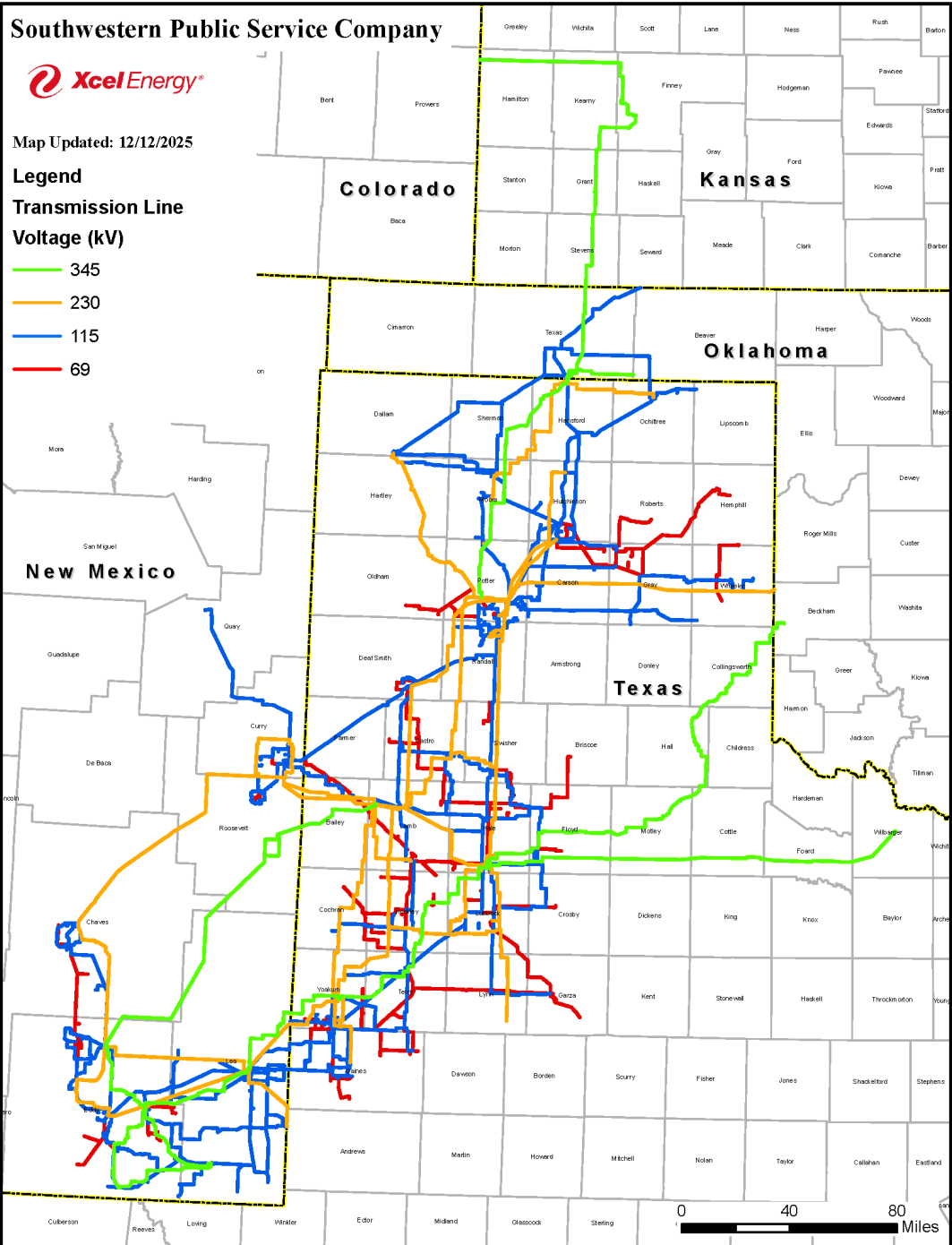
Map Updated: 12/12/2025

Legend

Transmission Line

Voltage (kV)

- 345
- 230
- 115
- 69



TRANSMISSION SERVICE AREA MAP



ADDITIONAL INFORMATION, RESOURCES

- Infographic - How Solar Power Works
[20-02-410_Energy_Generating_Sources_Infographic_P04](#)
([xcelenergy.com](#))
- Infographic - How Wind Power Works
[20-02-410_Energy_Generating_Sources_Infographic_P04](#)
([xcelenergy.com](#))
- Informational Video - How Transmission Works
<https://www.youtube.com/watch?v=HiOu3pwk7Lo&feature=youtu.be>
- Xcel Energy - Generation Portfolio Information
[Solar | Energy Portfolio | Xcel Energy](#)
[Hydro | Energy Portfolio | Xcel Energy](#)
[Natural Gas | Energy Portfolio | Xcel Energy](#)
[Nuclear | Energy Portfolio | Xcel Energy](#)
[Biomass | Energy Portfolio | Xcel Energy](#)



GENERAL TERMS

- **Megawatt (MW)** – A unit of instantaneous power equal to one million watts, or one thousand kilowatts. Used as a measure of power station output.
- **Megawatt-hour (MWh)** – A megawatt hour equals 1,000 kilowatts of electricity generated per hour and is used to measure electric output (energy).
- **Capacity** – The maximum level of electric power output that a power plant can supply at a defined point of delivery.
- **Capacity Accreditation** – The amount of capacity a generation resource is allowed to apply to resource adequacy.
- **Resource Adequacy** – The ability of a utility’s accredited capacity resources (supply) to meet energy and system loads (demands) at all hours.
- **Regional transmission organization (RTO)** – An electric power transmission system operator (TSO) that coordinates, controls, and monitors a multi-state electric grid.
- **Planning Reserve Margin (PRM)** – Available capacity above the projected peak demand.
- **Peak Demand** – Maximum demand of customers at a point in time.

