SOUTHWESTERN PUBLIC SERVICE COMPANY
2026 INTEGRATED RESOURCE PLAN

Workshop #6B Facilitated Stakeholder Process
August 5, 2026

Xcel Energy®

STAKEHOLDER FOLLOW UP QUESTIONS REGARDING LOAD FORECASTING

How does SPS evaluate the likelihood of these large load requests? Are there agreements these customers sign? Or financial commitments that have to be made to be included in the IRP load forecast (either as probabilistic load or “known” load)?

For “highly likely” loads, does SPS discount the request capacity or ramp rate? By what amount? What about load requests that are not “highly likely?”

Are data centers and oil & gas load requests treated differently? How so?

FOUR-YEAR ACTION PLAN

The New Mexico IRP Rule, as written, established a staggered schedule for the three New Mexico utilities to file their IRPs (PNM 2023, SPS 2024, EPE 2025).

SPS requested and received a variance to file its 2023 and 2026 IRPs one year early.

Within its 2026 IRP, SPS will request a four-year Action Plan period. This will extend the timeline for needed actions under the IRP will get SPS back on the staggered schedule intended in the IRP rule. This means SPS plans to file its next IRP in 2030.

IMPORTANT NOTES

Although the modeling presented today incorporates updated modeling assumptions, the results are still considered draft. SPS will continue to check the model inputs and outputs for accuracy. Any corrections or changes to the modeling inputs and assumptions may change the results. SPS will present full and final results prior to filing the IRP.

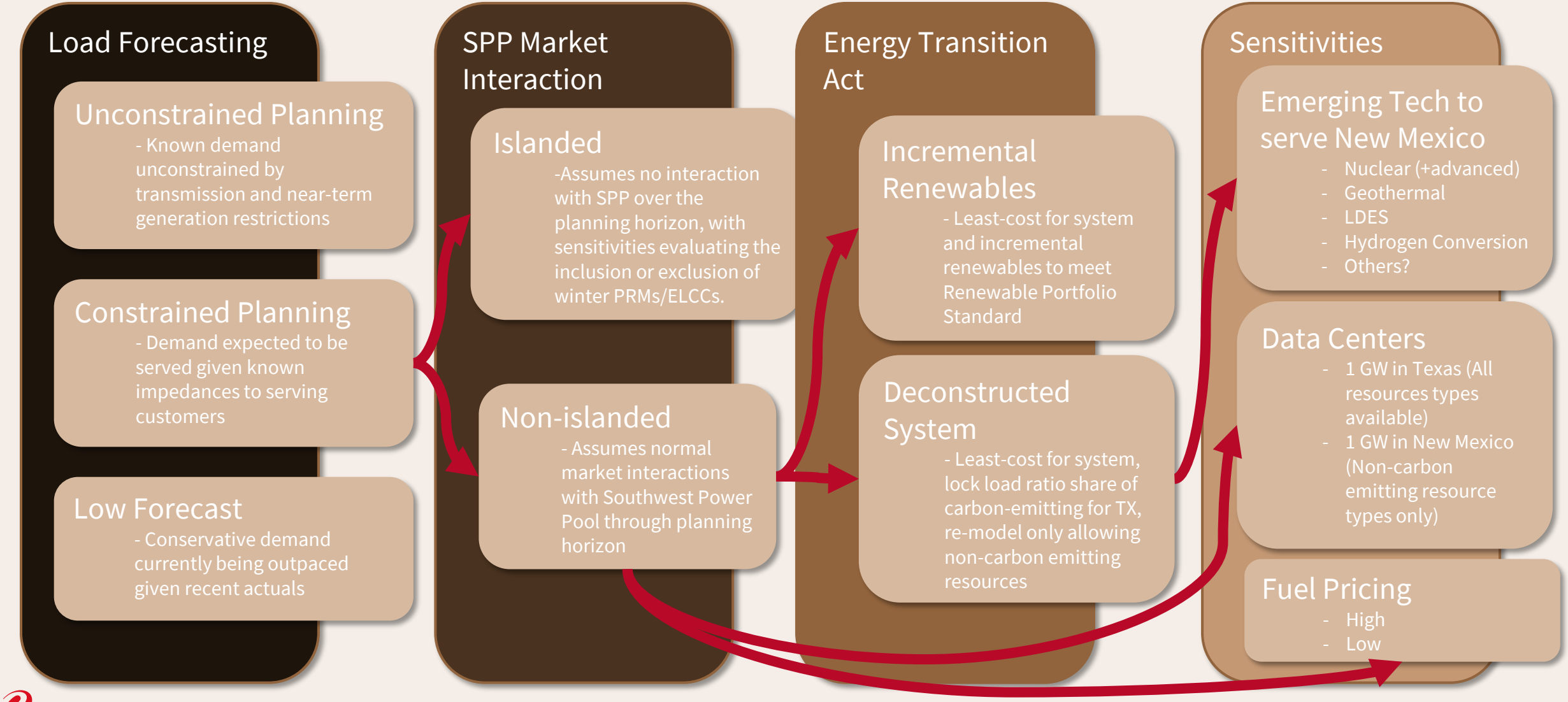
When determining the most cost-effective portfolio of resources in the IRP process, SPS relies upon generic cost estimates for modeling new generating resources. Future resource acquisitions will be dependent upon the firm pricing and availability of new resources (i.e., actual bids).

MODELING TREE

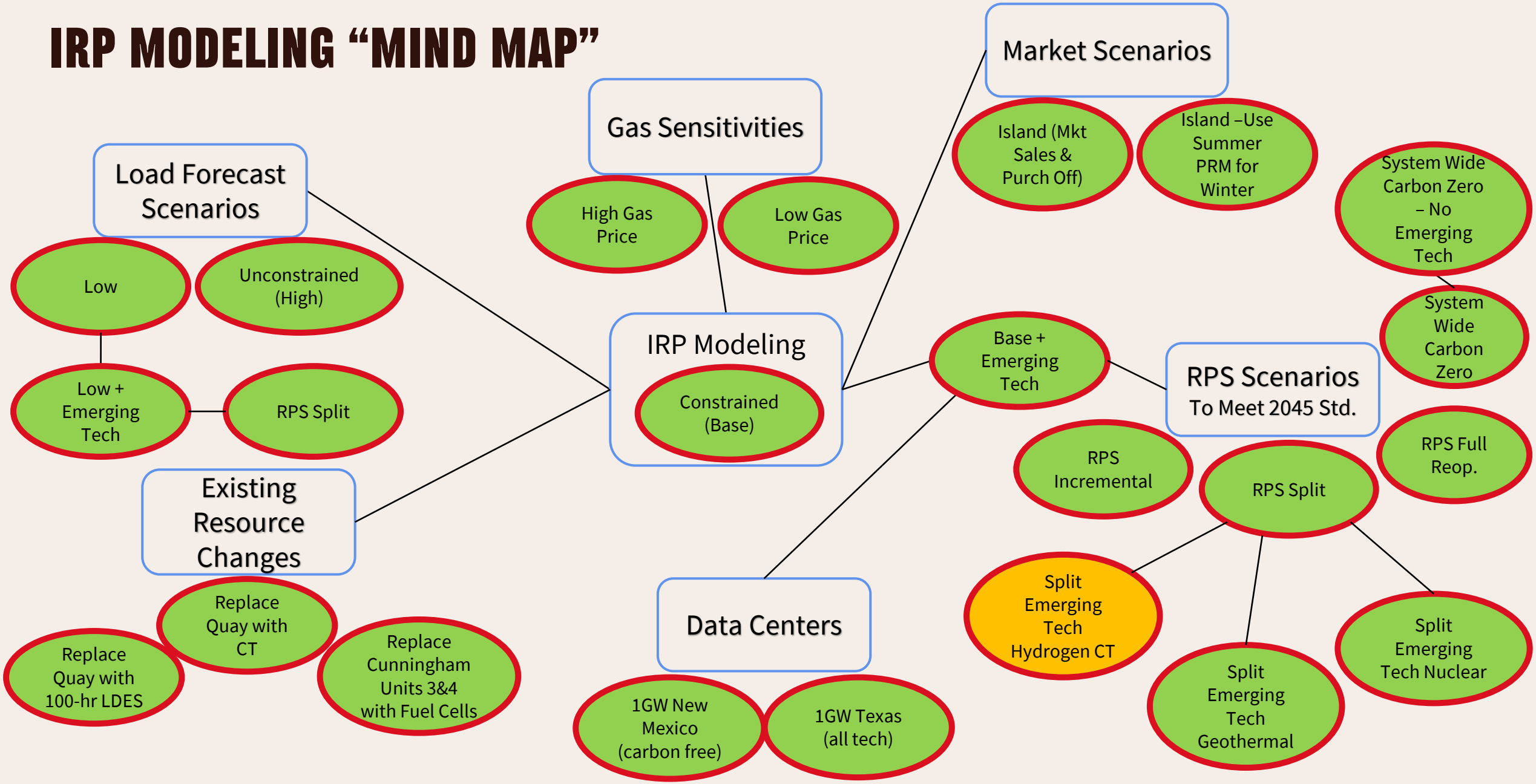
PRELIMINARY RESULTS

CONCEPTUAL MODELING TREE

All resource types available in all models except where otherwise noted.



IRP MODELING "MIND MAP"



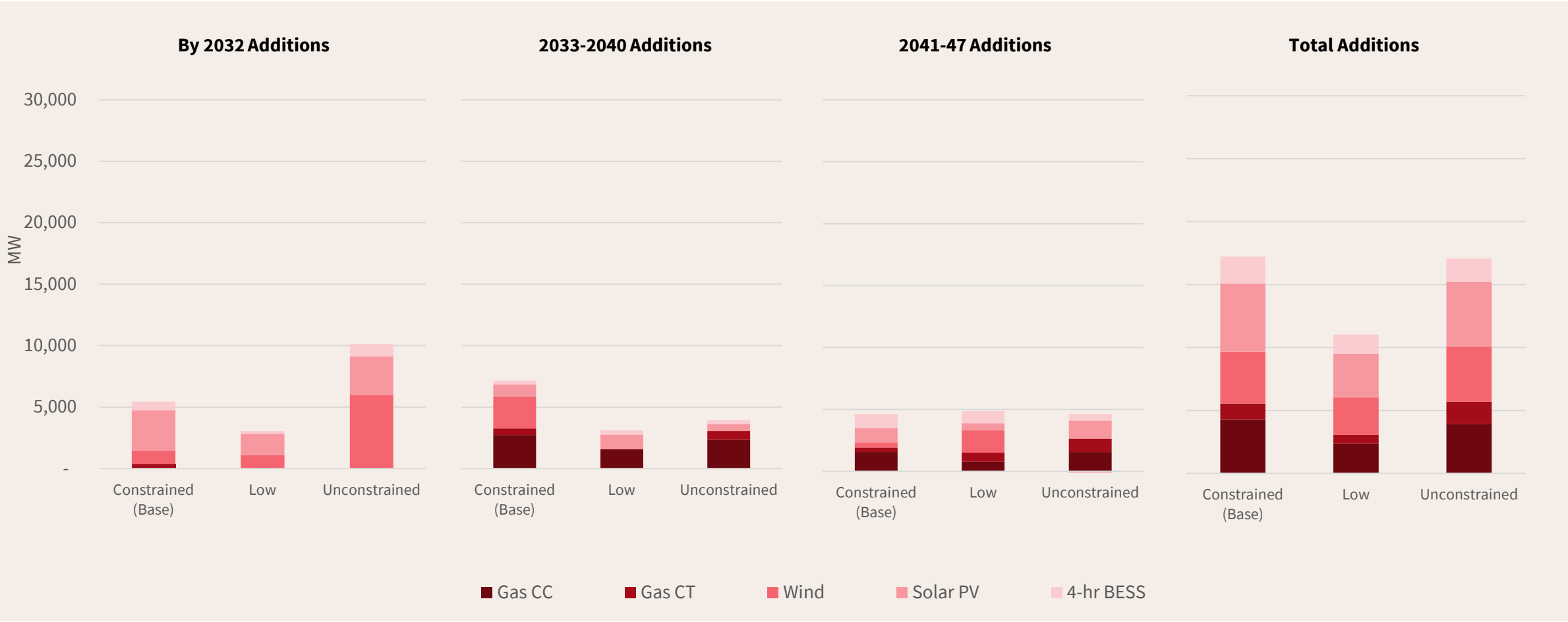
NAMEPLATE ADDITIONS

SUMMARY OF SUMMER NAMEPLATE CAPACITY ADDITIONS IN GROUPED SCENARIOS

PRELIMINARY RESULTS

NAMEPLATE ADDITIONS: LOAD FORECASTS

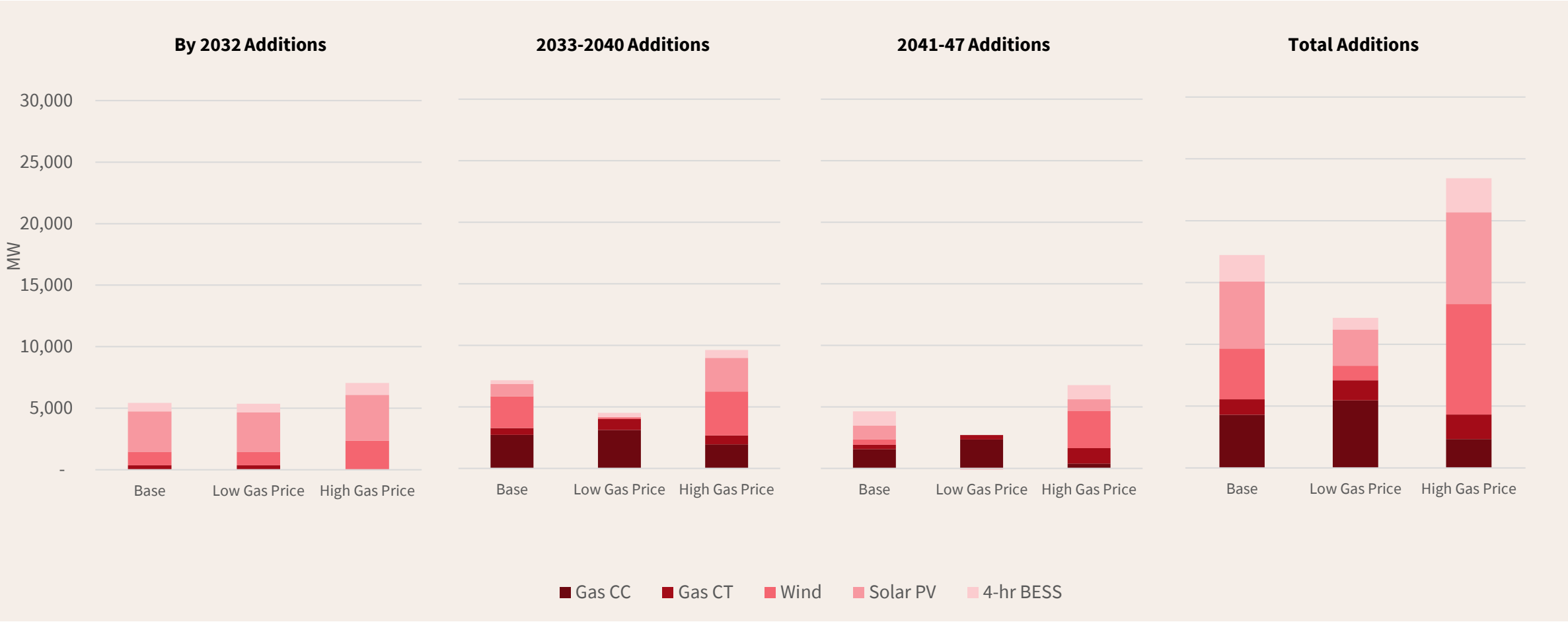
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: GAS PRICE SCENARIOS

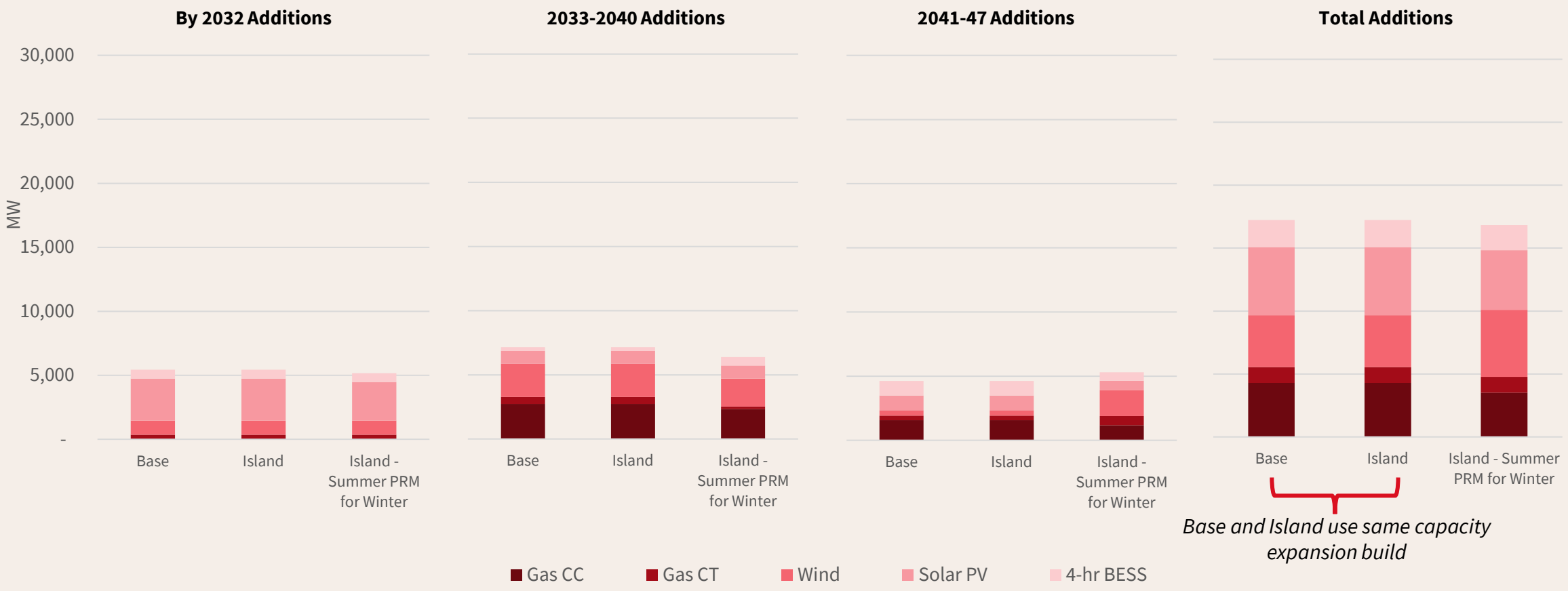
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: ISLANDED

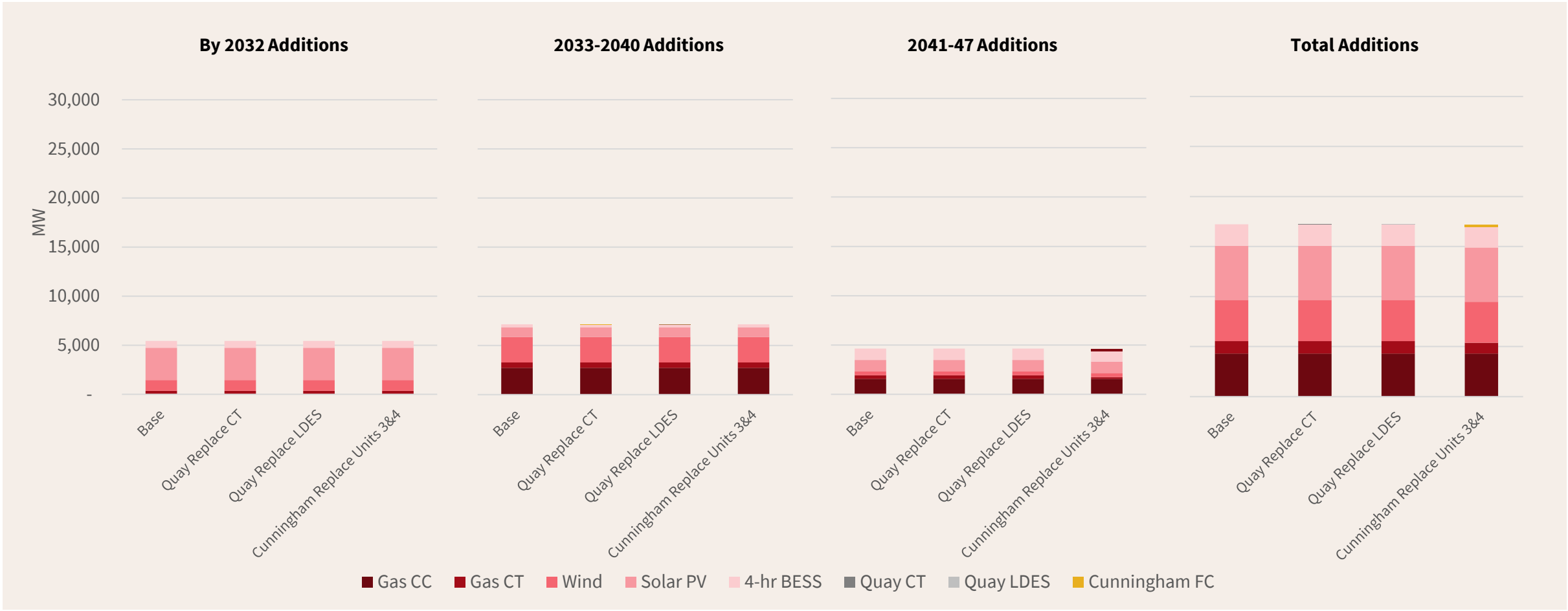
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: EXISTING RESOURCE REPLACEMENTS

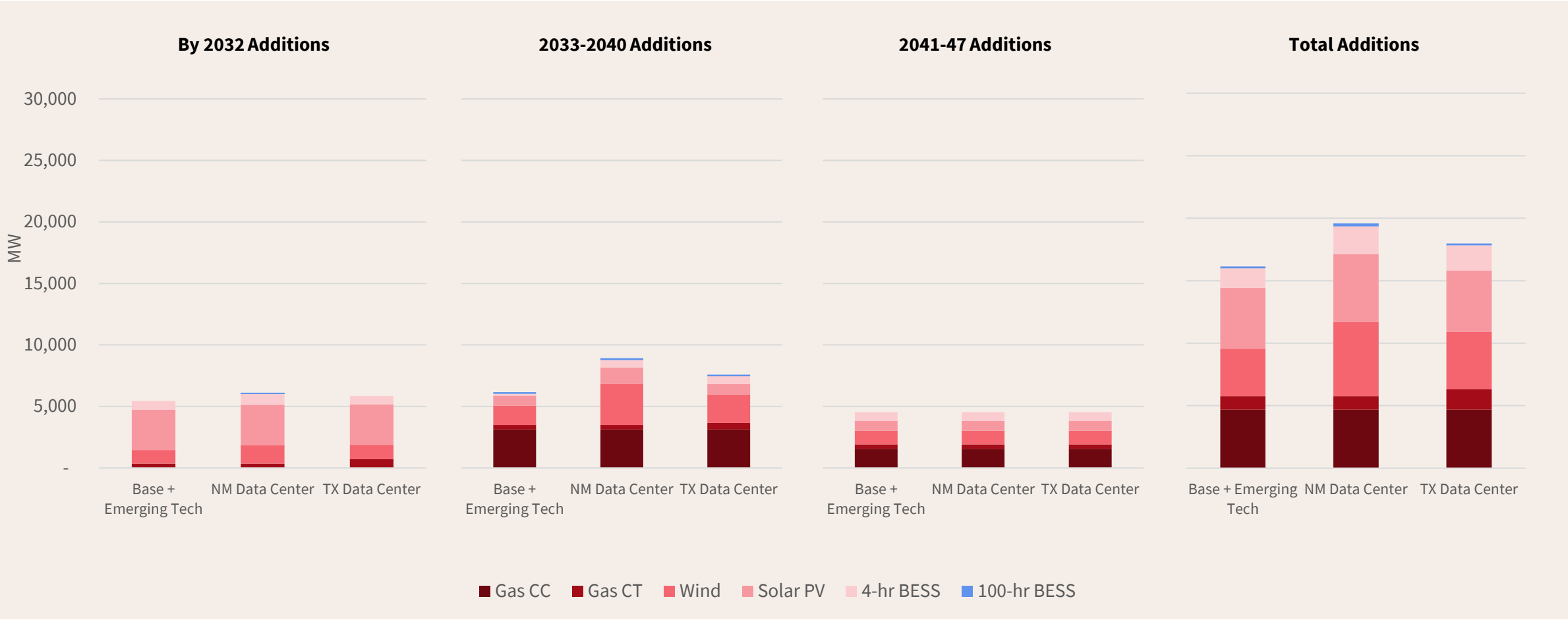
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: DATA CENTERS

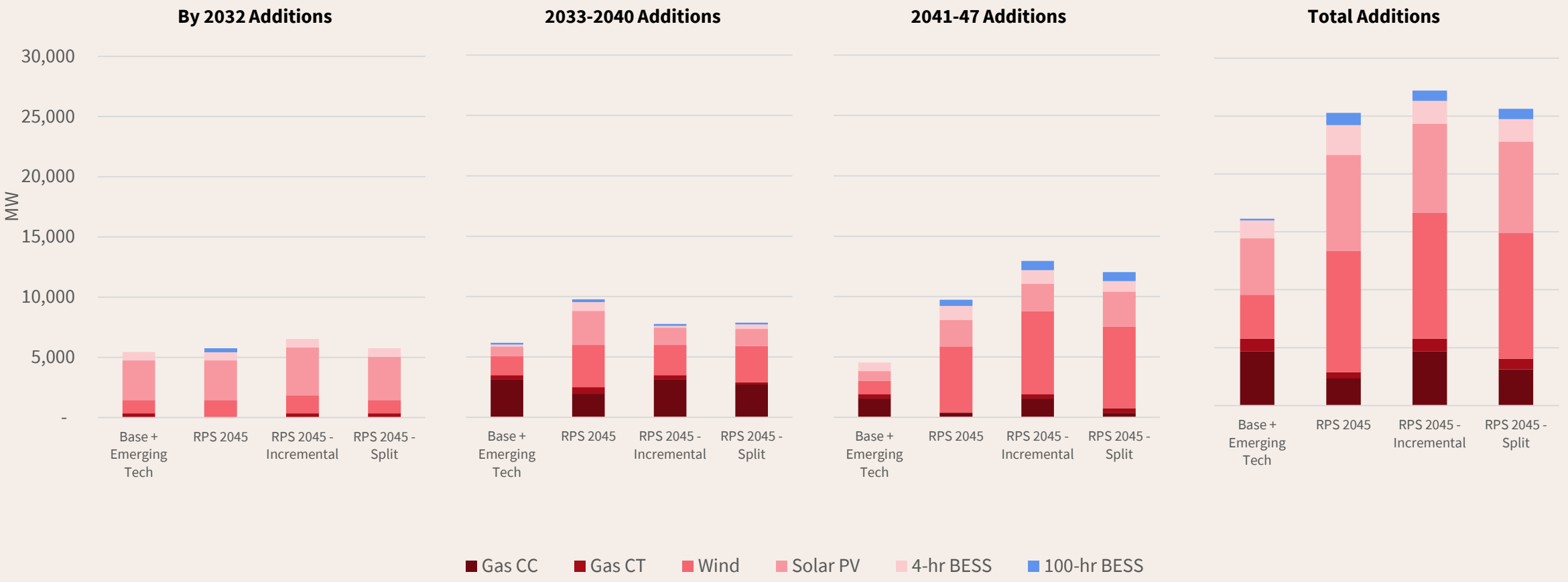
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: RPS

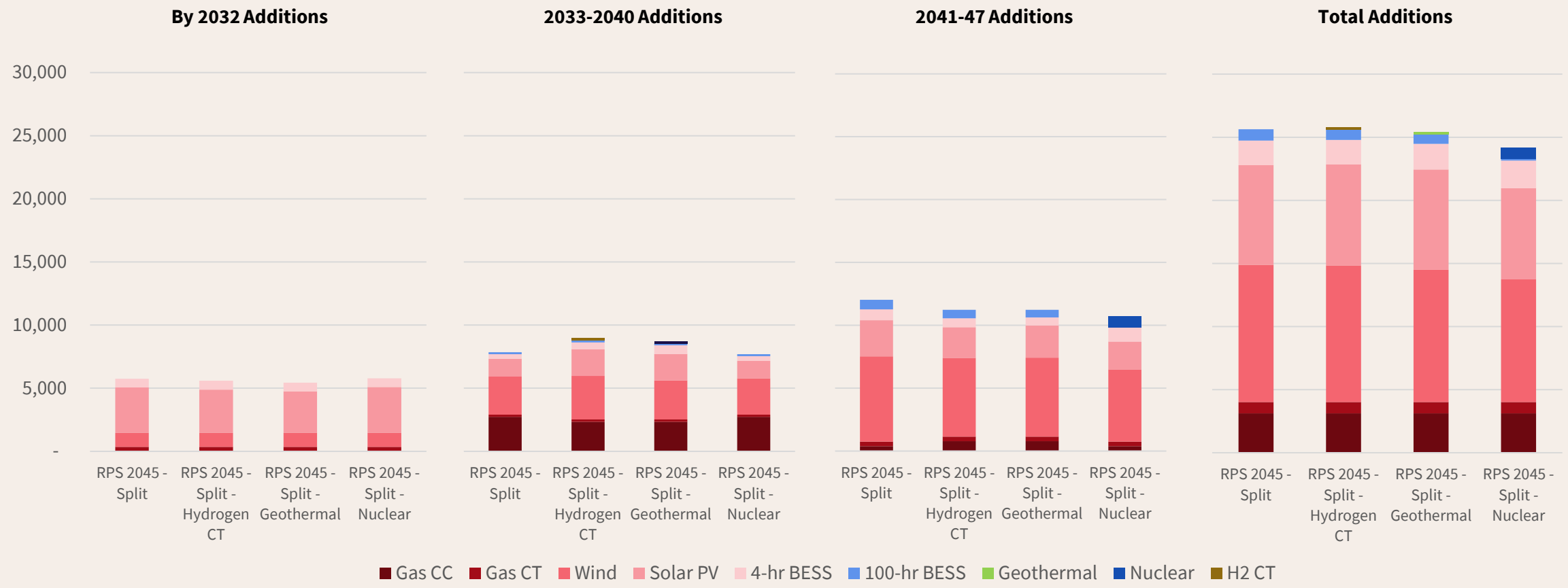
Incremental Resources Over the IRP Horizon – Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: EMERGING TECH

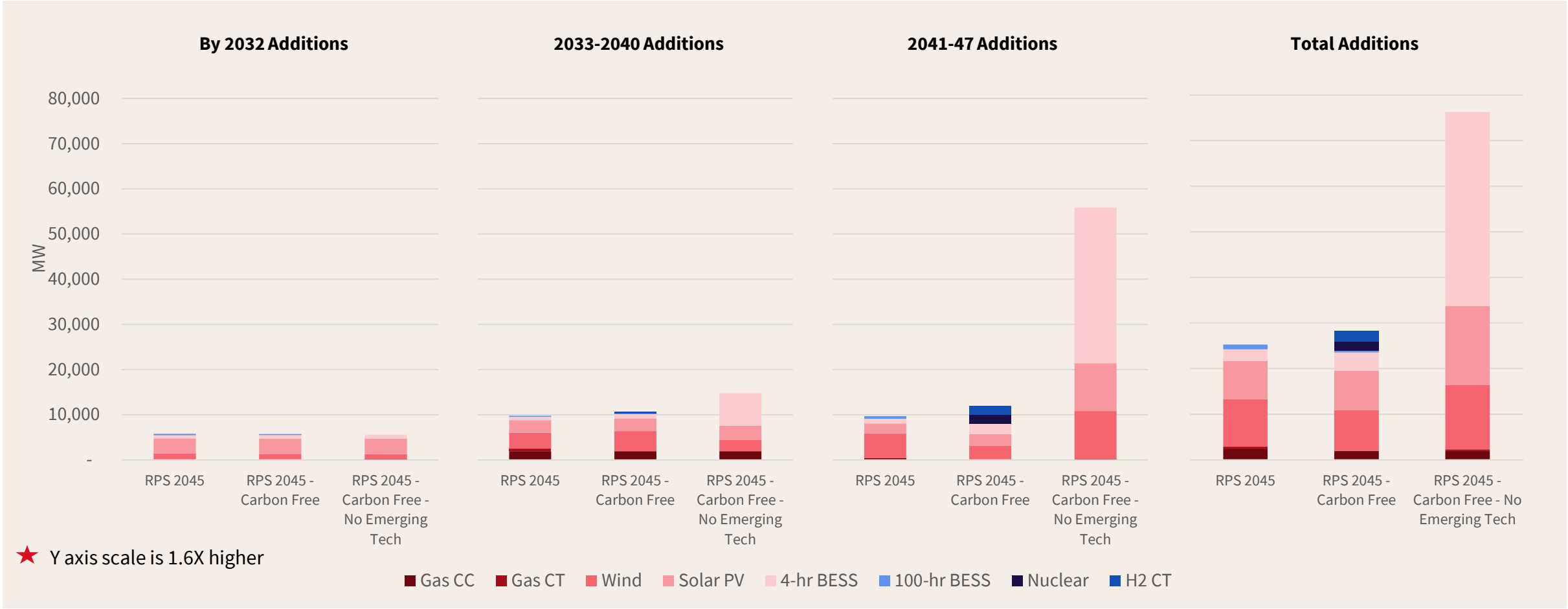
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: SYSTEM WIDE CARBON FREE

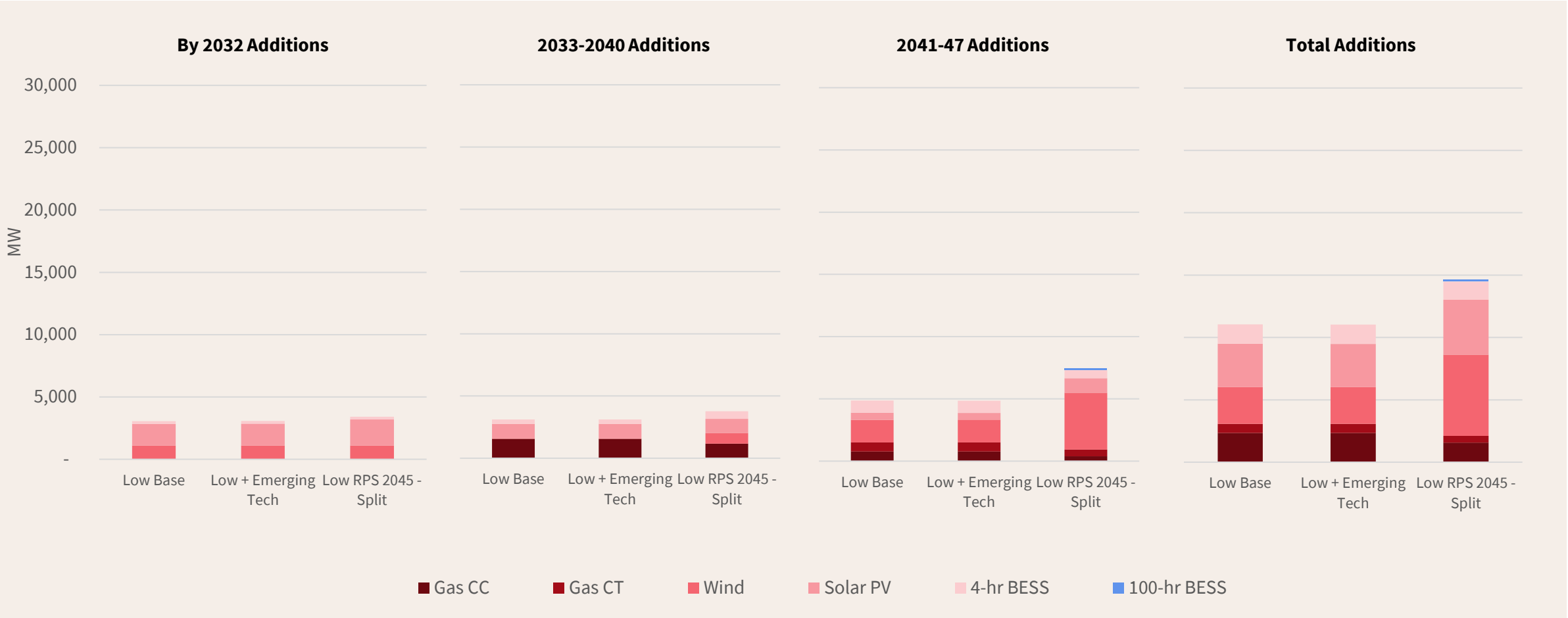
Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NAMEPLATE ADDITIONS: LOW LOAD

Incremental Resources Over the IRP Horizon - Summer Capacity (MW)



Preliminary Results. Subject to change.

NPV COMPARISONS

SUMMARY OF NET PRESENT VALUES OF PORTFOLIO COST FOR GROUPED SCENARIOS

PRELIMINARY RESULTS

SUMMARY NPV COMPARISONS FOR LOAD FORECASTS

Least Cost Portfolio to meet a Multi Jurisdictional Baseline

Metric	Constrained (Base)	Low	Unconstrained
NPV through 2047 ($BB)	$50.58	$32.86 ↓ $17.71	$50.93 ↑ $0.36
Description	• Least-cost portfolio with no emerging tech resource options • Expected load, short-term growth limited	• Least-cost portfolio with no emerging tech resource options • Low load scenario	• Least-cost portfolio with no emerging tech resource options • Expected load, growth online as requested
Emerging Tech Available	No	No	No
EUE	None	None	618 MWh ($620K)
Capacity Payment	$7K	$495K	$217K
Curtailment (GWh)	612	356	4,957

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

Preliminary Results. Subject to change.

SUMMARY NPV COMPARISONS FOR GAS PRICE SCENARIOS

Least Cost Portfolio to meet a Multi Jurisdictional Baseline

Metric	Constrained (Base)	High Gas	Low Gas
NPV through 2047 ($BB)	$50.58	$51.86 ↑ **$1.28**	$48.98 ↓ **$1.59**
Description	• Least-cost portfolio with no emerging tech resource options	• 50% increase to gas and energy price	• 50% decrease to gas and energy price
Emerging Tech Available	No	No	No
EUE	None	7,709 MWH ($7.8M)	1 MWh ($1K)
Capacity Payment	$7K	$42K	$94K
Curtailment (GWh)	621	7,346	62

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

SUMMARY NPV COMPARISONS FOR ISLANDED SCENARIOS

Least Cost Portfolio to meet a Multi Jurisdictional Baseline

Metric	Constrained (Base)	Islanded – Summer PRM for Winter	Islanded
NPV through 2047 ($BB)	$50.58	$73.29 ↑ **$22.71**	$64.89 ↑ **$ 14.32**
Description	• Least-cost portfolio with no emerging tech resource options	• Fully reoptimized portfolio on Base resource options • Market sales and purchases turned off • Summer PRM also used for Winter season	• Base portfolio locked • Market sales and purchases turned off
Emerging Tech Available	No	No	No
EUE	None	18.3M MWh ($19.44B)	7.7M MWh ($9.49B)
Capacity Payment	$7K	$11K	$7K
Curtailment (GWh)	621	986	914

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

SUMMARY NPV COMPARISONS FOR EXISTING RESOURCE REPLACEMENTS

Least Cost Portfolio to meet a Multi Jurisdictional Baseline

Metric	Constrained (Base)	Quay Replace CT	Quay Replace LDES	Cunningham Replace Units 3&4
NPV through 2047 ($BB)	$50.58	$50.585 ↑ $0.008	$50.586 ↑ $0.009	$50.70 ↑ $0.13
Description	• Least-cost portfolio with no emerging tech resource options	• Replace Quay resource with Gas CT	• Replace Quay resource with 100-hr LDES	• Replace Units 3&4 at Cunningham with fuel cells
Emerging Tech Available	No	No	No	No
EUE	None	1 MWh ($1K)	None	None
Capacity Payment	$7K	None	None	$7K
Curtailment (GWh)	621	617	618	615

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

Preliminary Results. Subject to change.

SUMMARY NPV COMPARISONS FOR DATA CENTERS

Least Cost Portfolio to meet a Multi Jurisdictional Baseline

Metric	Base + Emerging Tech Available (B+ET)	NM Data Center	TX Data Center
NPV through 2047 ($BB)	$50.52	$55.18 ↑ **$4.66**	$55.26 ↑ **$4.74**
Existing System Impact Costs in NPV ($BB)	N/A	$0.08	$0.09
Description	• Least-cost portfolio with all resource options available for selection	• Solving for load + 1GW incremental data center, using only zero carbon resources	• Solving for load + 1GW incremental data center, using all resource options
Emerging Tech Available	Yes	Yes	Yes
EUE	None	None	464 MWh ($615K)
Capacity Payment	$40K	None	None
Curtailment (GWh)	341	335	326

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

SUMMARY NPV COMPARISONS FOR RPS

Least Cost Portfolio to meet RPS 2045

Metric	Base + Emerging Tech Available (B+ET)	RPS 2045	RPS 2045 – Incremental	RPS 2045 - Split
NPV through 2047 ($BB)	$50.52	$50.59 ↑ **$0.07**	$52.88 ↑ **$2.35**	$51.12 ↑ **$ 0.60**
Description	• Least-cost portfolio with all resource options available for selection	• Optimized portfolio on B+ET resource options • 100% renewable energy requirement in 2045 for NM share of load	• B+ET portfolio locked, solve for incremental additions • 100% renewable energy requirement in 2045 for NM share of load	• TX load share of B+ET portfolio locked, solve for NM share only • 100% renewable energy requirement in 2045 for NM share of load
Emerging Tech Available	Yes	Yes	Yes	Yes
EUE	None	25K MWh ($14M)	1 MWh ($1K)	None
Capacity Payment	$40K	$12K	None	None
Curtailment (GWh)	341	8,049	10,417	8,804

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

Preliminary Results. Subject to change.

SUMMARY NPV COMPARISONS FORCED EMERGING TECH

Least Cost Portfolio to meet RPS 2045

Metric	RPS 2045 - Split	RPS 2045 – Split - Nuclear	RPS 2045 – Split - Geothermal	RPS 2045 – Split – Hydrogen CT
NPV through 2047 ($BB)	$51.12	$50.79 ↓ **$0.33**	$51.86 ↑ **$0.74**	$X
Description	• TX load share of B+ET portfolio locked, solve for NM share only • 100% renewable energy requirement in 2045 for NM share of load	• TX load share of B+ET portfolio locked, solve for NM share only • 100% renewable energy requirement in 2045 for NM share of load • 900MW SMR required 2041	• TX load share of B+ET portfolio locked, solve for NM share only • 100% renewable energy requirement in 2045 for NM share of load • 250MW EGS required 2035	• TX load share of B+ET portfolio locked, solve for NM share only • 100% renewable energy requirement in 2045 for NM share of load • 200MW H2 CT required 2040
Emerging Tech Available	Yes	Yes	Yes	Yes
EUE	None	None	None	X
Capacity Payment	None	$11K	$183K	$X
Curtailment (GWh)	8,804	7,137	8,086	X

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

Preliminary Results. Subject to change.

SUMMARY NPV COMPARISONS SYSTEM WIDE CARBON FREE

Least Cost Portfolio to meet RPS 2045

Metric	RPS 2045	RPS 2045 – System Wide Carbon Free	RPS 2045 – System Wide Carbon Free – No Emerging Tech
NPV through 2047 ($BB)	$50.59	$54.45 ↑ **$3.86**	$66.01 ↑ **$15.42**
Description	• Optimized portfolio on B+ET resource options • 100% renewable energy requirement in 2045 for NM share of load	• Zero MWh of carbon generation allowed in 2045 • All resource options available for selection	• Zero MWh of carbon generation allowed in 2045 • Emerging technology not selectable
Emerging Tech Available	Yes	Yes	No
EUE	25,155 MWH ($14M)	496,567 MWh ($287M)	419,578 MWh ($228M)
Capacity Payment	$12K	None	None
Curtailment (GWh)	8,049	8,764	42,678

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

Preliminary Results. Subject to change.

SUMMARY NPV COMPARISONS LOW LOAD FORECAST

Least Cost Portfolio to meet Multi Jurisdictional Baseline / RPS 2045

Metric	Low	Low – Base + Emerging Tech (LB+ET)	Low – RPS 2045 - Split
NPV through 2047 ($BB)	$32.86	$32.86	$32.96 ↑ $0.09
Description	• Least-cost portfolio with no emerging tech resource options • Low load scenario	• Least-cost portfolio with all resource options available for selection • Low load scenario	• TX load share of LB+ET portfolio locked, solve for NM share only • 100% renewable energy requirement in 2045 for NM share of load • Low load scenario
Emerging Tech Available	No	Yes	Yes
EUE	None	None	None
Capacity Payment	$495K	$208K	$73K
Curtailment (GWh)	356	389	3,735

Capacity Payment Cost Assumption (2 X CONE): *$139.85*2 = $279.70/kW-year*

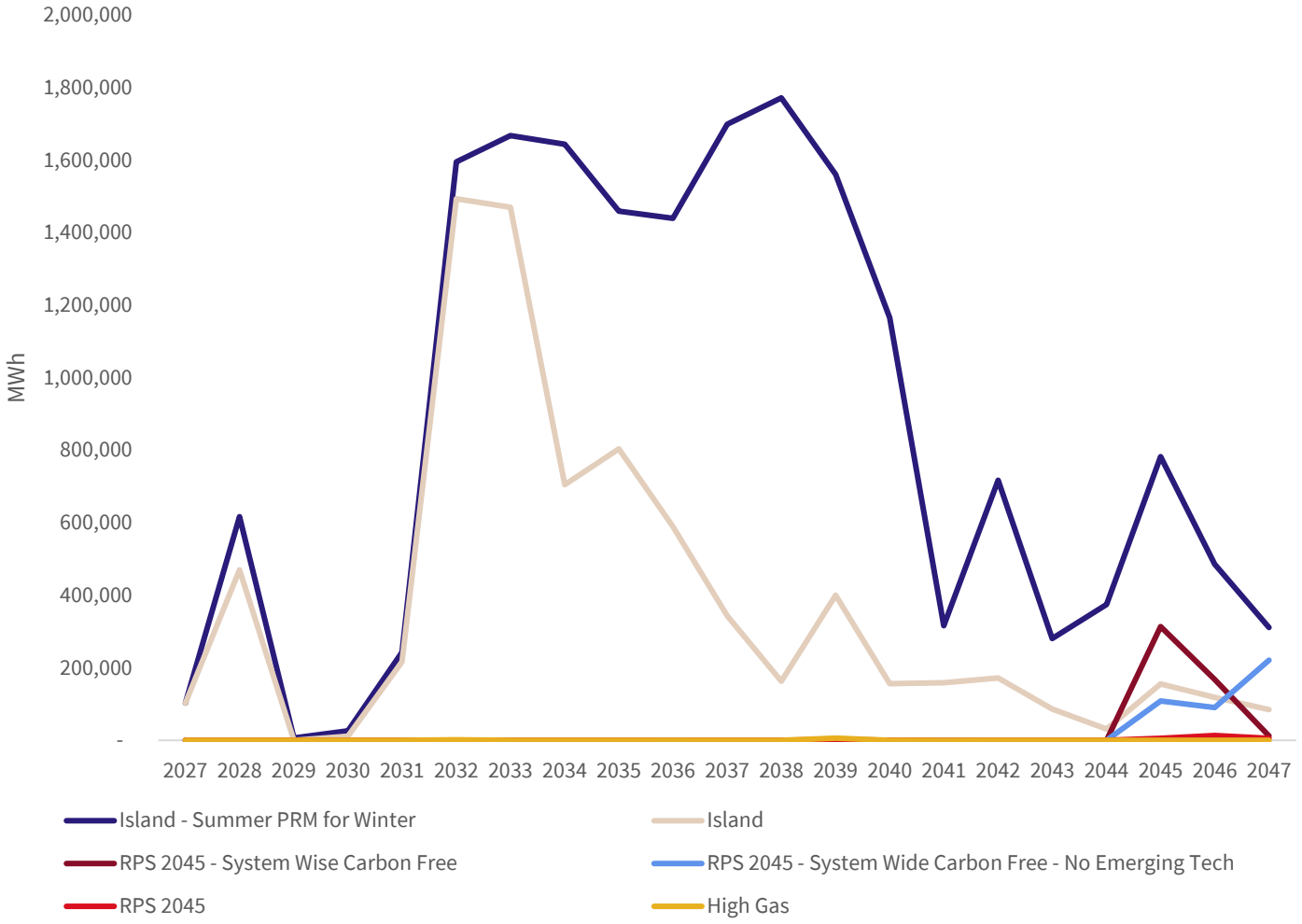
Expected Unserved Energy (EUE) Cost Assumption: *$2,000/MWh*

EUE COMPARISONS

SUMMARY OF EXPECTED UNSERVED ENERGY

PRELIMINARY RESULTS

ANNUAL EUE (MWH) – ALL SCENARIOS



Scenario	EUE (MWH)	Cost NPV ($MM)
Island – Summer PRM for Winter	18,264,885	$19,442
Island	7,730,372	$9,291
RPS 2045 - System Wide Carbon Free	496,395	$287
RPS 2045 - System Wide Carbon Free - No Emerging Tech	419,818	$228
RPS 2045	25,155	$14
High Gas	7,709	$8

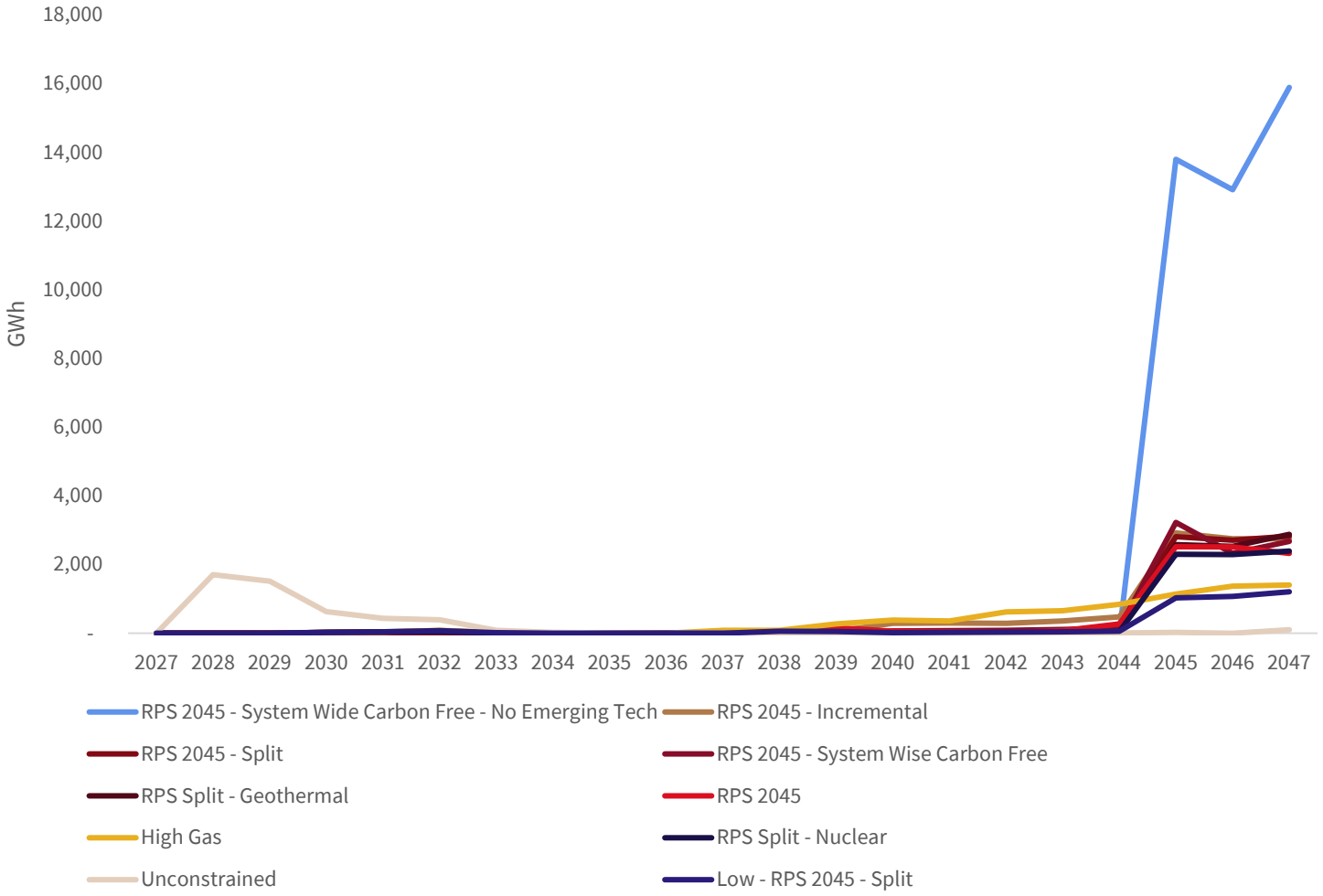
All other scenarios have < $100K cost

CURTAILMENT COMPARISONS

SUMMARY OF EXPECTED SYSTEM ENERGY CURTAILMENT

PRELIMINARY RESULTS

ANNUAL CURTAILMENT (GWH) – ALL SCENARIOS



Scenario	Curtailment (GWH)
RPS 2045 - System Wide Carbon Free - No Emerging Tech	42,660
RPS 2045 Incremental	10,417
RPS 2045 Split	8,804
RPS 2045 - System Wide Carbon Free	8,764
RPS Split - Geothermal	8,086
RPS 2045	8,049
High Gas	7,346
RPS Split - Nuclear	7,137
Unconstrained	4,957
Low – RPS 2045 Split	3,725

All other scenarios have < 1K GWh

CAPACITY RESULTS

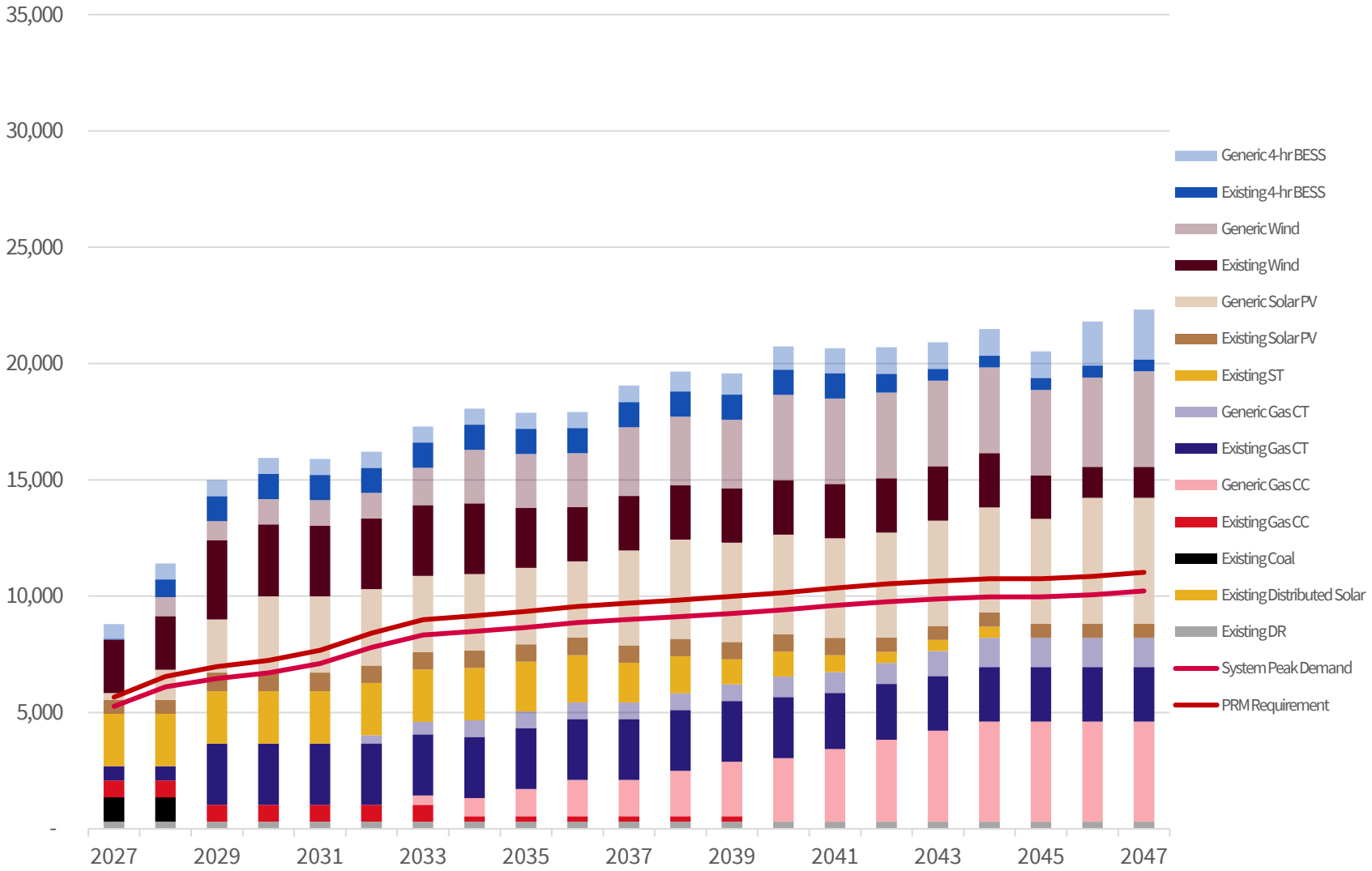
SUMMARY OF PORTFOLIO CAPACITY RESULTS BY SCENARIO

PRELIMINARY RESULTS

CONSTRAINED BASE FORECAST SCENARIOS

BASE BUILD (MW)

Nameplate through 2047



Forecast Assumption:
2026 V1 Constrained Planning Forecast

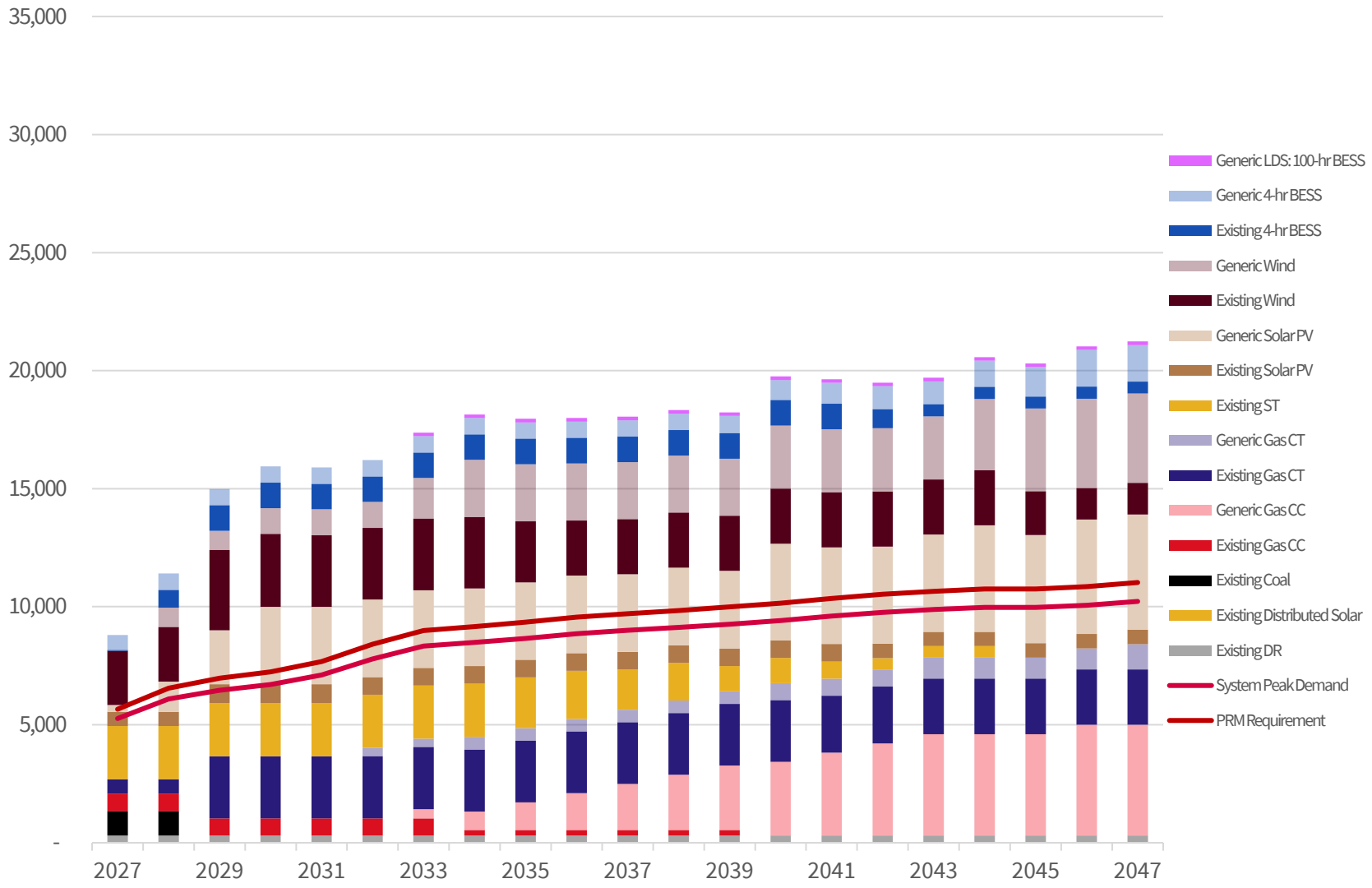
Description:
Base Constrained Planning Load. No emerging technology available

NPV through 2047 ($M):
$50,577

EUE:
0 MWh

BASE + EMERGING TECH (MW)

Nameplate through 2047



Forecast Assumption:
2026 V1 Constrained Planning Forecast

Description:
Solves for Constrained Planning Load with emerging technology available.

NPV through 2047 ($M):
$50,520

EUE:
0 MWh

CONSTRAINED BASE FORECAST SCENARIOS WITH 2045 RPS REQUIREMENT

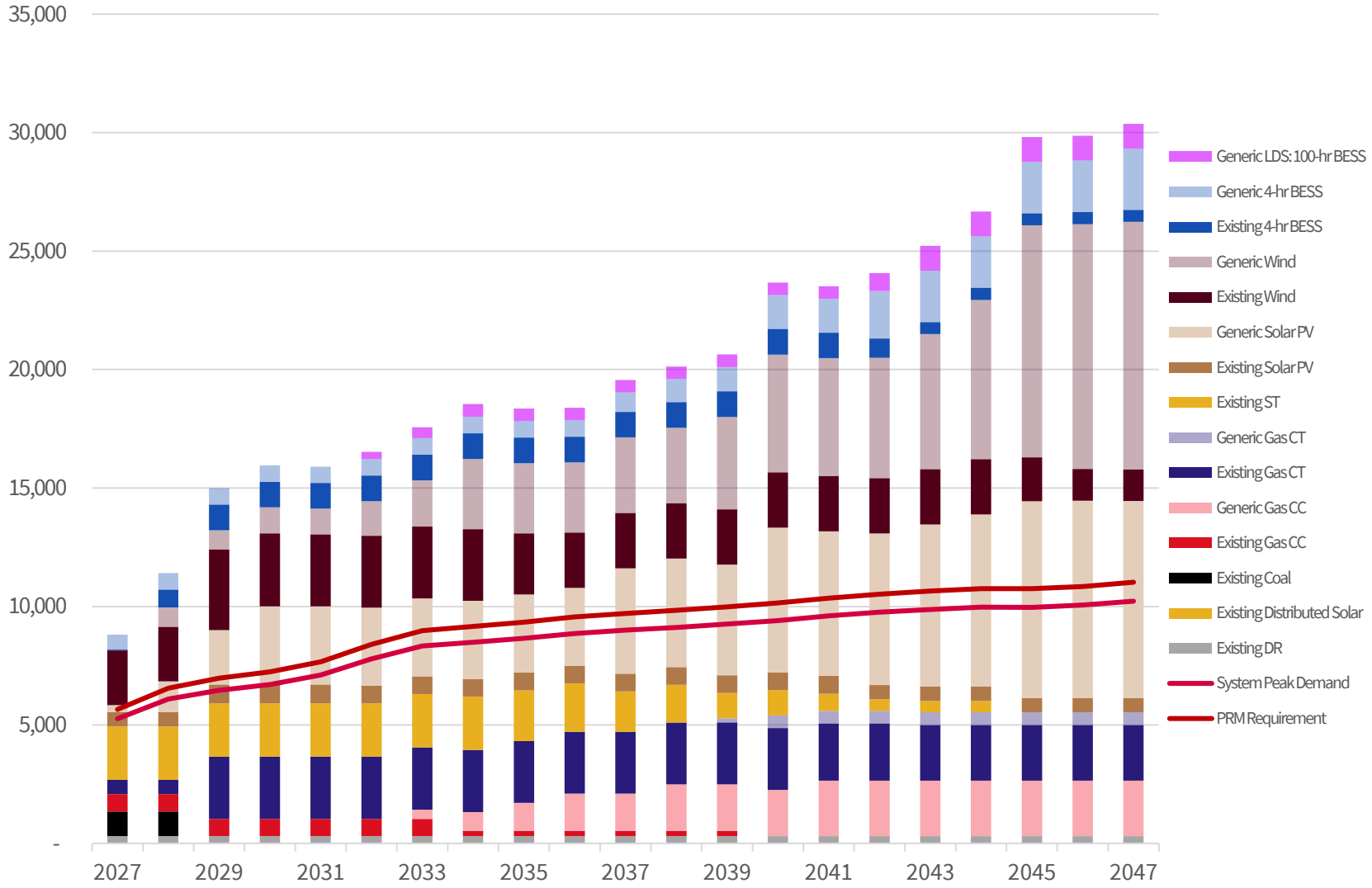
RPS 2045

MULTI-JURISDICTIONAL OPTIMIZATION OF RESOURCE ADDITIONS FOR RPS

PRELIMINARY RESULTS

RPS 2045

Nameplate through 2047 (MW)



Forecast Assumption: 2026 V1 Constrained Planning Forecast

Description: Solves for RPS compliance through optimization of resources additions across both NM & TX jurisdictions

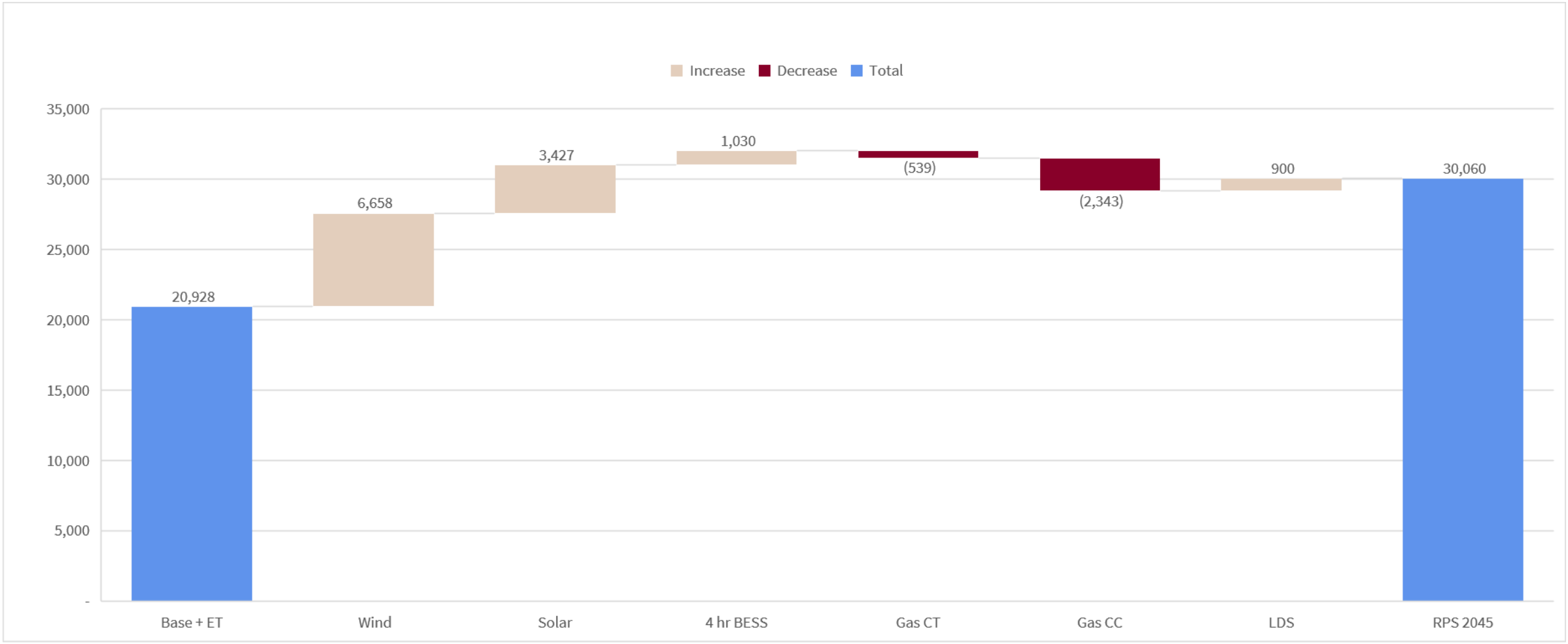
NPV through 2047 ($M): $50,593

EUE: 25,155 MWh / $14M

Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

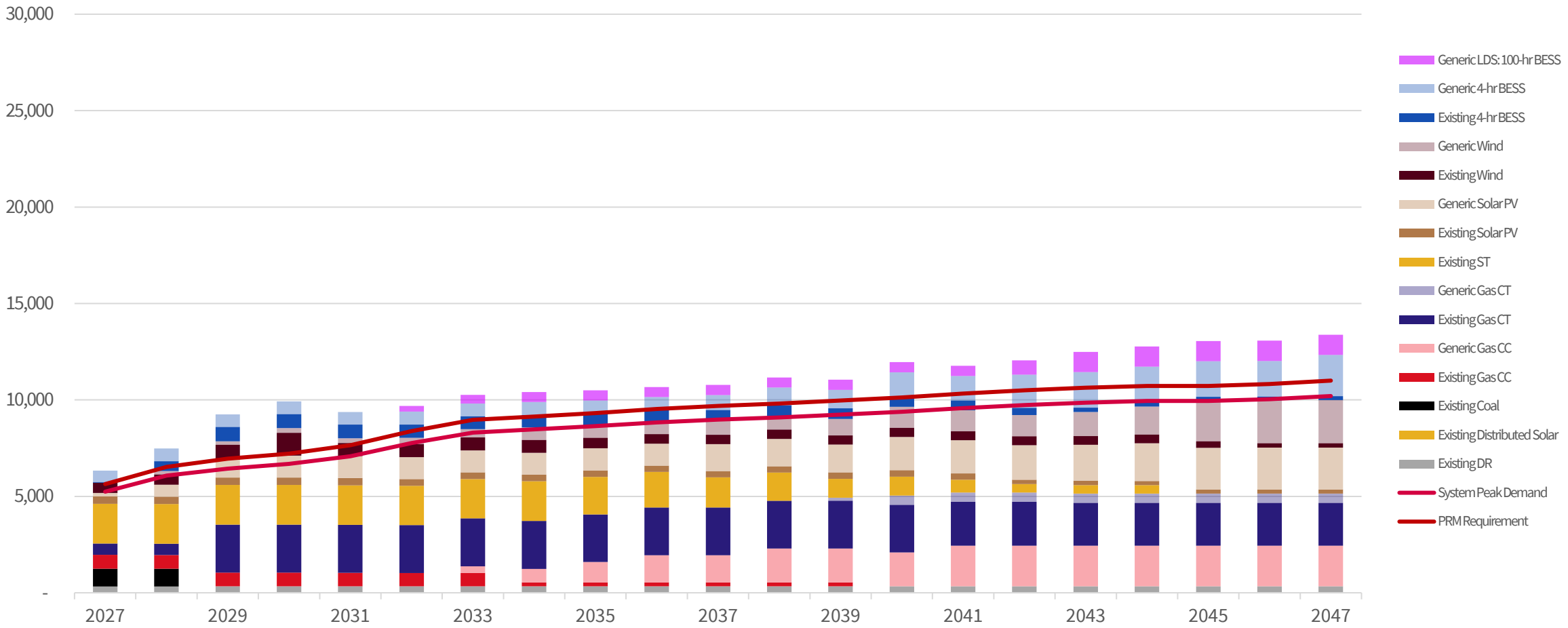
RPS 2045: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

RPS Compliance Using Multi-Jurisdictional Optimization Through 2045

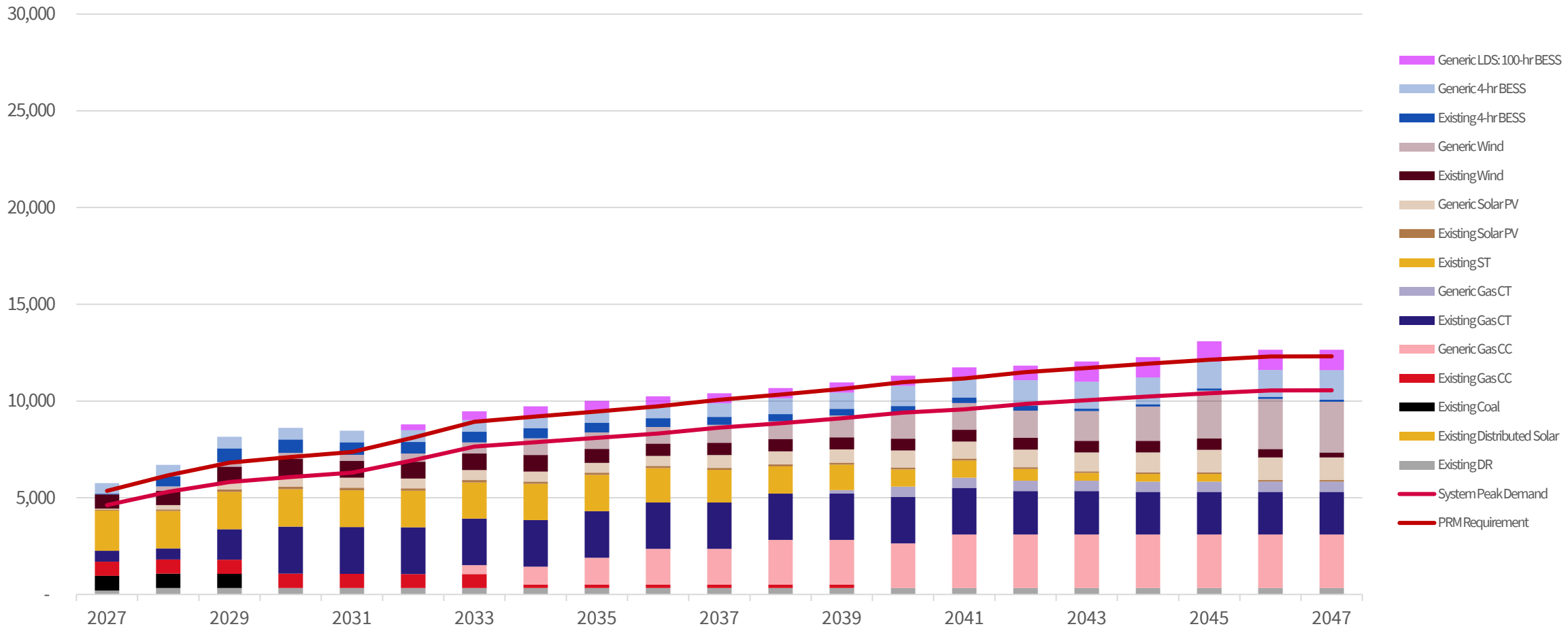


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

RPS Compliance Using Multi-Jurisdictional Optimization Through 2045



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

TRUE ZERO CARBON IN 2045

Using granular production cost results from the RPS 2045 scenario, SPS calculated the hourly ratio of MWhs from zero-carbon resources to MWhs from carbon emitting or unknown carbon content (market purchases) resources, compared that ratio to the share of load assigned to New Mexico customers in each hour, and determined that 1,559 GWh of energy supply to New Mexico in 2045 includes carbon emissions. The EnCompass RPS model uses a 100% REC requirement in 2045 which solutions this out on an annual basis instead of an hourly basis.

The highest volume of carbon associated GWh serving New Mexico is the morning hours (2am-6am) of August where solar capacity factors are 0%, and wind and BESS capacity factors are at their lowest of any month. Wind capacity factors are 46% (20% below 2am-6am annual average) and BESS capacity factors are 9% (50% below 2am-6am annual average).

To fully eliminate energy associated to carbon emissions from supplying the New Mexico load share, significant additional resource additions and/or carbon elimination technologies are required – while at an operational level, maintaining the appropriate resource mix at all times will be mandatory.

	Hours																							
Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Grand Total
Jan	10	11	10	10	8	10	10	9	8	3	1	1	1	1	0	-	5	12	14	12	11	10	9	10	**176**
Feb	10	10	11	10	11	10	10	10	7	2	1	-	-	-	-	-	-	1	10	9	8	5	6	6	**135**
Mar	3	3	4	4	4	4	4	3	2	-	-	-	-	-	-	-	-	1	5	5	3	3	3	3	**56**
Apr	1	2	3	2	2	3	2	0	-	-	-	-	-	-	-	-	-	-	0	1	0	0	1	1	**19**
May	2	2	3	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	1	3	2	2	2	3	**29**
Jun	3	3	6	7	4	7	7	2	1	0	-	-	-	-	-	-	-	-	0	1	1	1	1	1	**46**
Jul	3	6	9	13	17	16	7	2	1	1	-	-	-	-	-	-	-	-	0	0	1	0	1	2	**79**
Aug	22	28	32	34	35	35	25	11	6	3	1	1	0	-	-	-	0	1	5	13	12	9	18	22	**314**
Sep	8	10	12	13	14	13	10	5	1	1	0	-	-	-	-	-	-	3	9	11	5	3	7	6	**131**
Oct	14	14	14	12	10	9	8	5	2	0	0	0	-	-	0	-	1	4	6	6	5	5	13	13	**143**
Nov	11	13	14	13	12	15	13	15	7	2	0	-	-	-	-	0	4	9	11	10	10	9	12	12	**193**
Dec	14	13	15	14	12	13	12	11	10	7	4	1	2	1	2	3	6	17	14	13	12	11	16	14	**237**

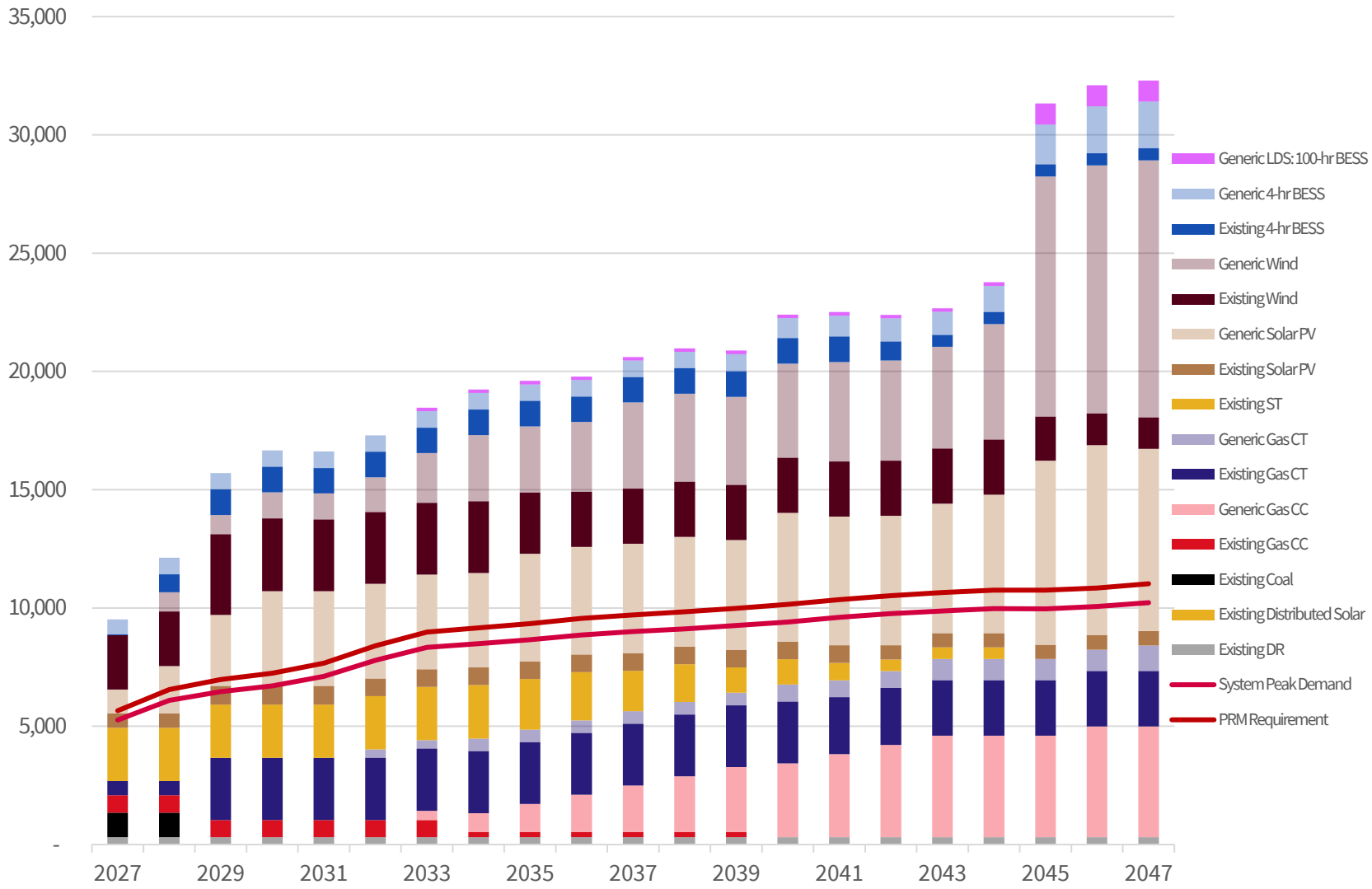
RPS 2045 – INCREMENTAL

RPS COMPLIANCE THROUGH INCREMENTAL RESOURCE ADDITIONS

PRELIMINARY RESULTS

RPS 2045 – INCREMENTAL

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

Description:
Locks in base + emerging tech plan to meet Constrained PL, then incrementally adds resources to meet RPS

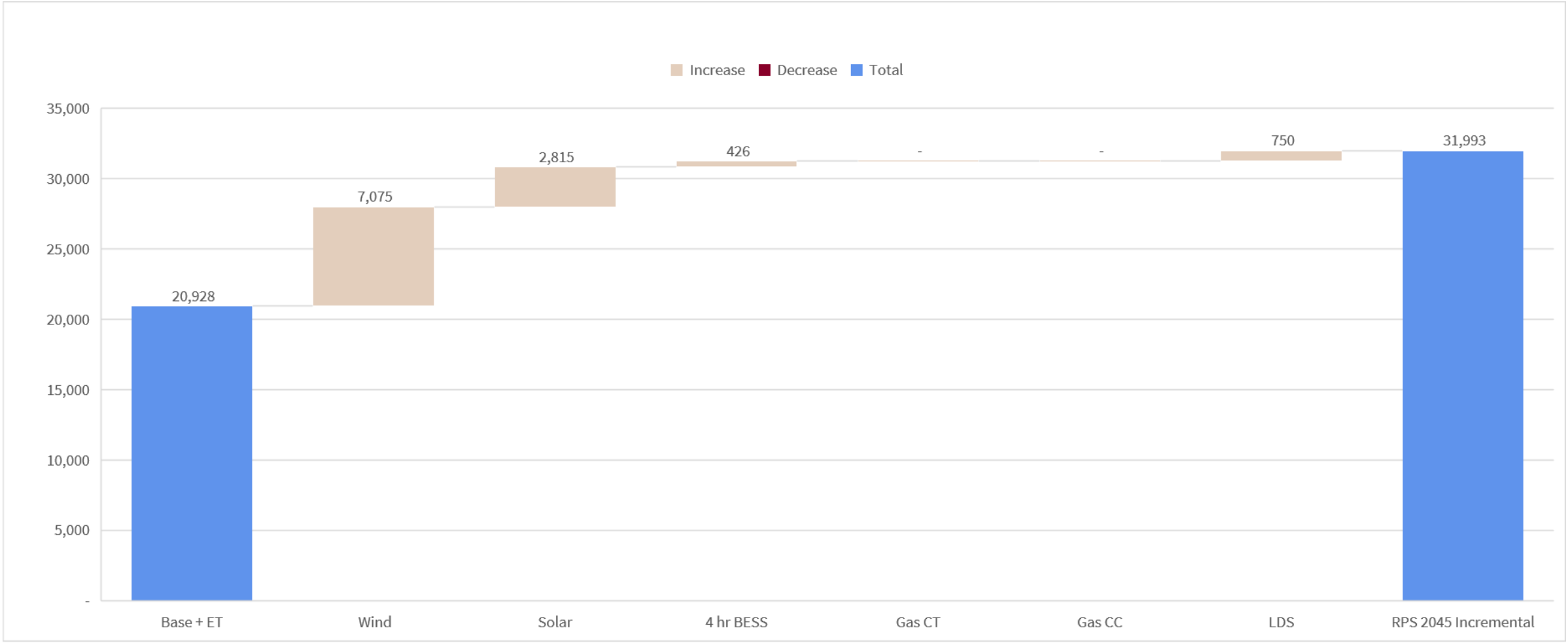
NPV through 2047 ($M):
$52,875

EUE: 1 MWh / $1K

Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

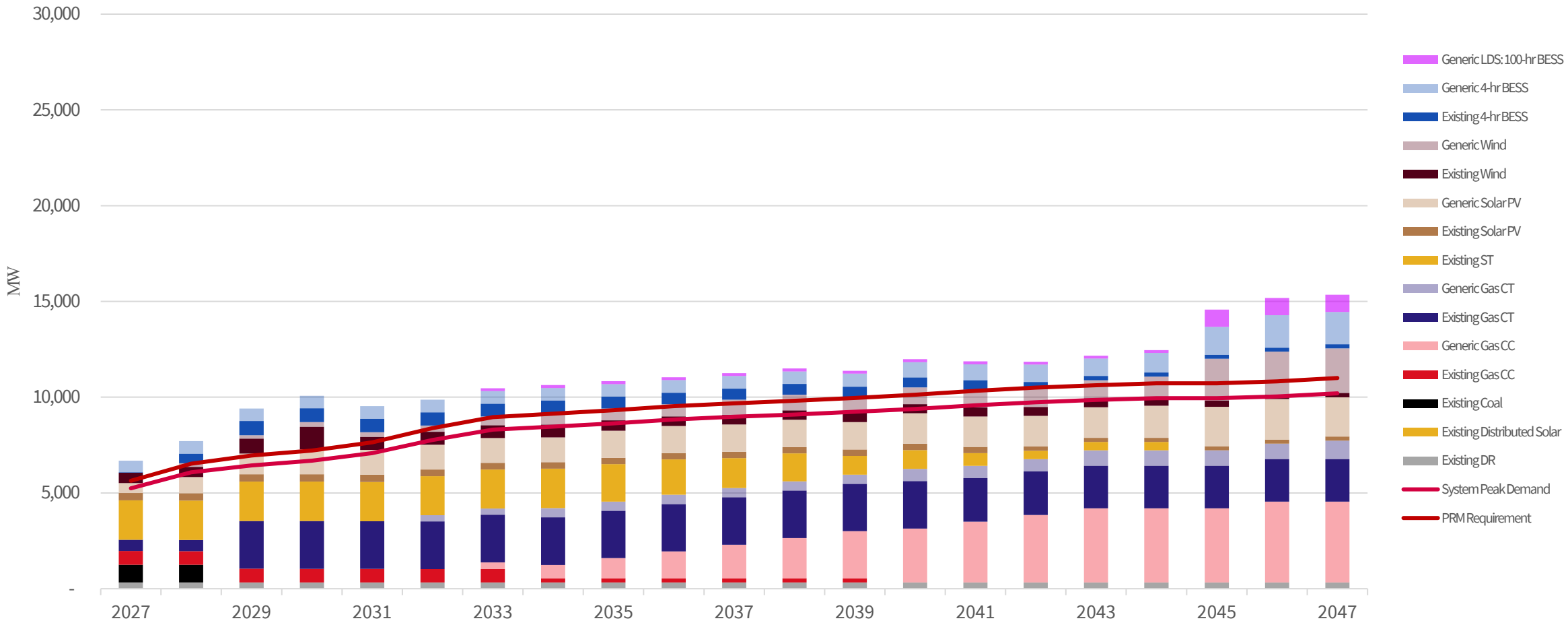
RPS 2045 – INCREMENTAL: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Incremental RPS Compliance Through 2045

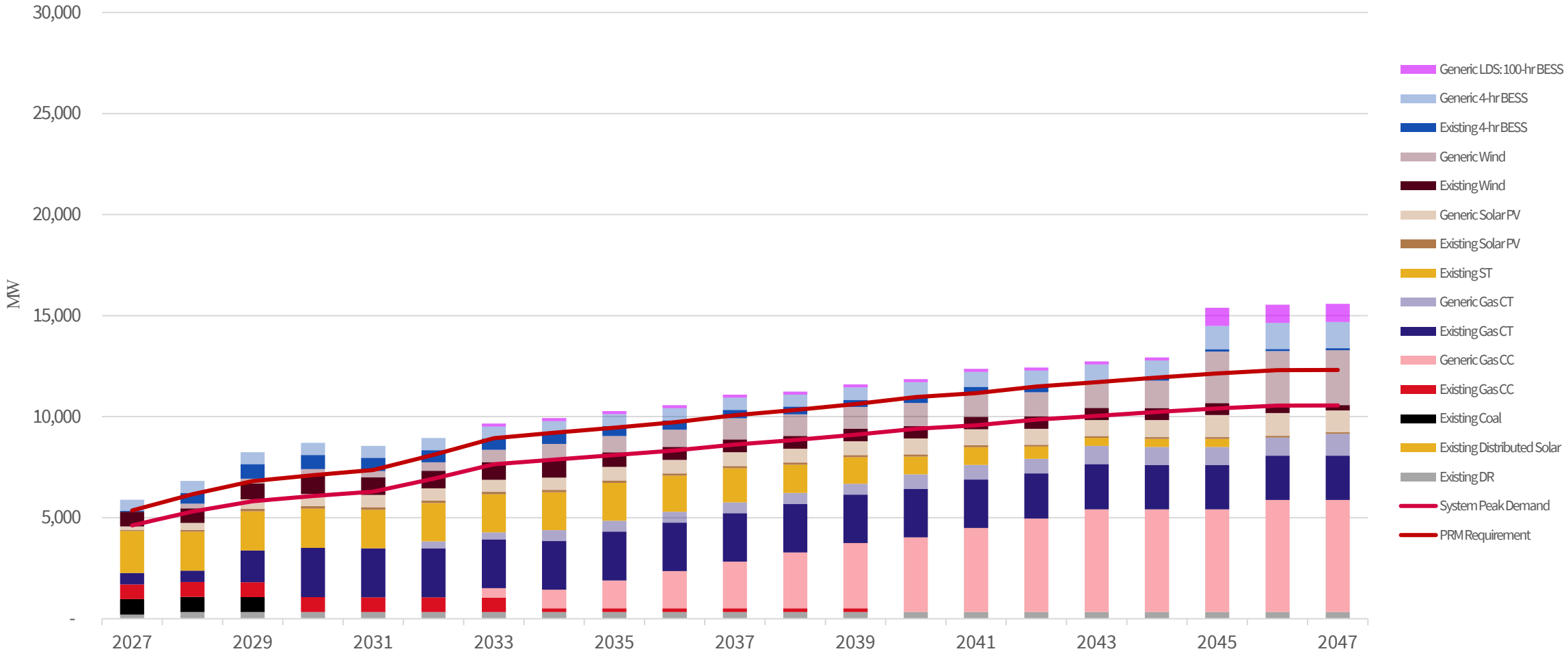


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Incremental RPS Compliance Through 2045



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

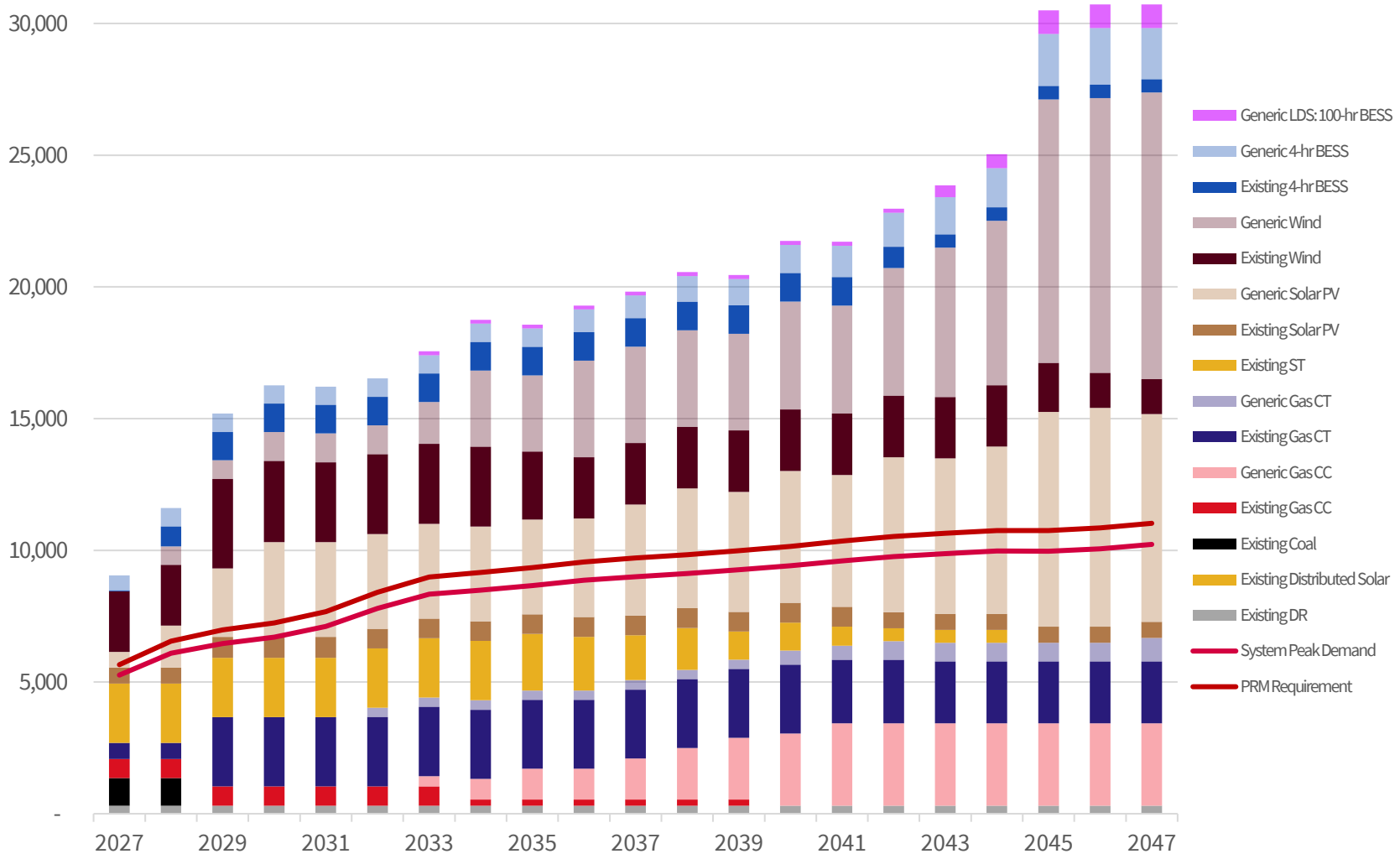
RPS 2045 – SPLIT

RPS COMPLIANCE THROUGH A SPLIT PORTFOLIO

PRELIMINARY RESULTS

RPS 2045 – SPLIT

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

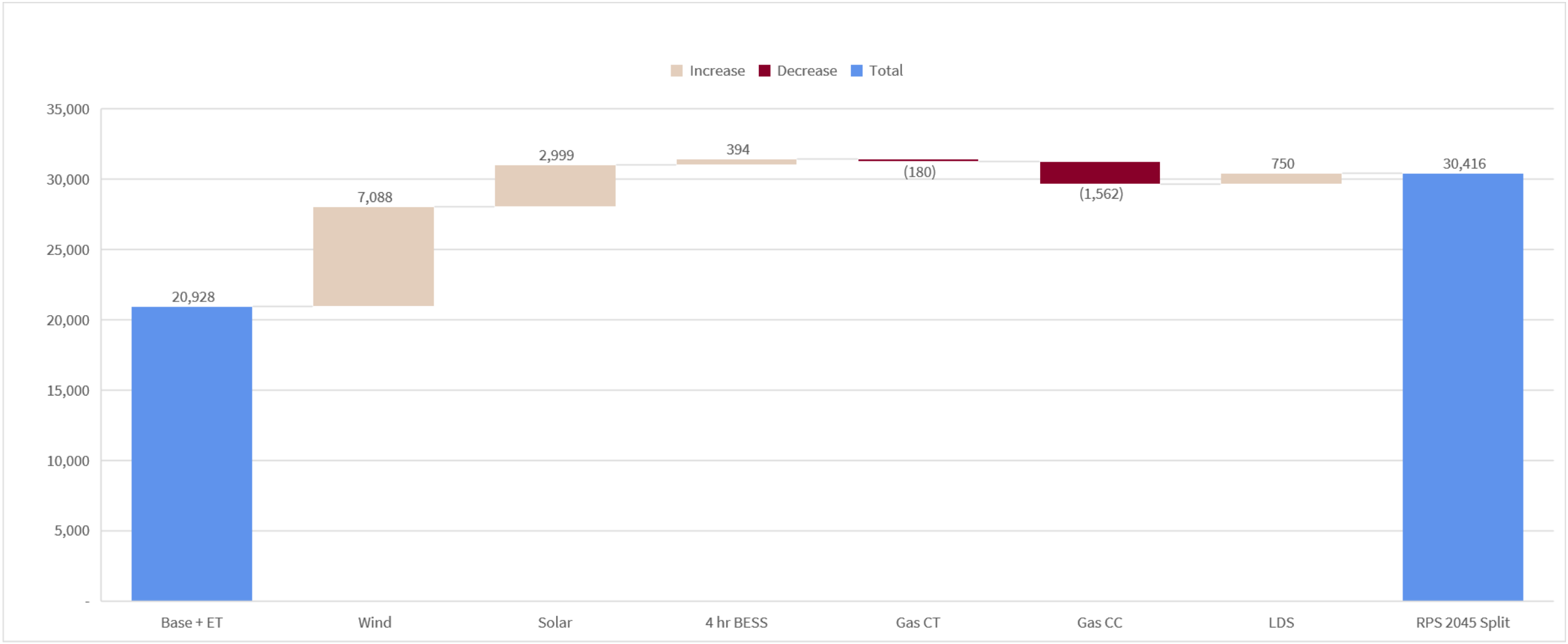
Description:
Locks in TX load share of resources from base + emerging tech plan, then optimizes additional resource additions to meet RPS

NPV through 2047 ($M):
$51,123

EUE:
0 MWh
Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

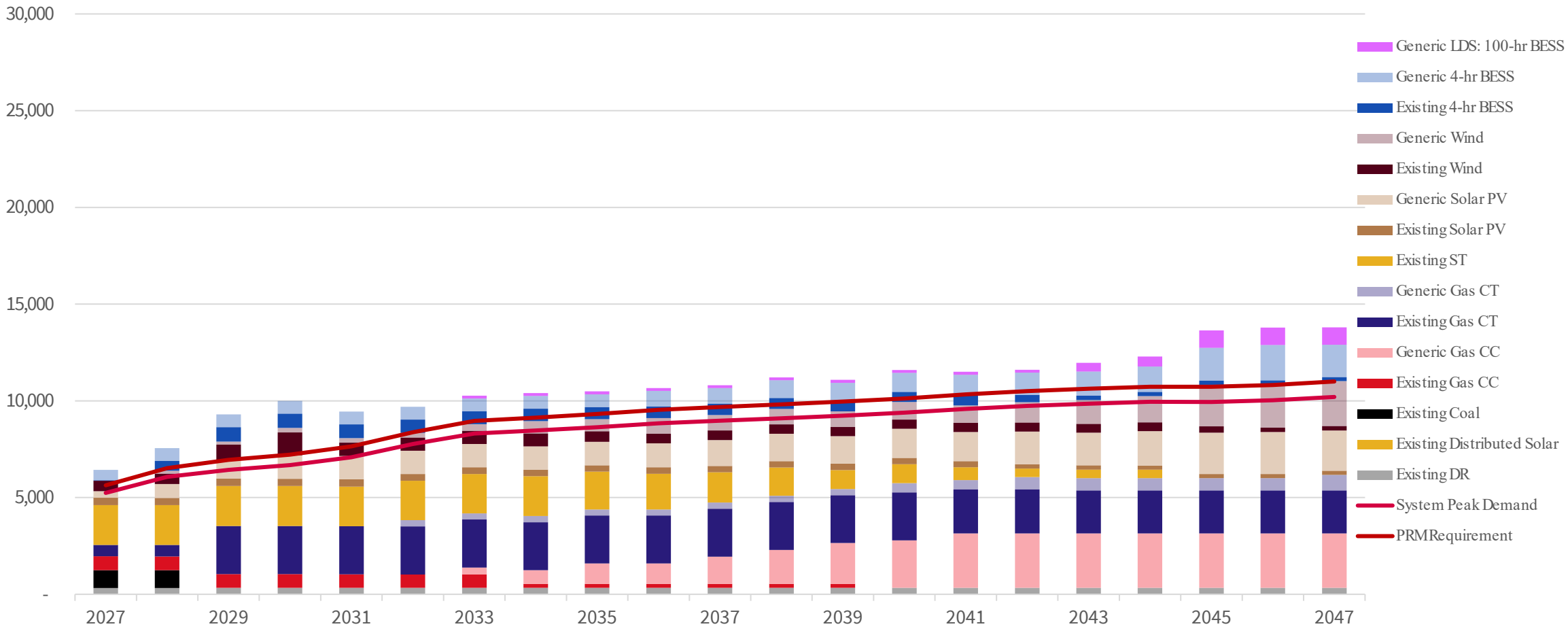
RPS 2045 – SPLIT: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Split RPS Compliance Through 2045

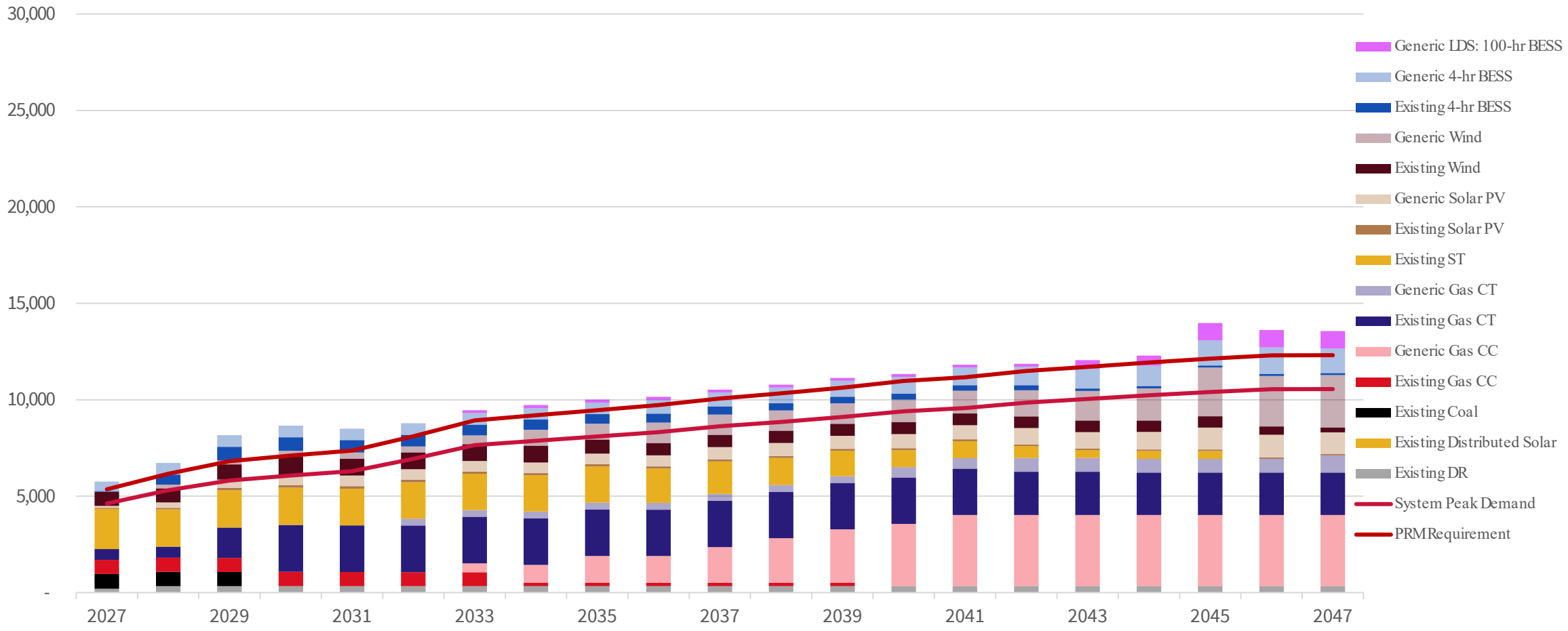


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Split RPS Compliance Through 2045



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

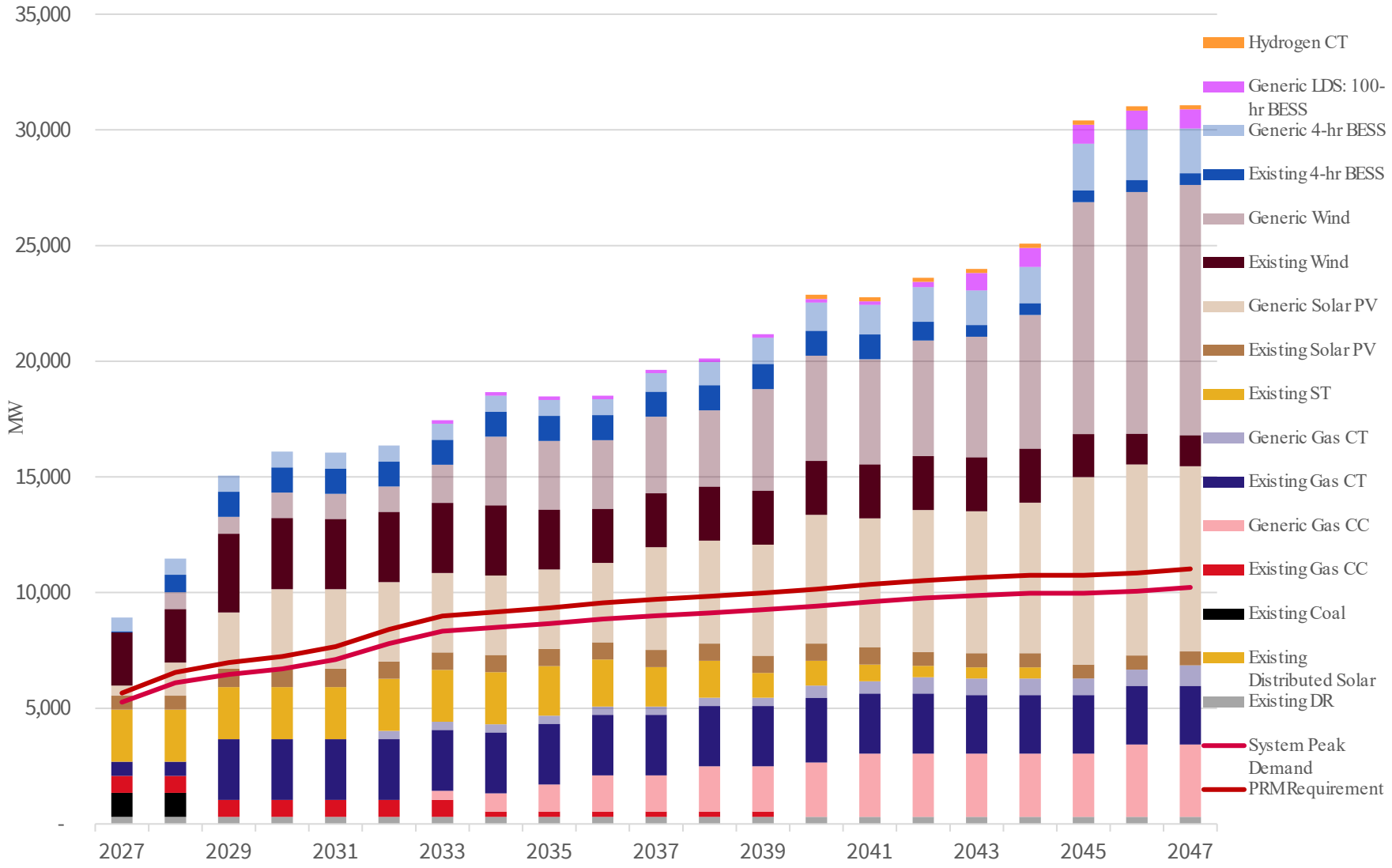
SPLIT TX/NM AND FORCE IN A HYDROGEN CT

MULTI-JURISDICTIONAL OPTIMIZATION OF RESOURCE ADDITIONS FOR RPS

PRELIMINARY RESULTS

SPLIT TX/NM AND FORCE IN HYDROGEN

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

Description and/or Limits:
Solves for RPS compliance through optimization of resources additions across both NM & TX jurisdictions. 200MW H2 CT is forced in 2040.

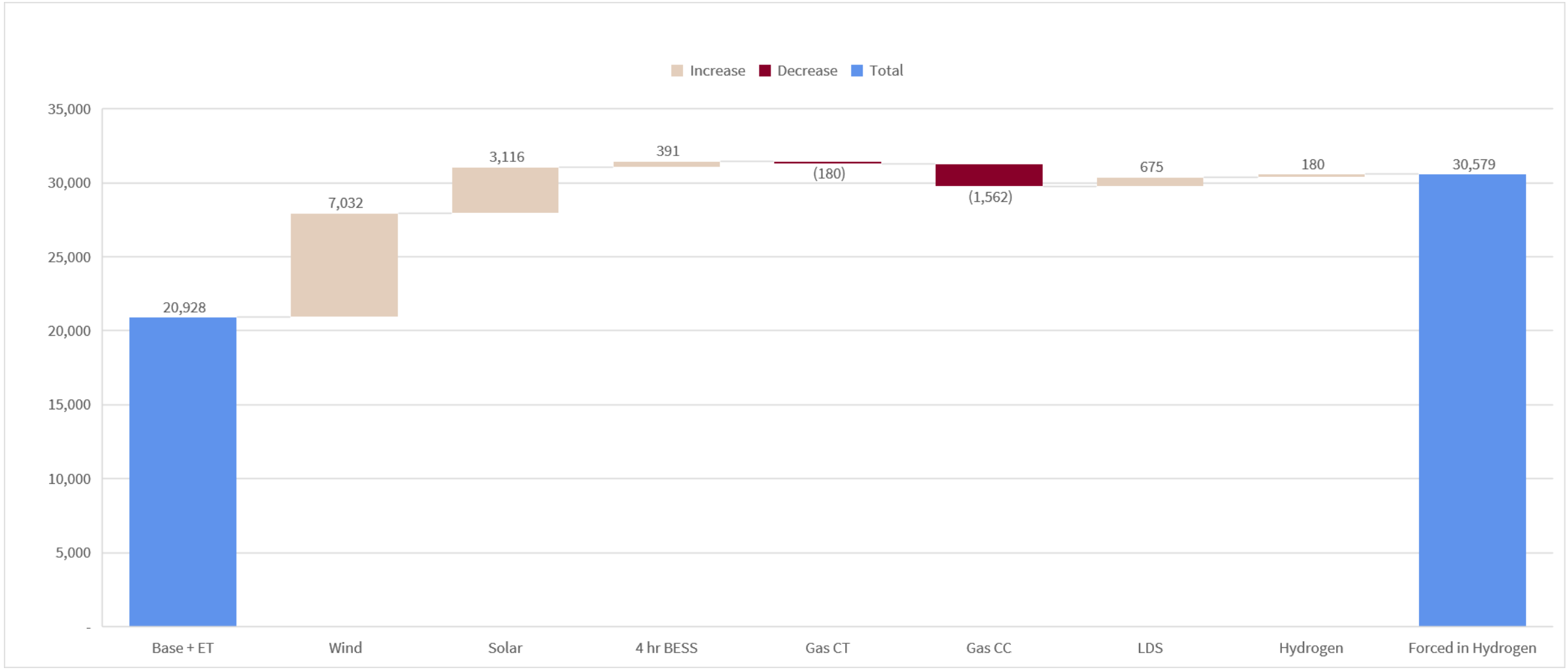
NPV through 2047 ($M):
$X

EUE: X

Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

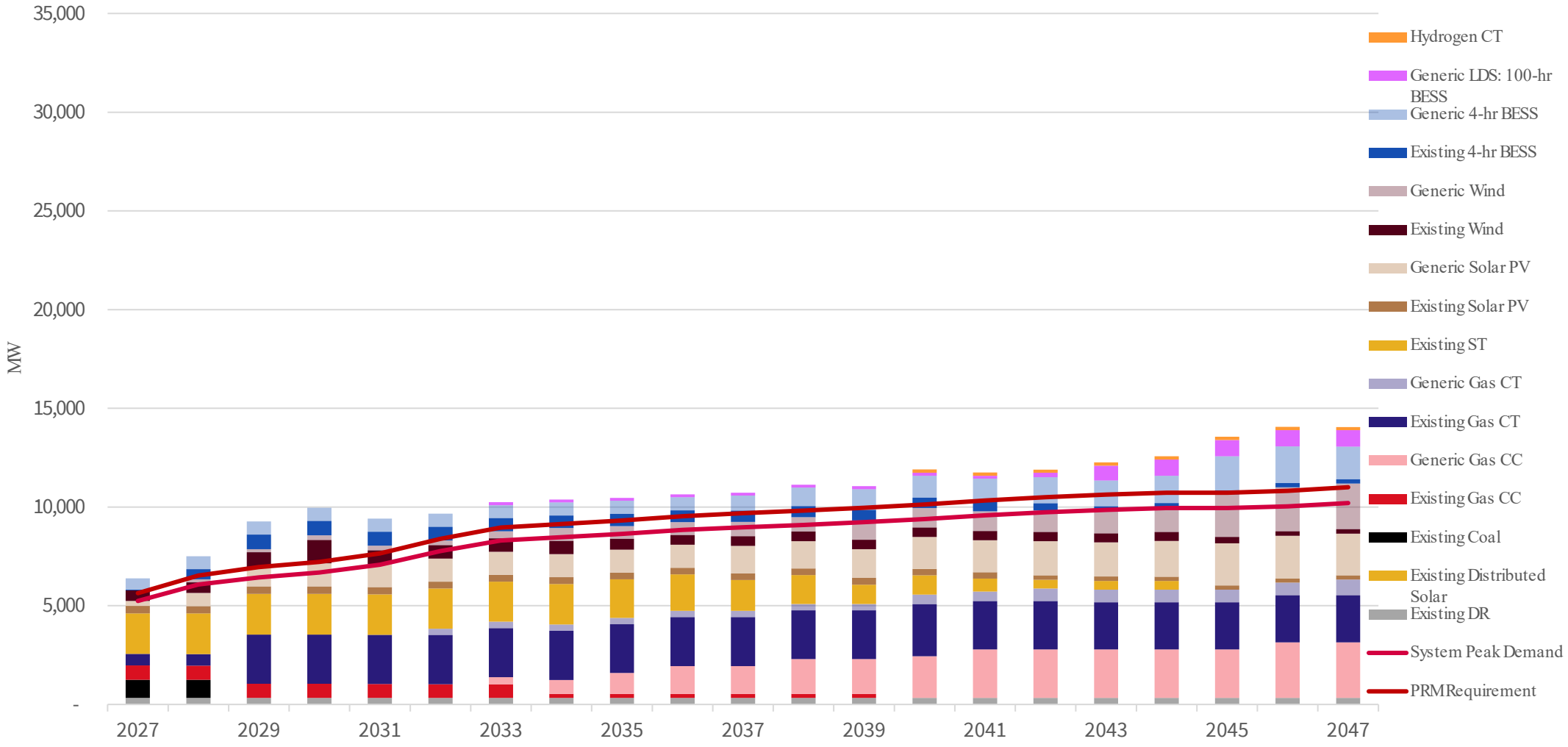
SPLIT TX/NM AND FORCE IN HYDROGEN: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Split TX/NM and Force in Hydrogen CT

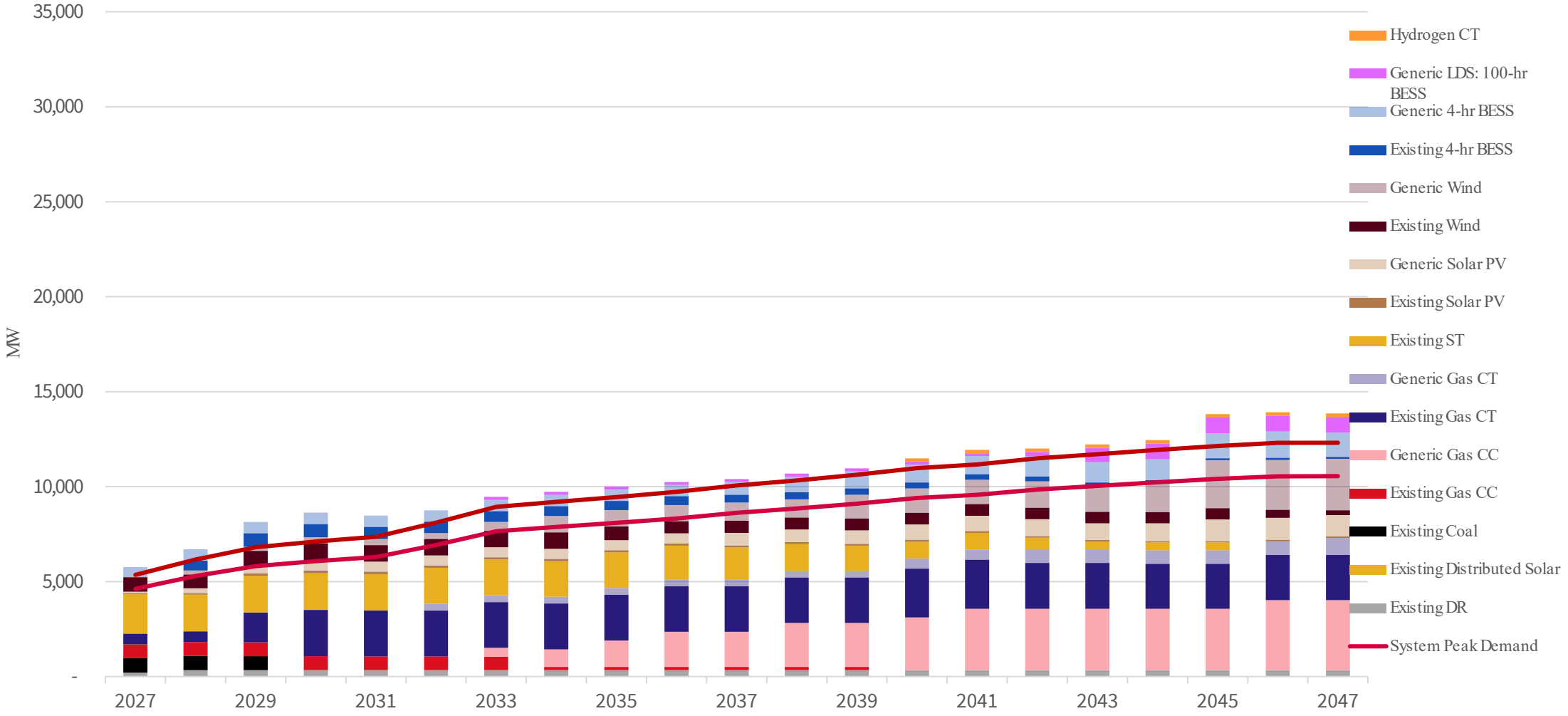


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Split TX/NM and Force in Hydrogen CT



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

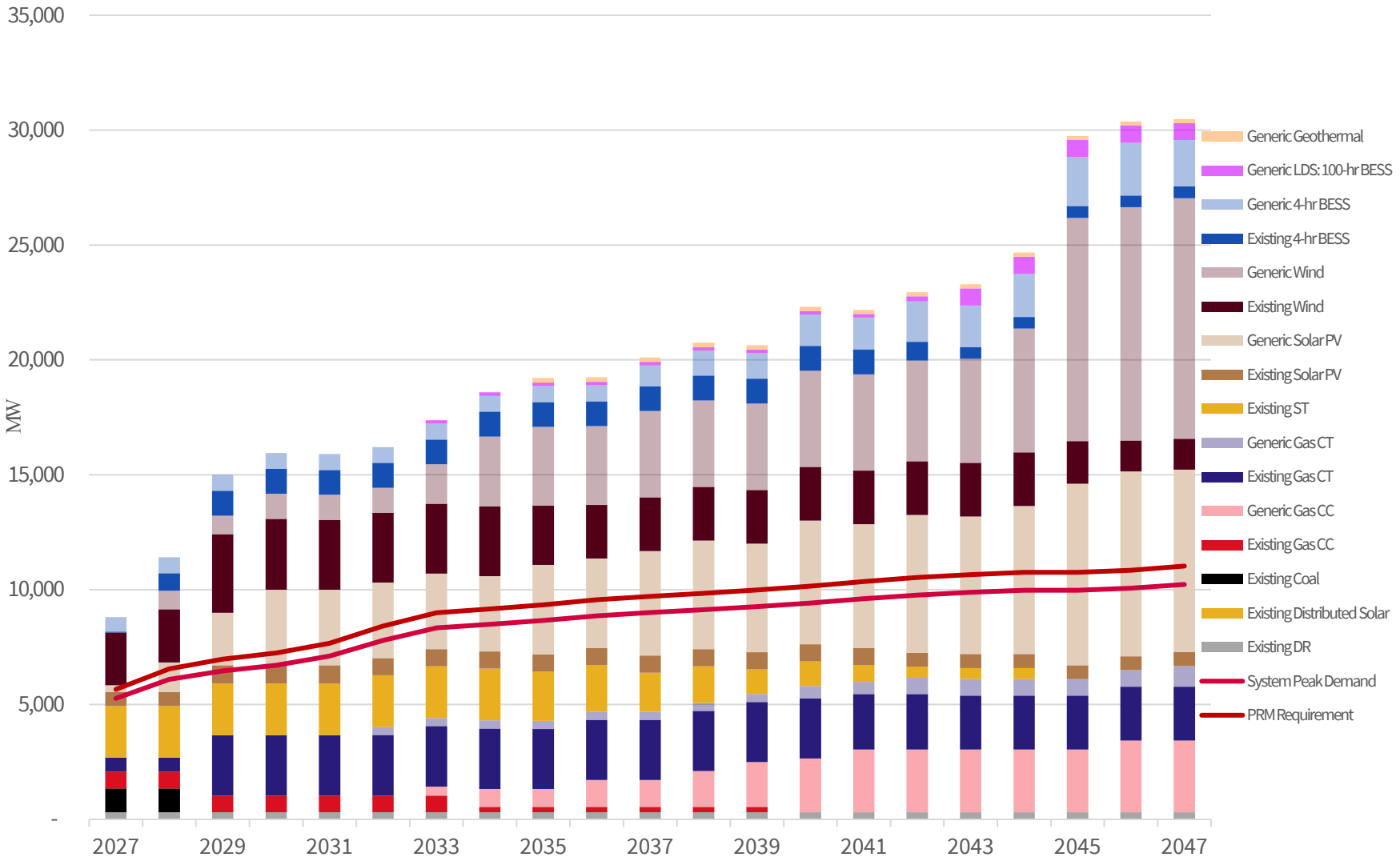
SPLIT TX/NM AND FORCE IN GEOTHERMAL

MULTI-JURISDICTIONAL OPTIMIZATION OF RESOURCE ADDITIONS FOR RPS

PRELIMINARY RESULTS

SPLIT TX/NM AND FORCE IN GEOTHERMAL

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

Description:
Solves for RPS compliance through optimization of resources additions across both NM & TX jurisdictions. 250MW Geothermal is forced in 2035.

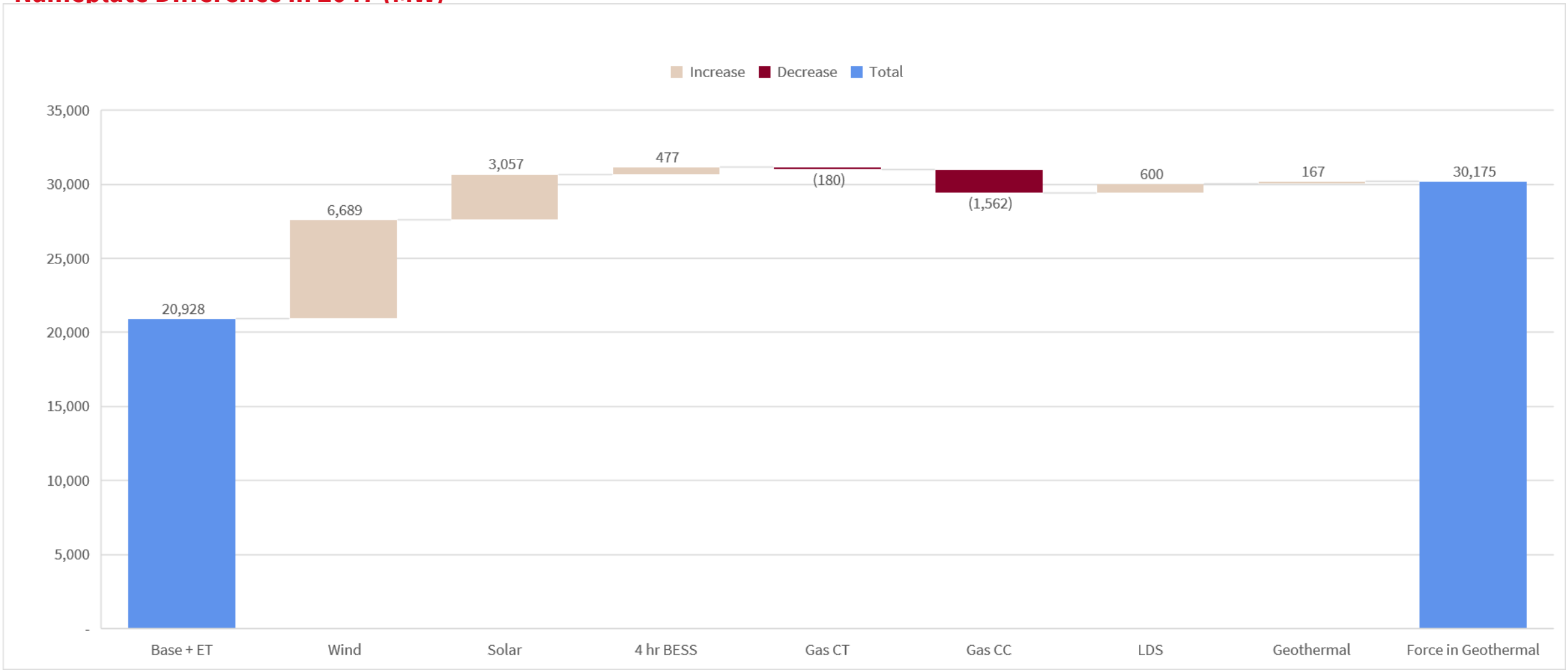
NPV through 2047 ($M):
$51,860

EUE: 0 MWh

Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

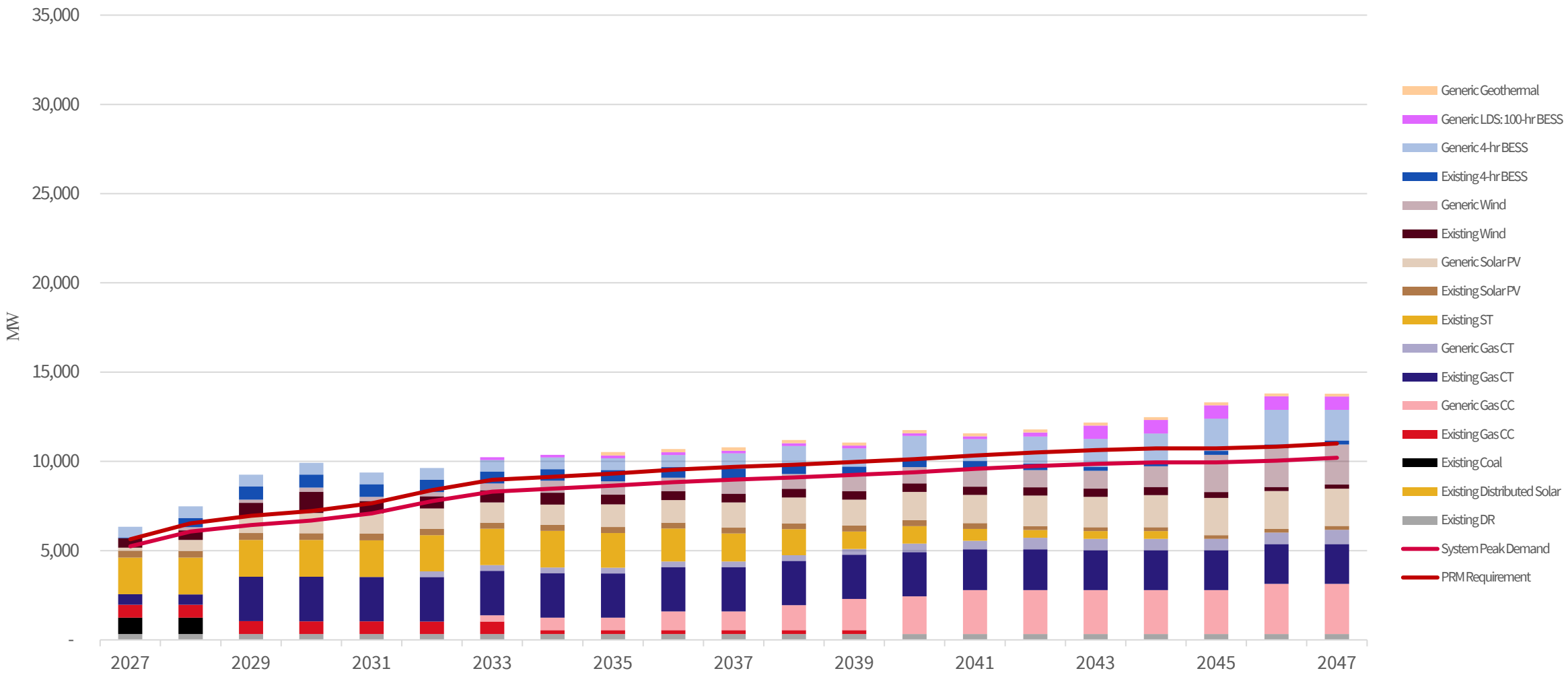
SPLIT TX/NM AND FORCE IN GEOTHERMAL: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Split TX/NM and Force in Geothermal

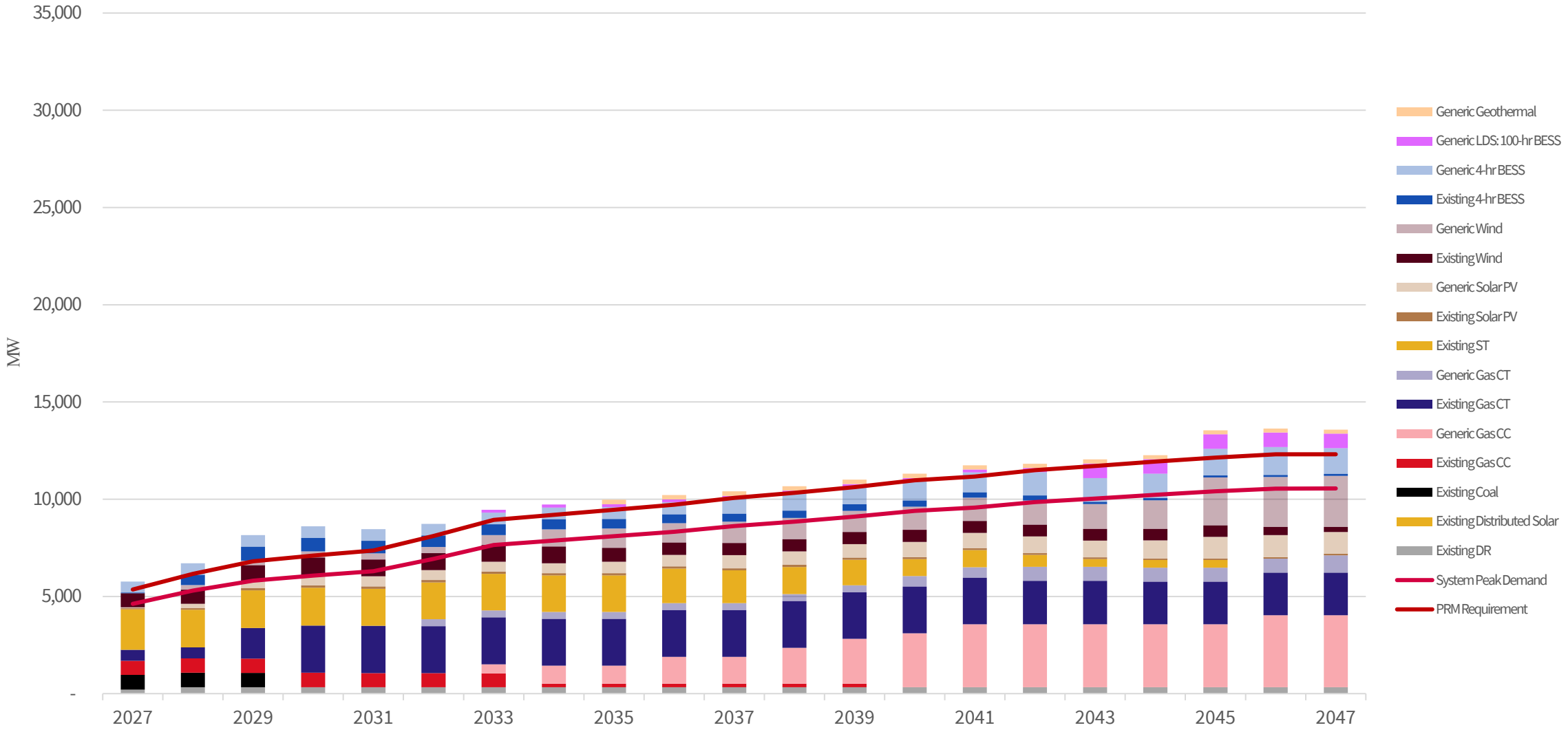


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Split TX/NM and Force in Geothermal



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

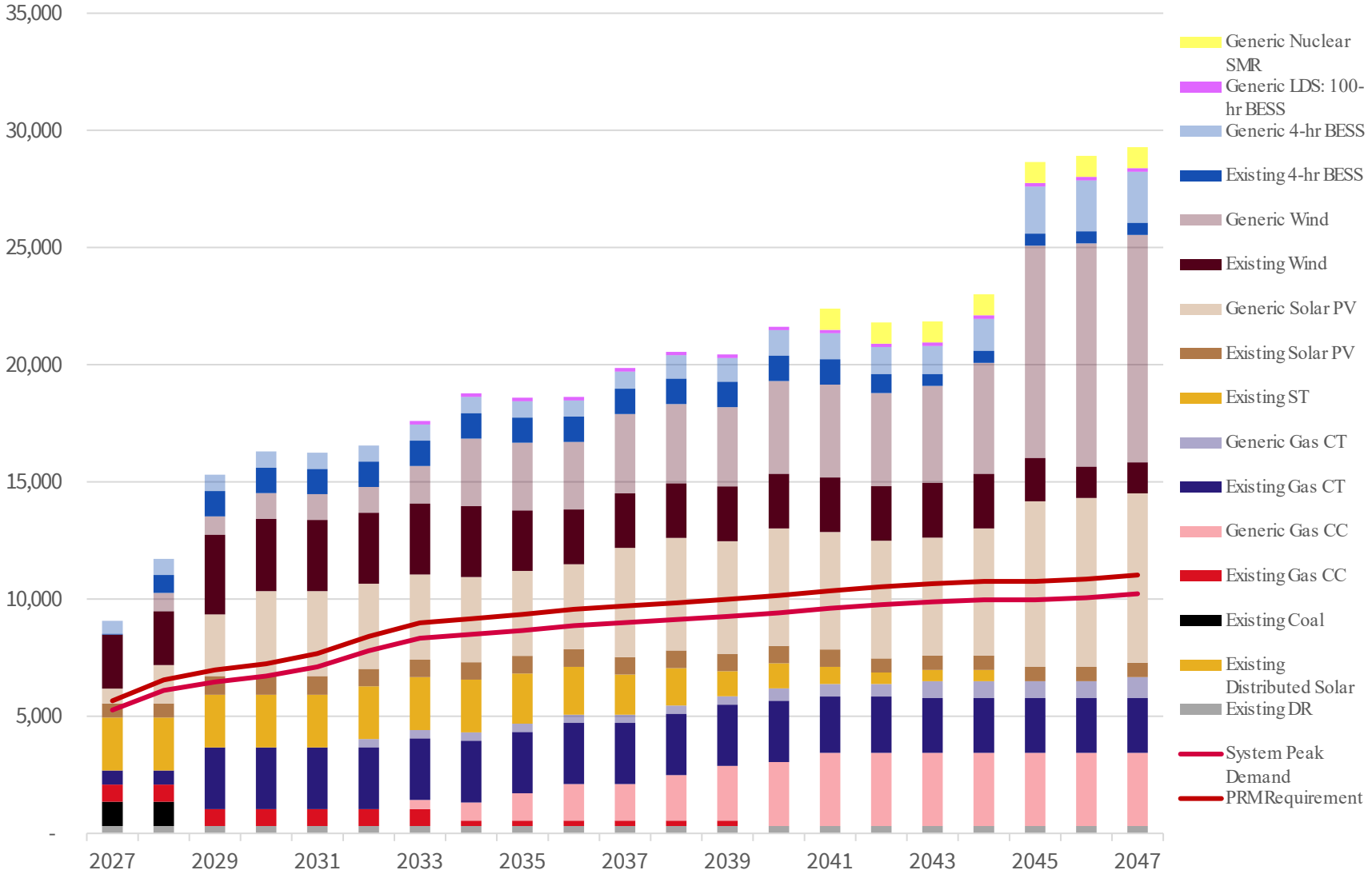
SPLIT TX/NM AND FORCE IN NUCLEAR

MULTI-JURISDICTIONAL OPTIMIZATION OF RESOURCE ADDITIONS FOR RPS

PRELIMINARY RESULTS

SPLIT TX/NM AND FORCE IN NUCLEAR

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

Description:
Solves for RPS compliance through optimization of resources additions across both NM & TX jurisdictions. 900 MW SMR is forced in at Harrington POI in 2041.

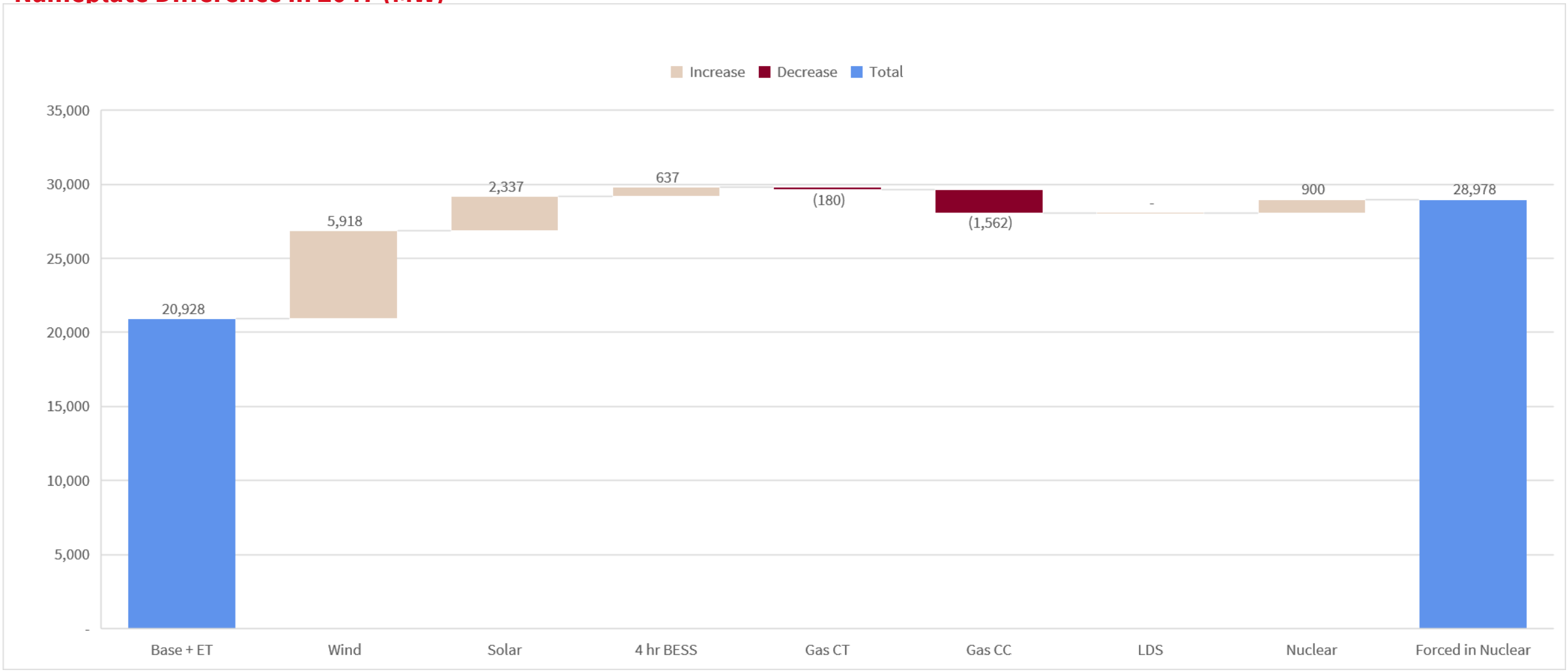
NPV through 2047 ($M):
$50.79

EUE: 0 MWh

Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

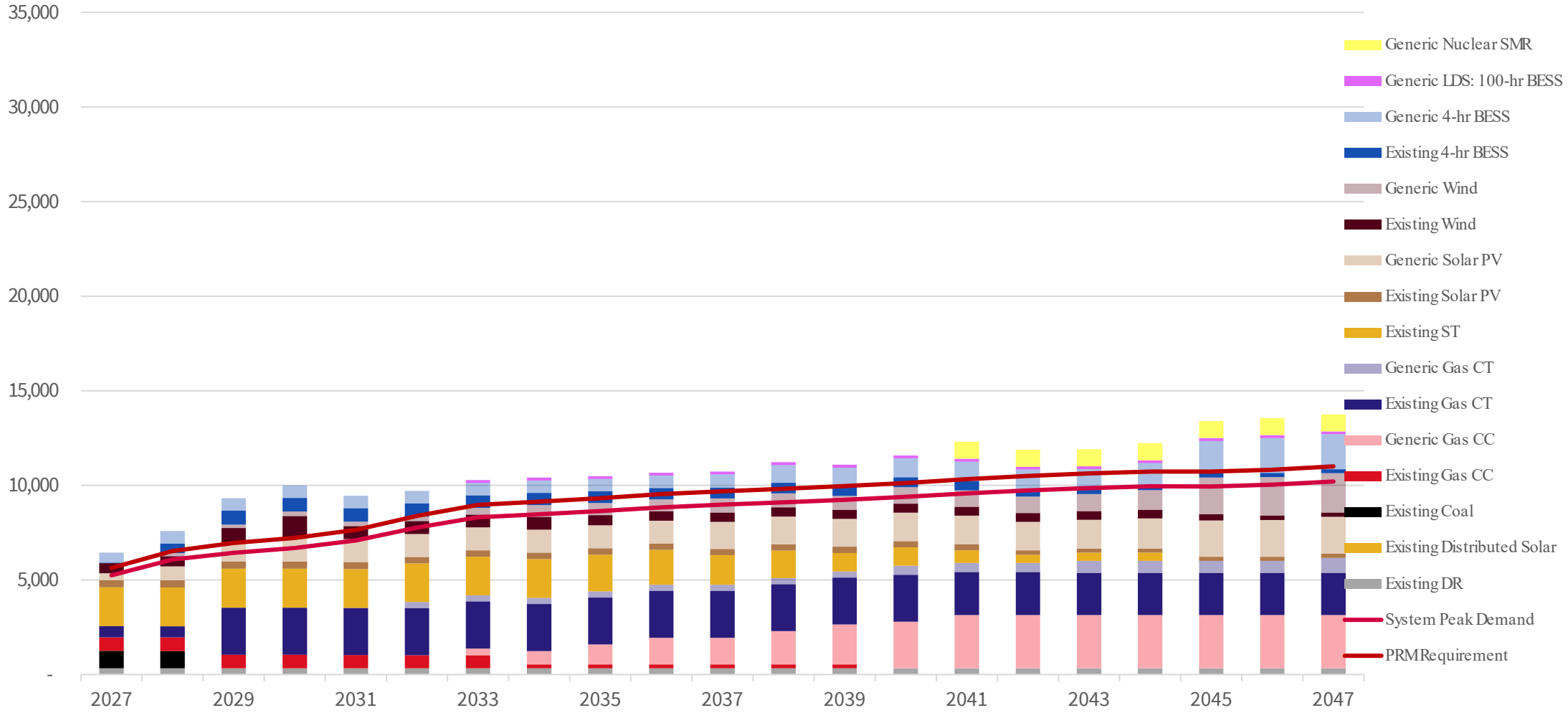
SPLIT TX/NM AND FORCE IN NUCLEAR: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Split TX/NM and Force in Nuclear

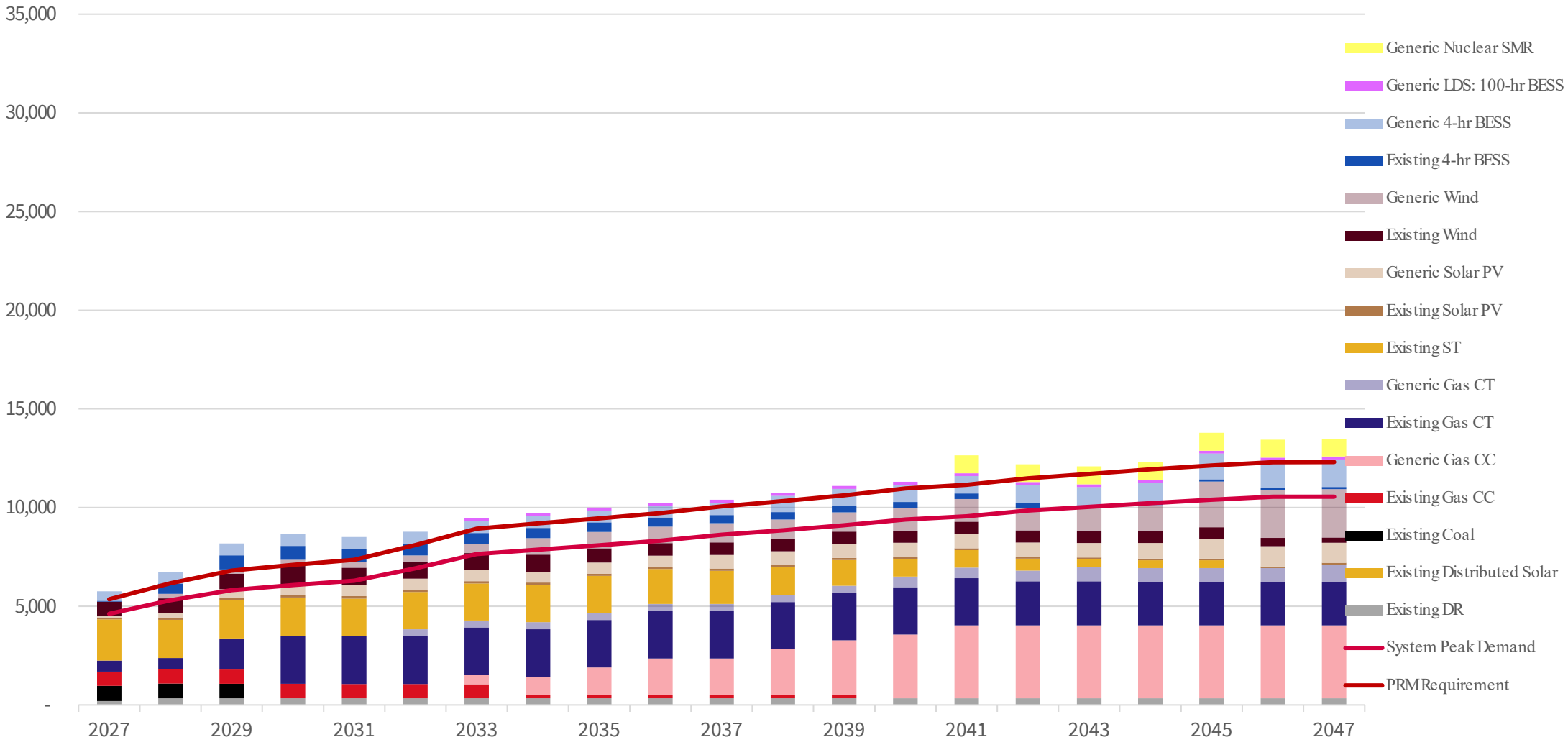


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Split TX/NM and Force in Nuclear



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

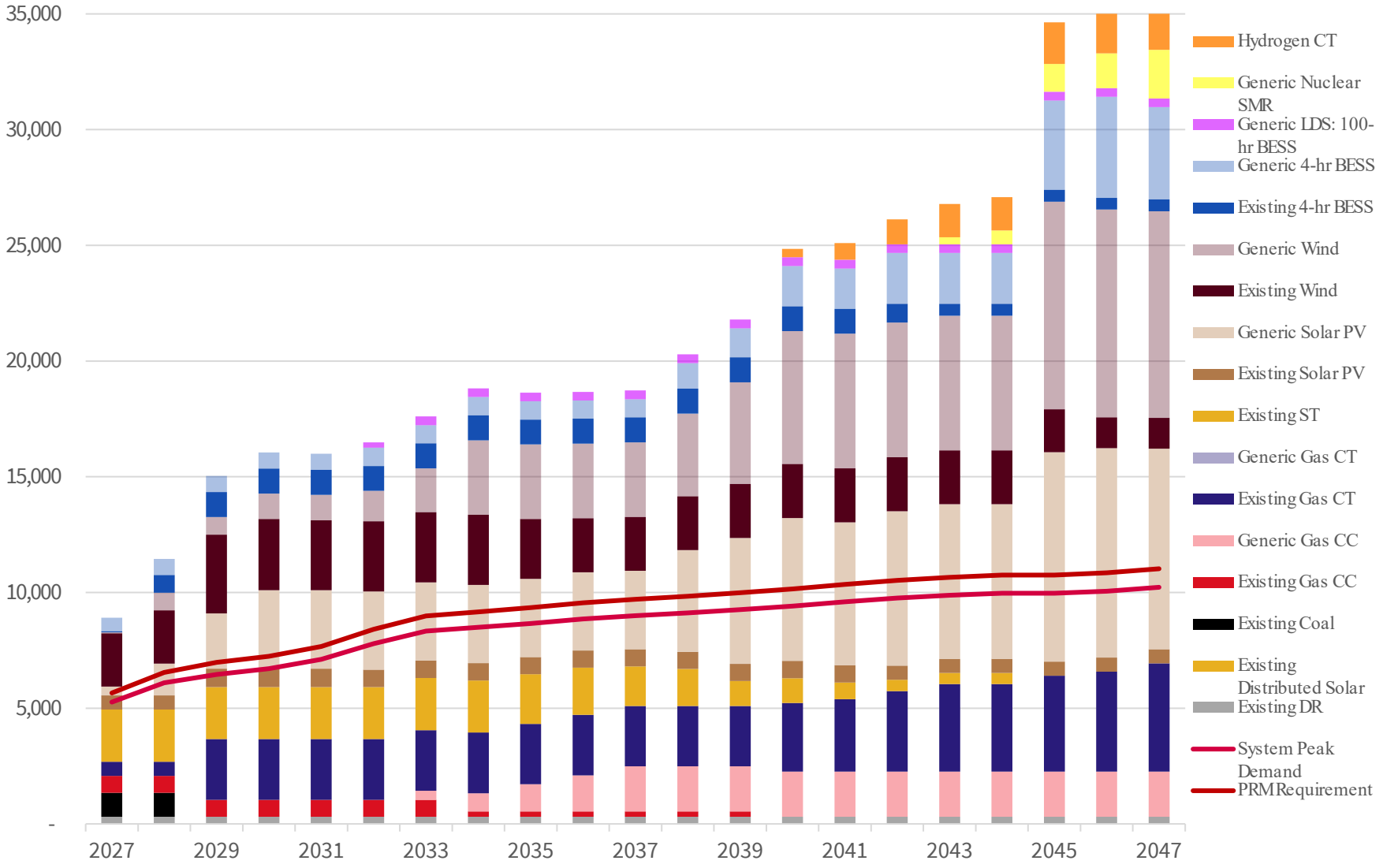
FULLY CARBON ZERO

MULTI-JURISDICTIONAL OPTIMIZATION OF RESOURCE ADDITIONS FOR RPS

PRELIMINARY RESULTS

FULLY CARBON ZERO

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

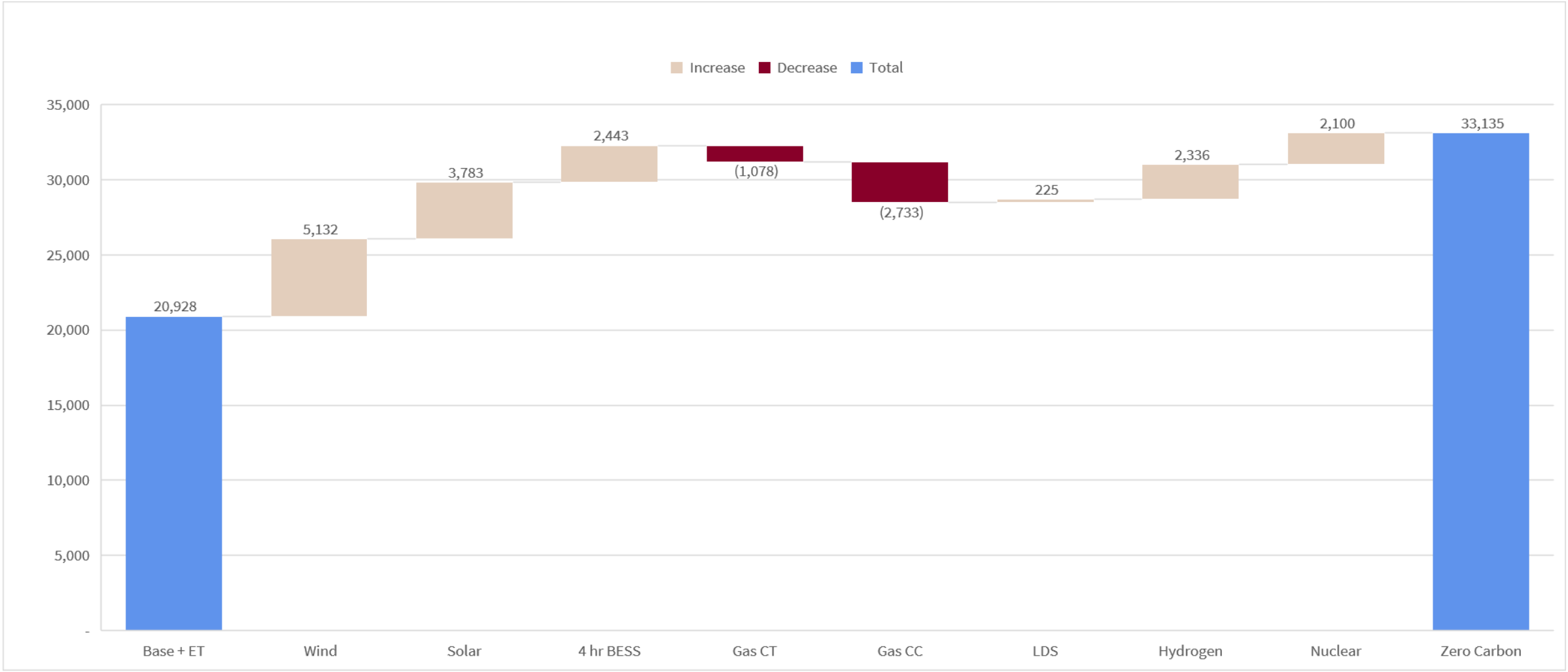
Description:
Solves for RPS compliance through optimization of resources additions across both NM & TX jurisdictions

NPV through 2047 ($M):
$54,450

EUE: 496,567 MWh / $287M

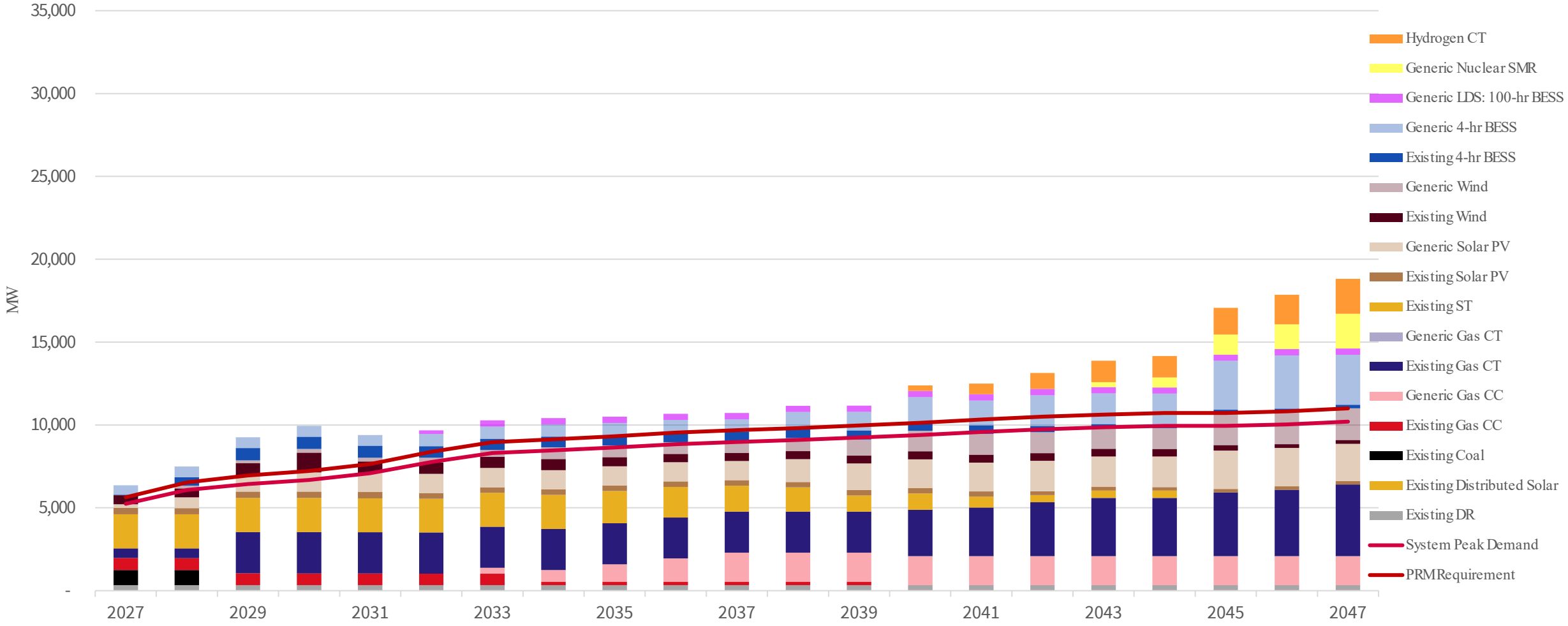
CARBON ZERO: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

100% Carbon Zero Generation in 2045 Using Multi-Jurisdictional Optimization

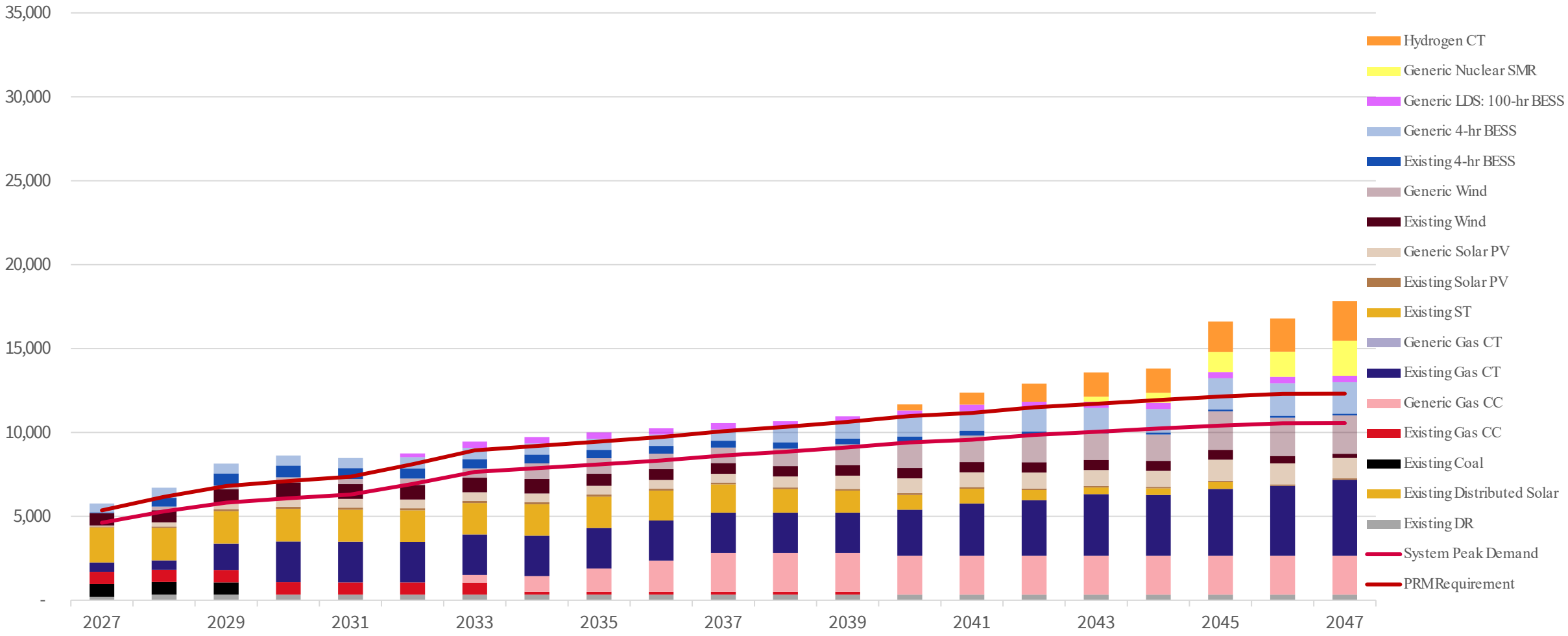


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

100% Carbon Zero Generation in 2045 Using Multi-Jurisdictional Optimization



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

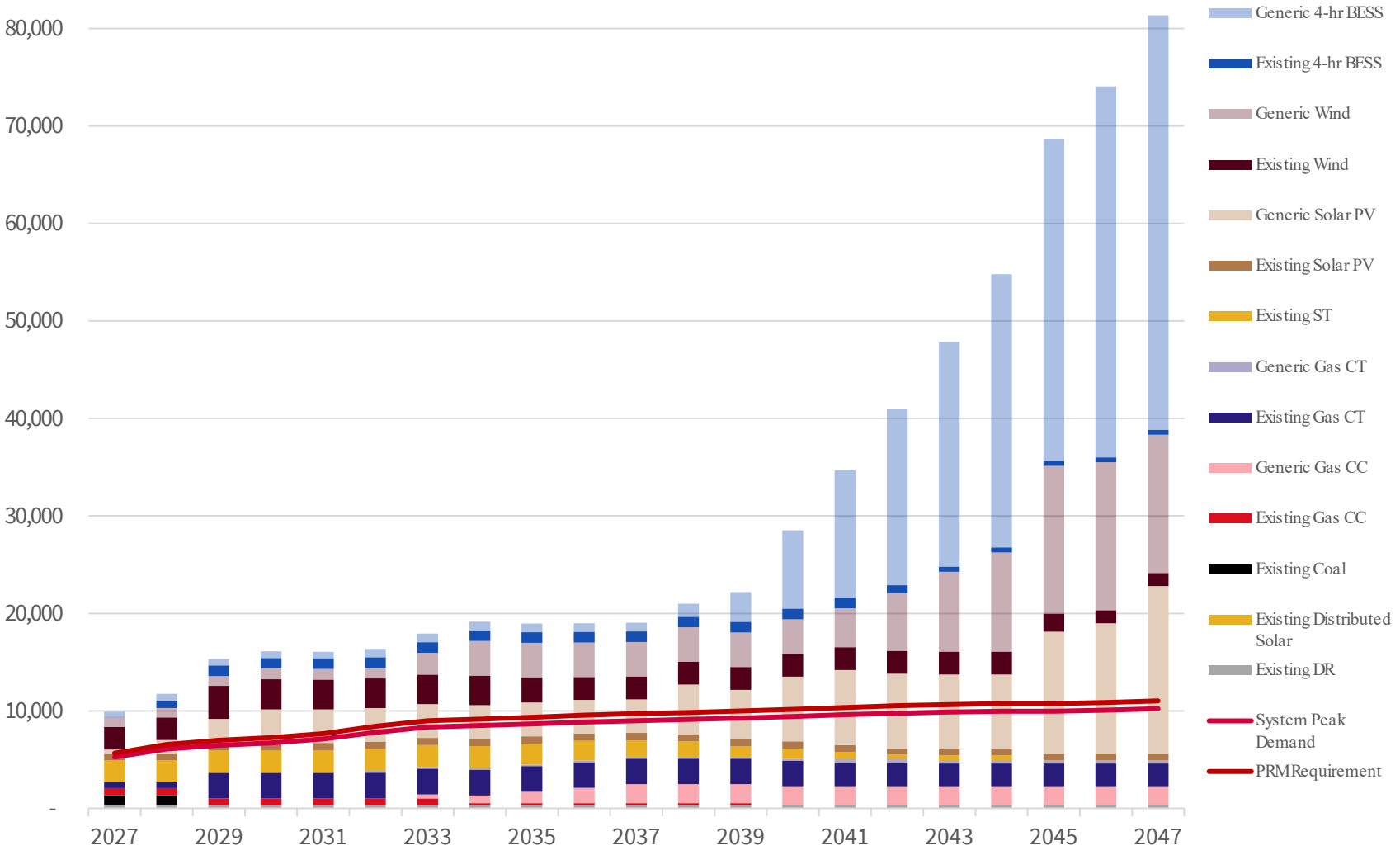
FULLY CARBON ZERO NO EMERGING TECH

MULTI-JURISDICTIONAL OPTIMIZATION OF RESOURCE ADDITIONS FOR RPS

PRELIMINARY RESULTS

FULLY CARBON ZERO NO EMERGING TECH

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

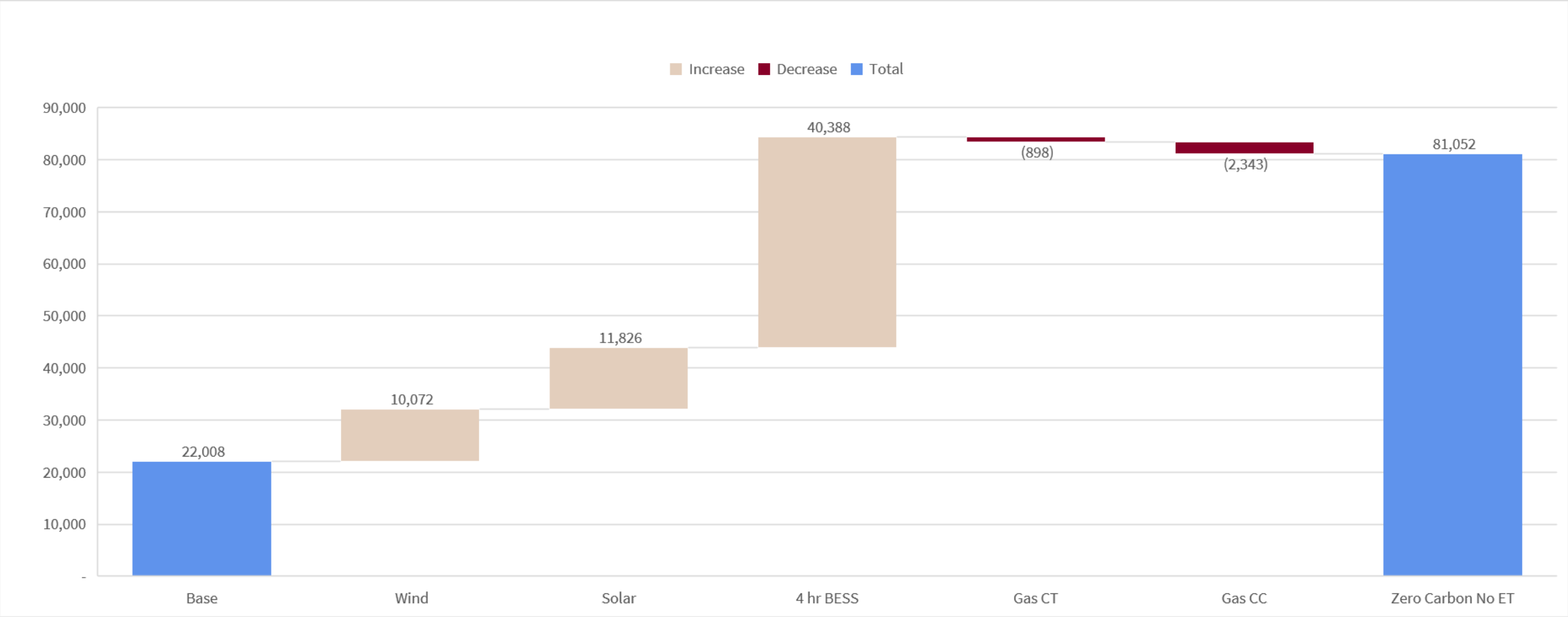
Description:
Solves for RPS compliance through optimization of resources additions across both NM & TX jurisdictions

NPV through 2047 ($M):
$66,009

EUE: 419,578 MWh / $228M

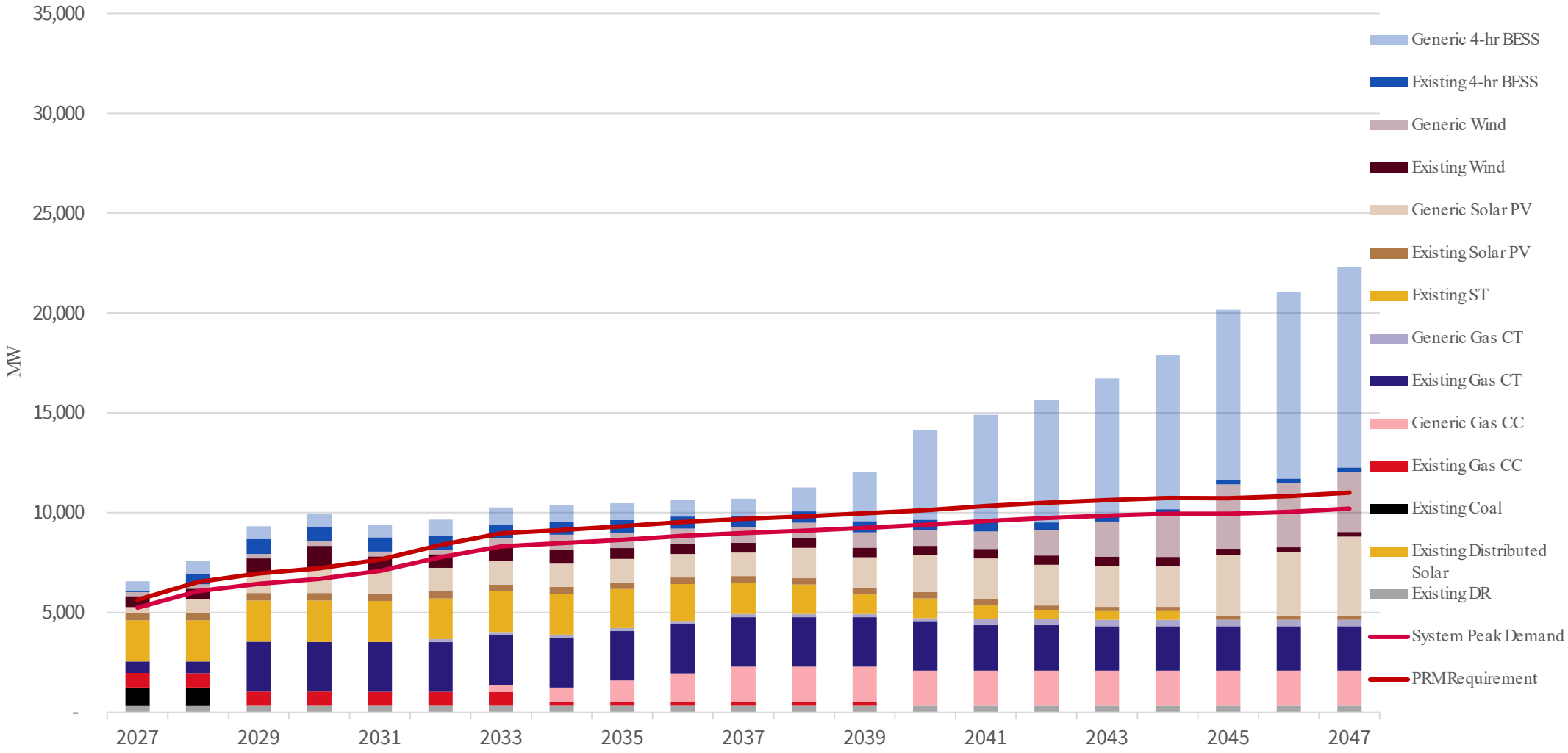
CARBON ZERO NO EMERGING TECH: CAPACITY DIFFERENCE IN 2047 FROM BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

100% Carbon Zero Generation in 2045 Using No Emerging Tech and Multi-Jurisdictional Optimization

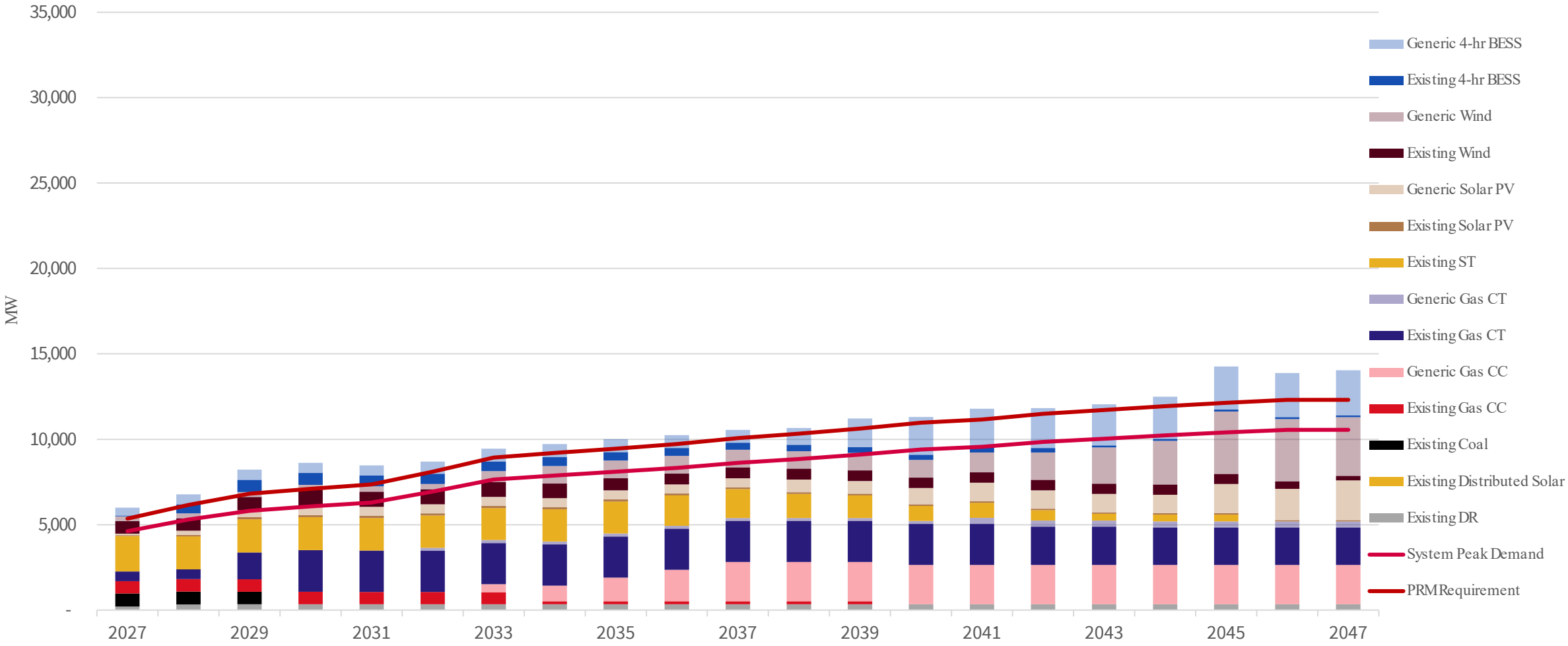


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

100% Carbon Zero Generation in 2045 Using No Emerging Tech and Multi-Jurisdictional Optimization



Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

MODELING APPROACH - BUILDING FOR TEXAS POLICY AND NEW MEXICO REQUIREMENTS

Bridging two states' rules

- SPS operates across both New Mexico and Texas
- Texas' planning is governed by **least-cost planning, maintaining reliability, competitive bidding** among generation options and the use of an all-of-the-above set of energy technologies.
- New Mexico's planning is governed by its **Energy Transition Act (ETA)** and **Renewable Portfolio Standard (RPS)**, which push toward carbon-free generation, with requirements to consider reliability and costs.
- SPS's Modeling Approach is a multi-step solution to implement a multi-jurisdictional systemwide resource planning solution.

1 Base Plan of generic resources is developed to meet both Texas and New Mexico load forecasts on a least-cost, and reliability basis – consistent with Texas policy

2 SPS reviews resources selected in base plan and then removes the New Mexico "load ratio share" of carbon-emitting resources while "locking-in" all other resources selected in the base plan.

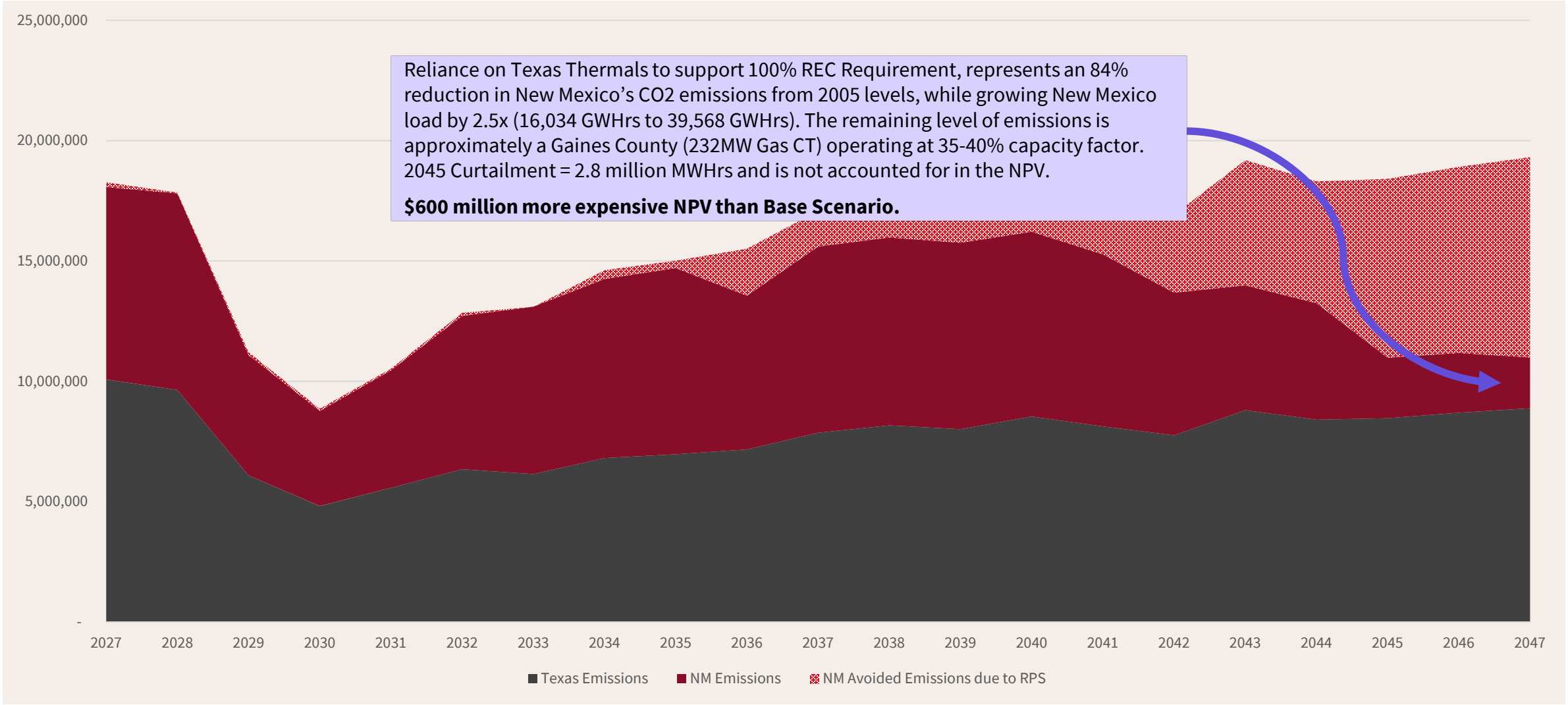
3 With the New Mexico carbon-emitting resources removed, New Mexico ETA requirements are added, and the model is re-expanded, allowing only non-carbon emitting resources for selection as additional New Mexico resources. 2045 goal is modeled as 100% REC requirement

4 Incremental cost between 1st Step and 3rd Step are attributed 100% to New Mexico as the cost of New Mexico ETA

5 Texas customers assigned load ratio share of least-cost resource portfolio from Step 1

AVOIDED LBS OF CO2 DUE TO RPS

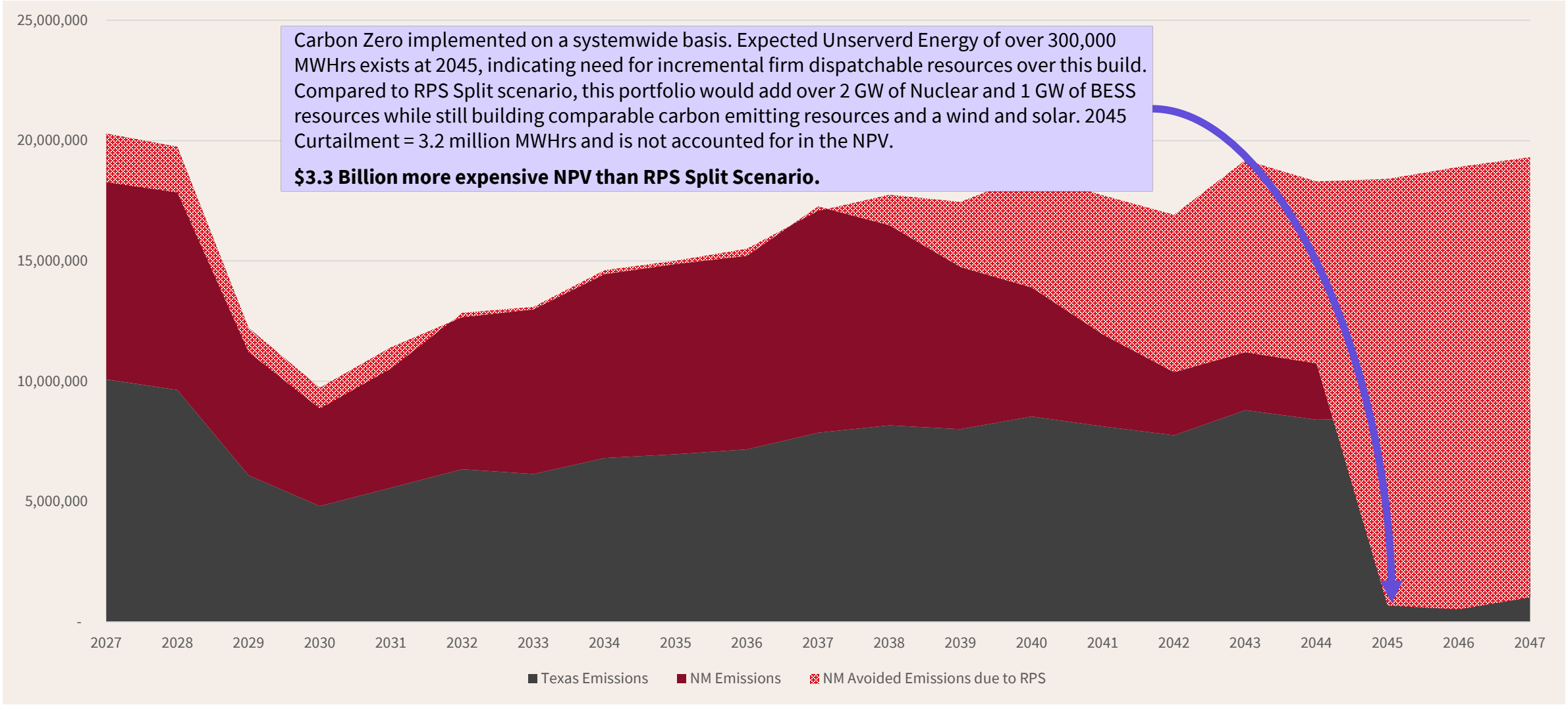
RPS Split Scenario = treating 2045 as 100% REC requirement on NM Load and not allowing carbon emitting generation for NM



Preliminary Results. Subject to change.

AVOIDED LBS OF CO2 DUE TO CARBON ZERO ON SYSTEM

RPS Carbon Zero Scenario = incremental REC requirement on NM Load and requiring systemwide carbon zero



Preliminary Results. Subject to change.

MARKET SCENARIOS

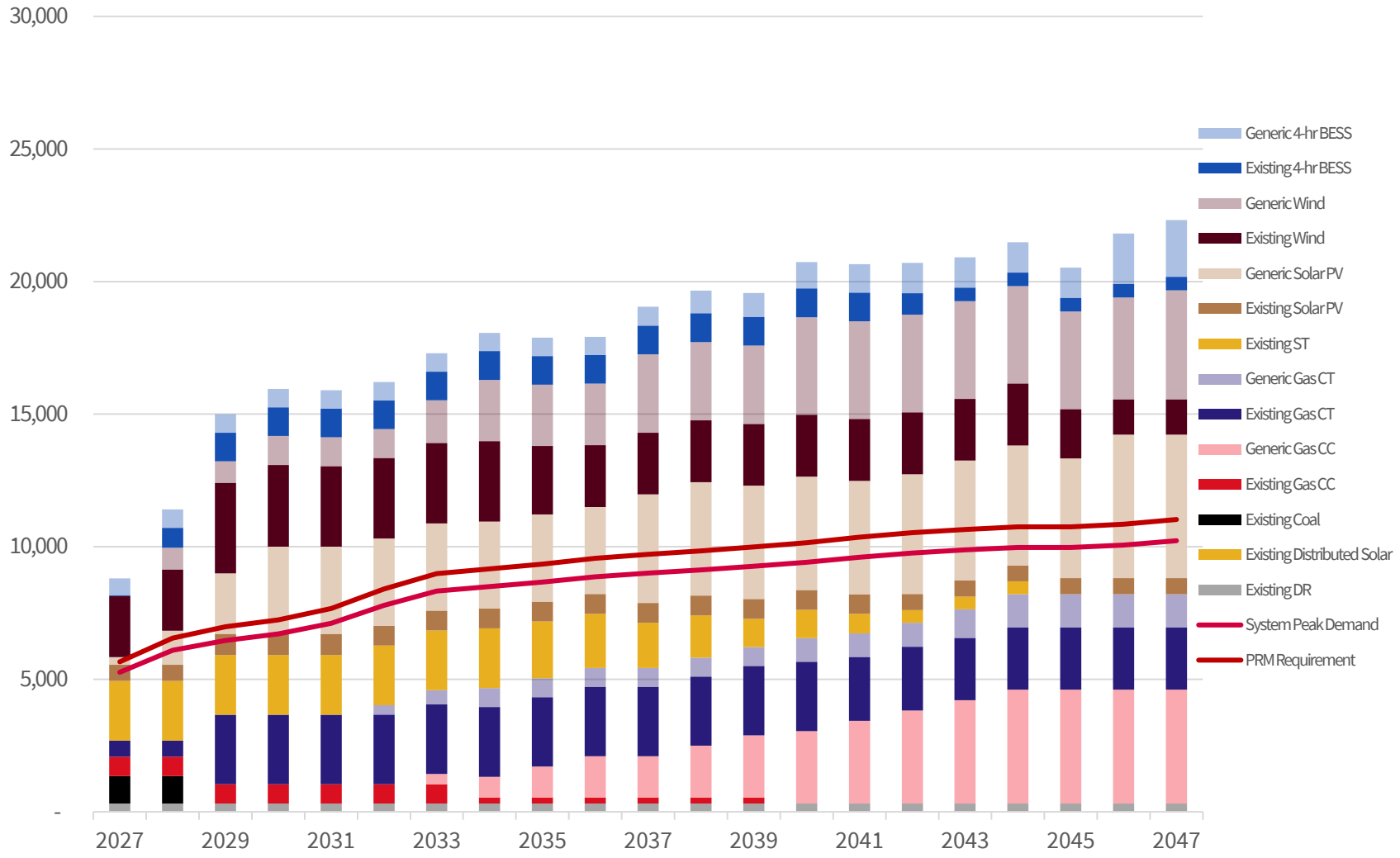
ISLAND

BASE PORTFOLIO WITH NO MARKET INTERACTION

PRELIMINARY RESULTS

ISLAND

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

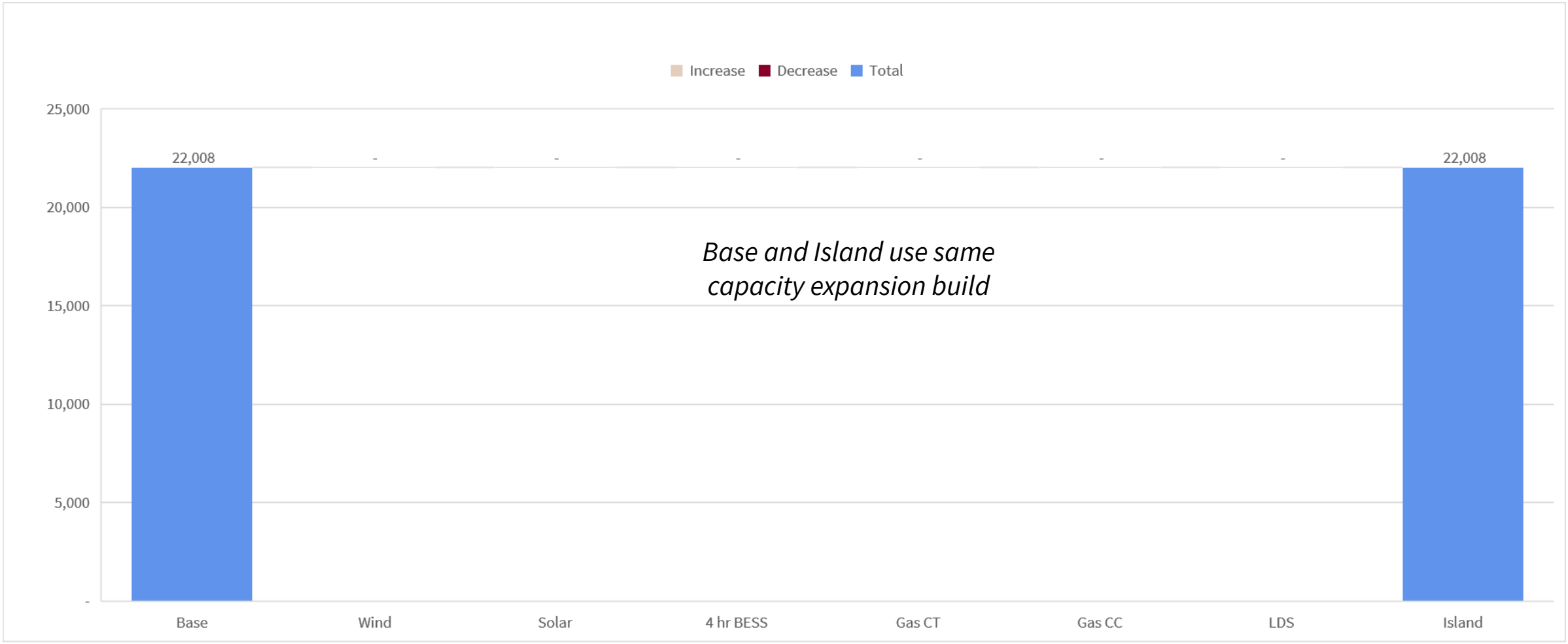
Description:
System can't buy or sell energy to the market

NPV through 2047 ($M):
$64,892

EUE:
7,730,372 MW / $9B

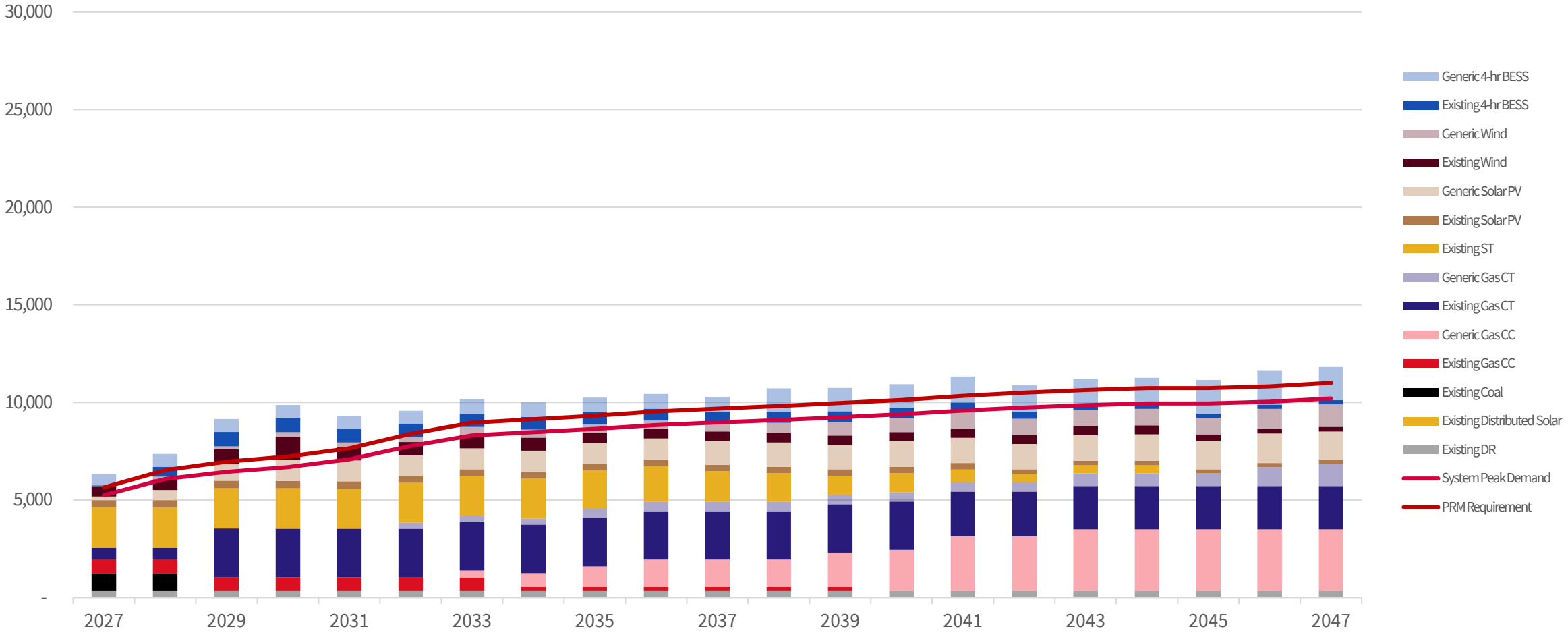
ISLAND: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Islanded System

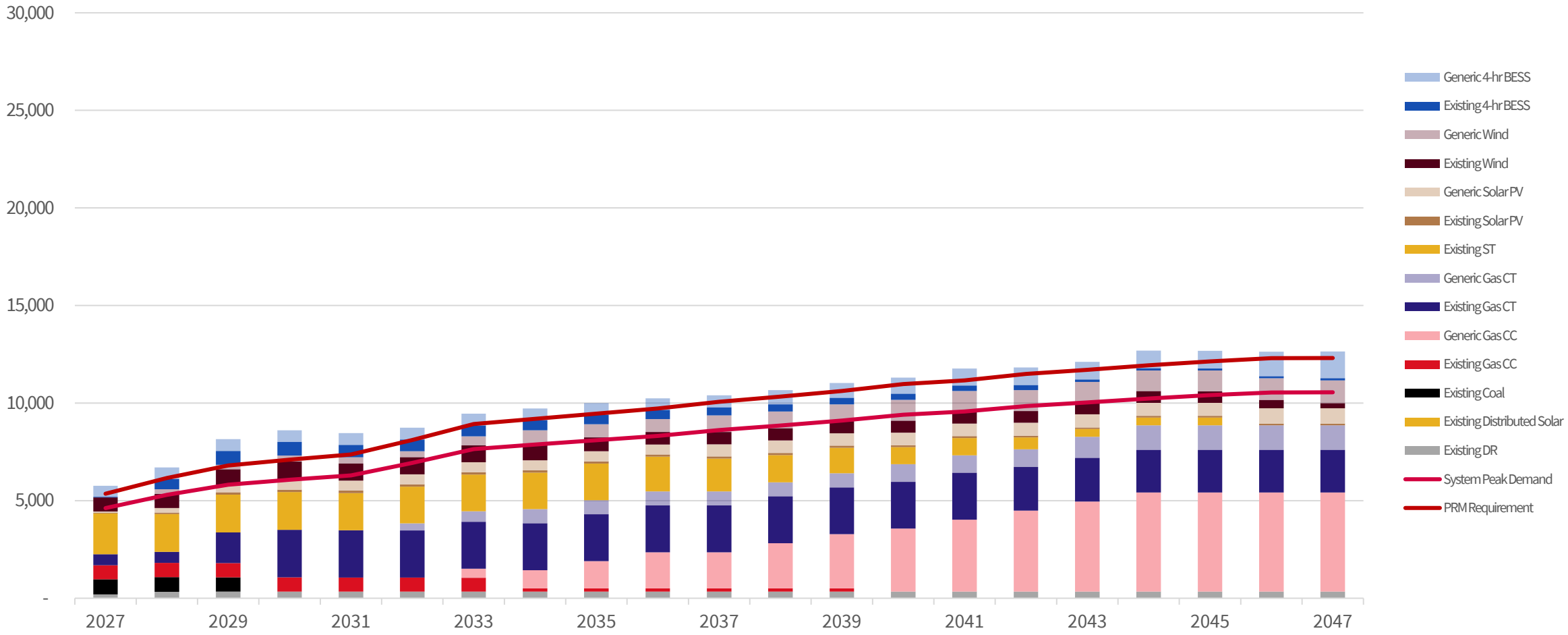


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Islanded System



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

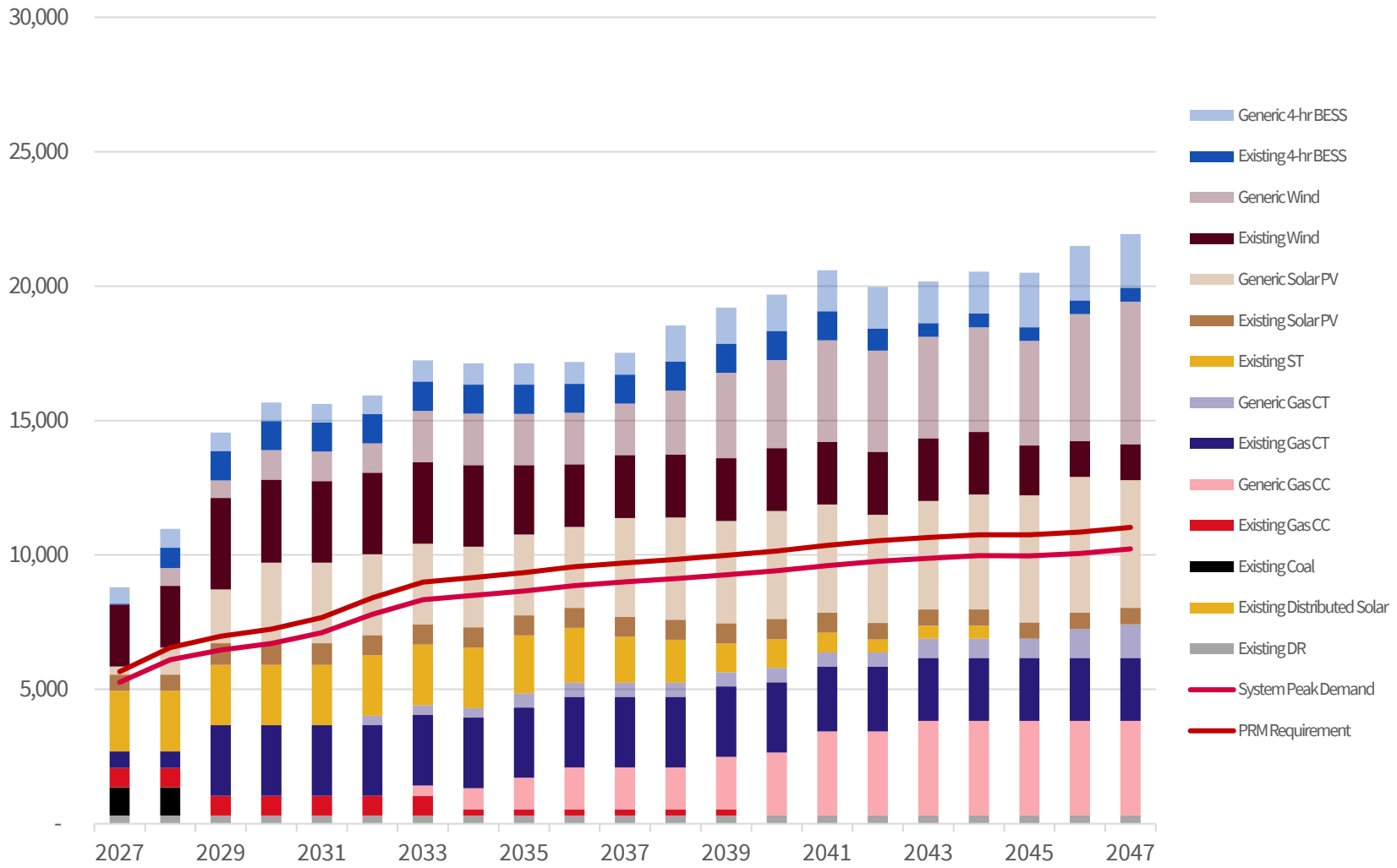
ISLAND - SUMMER PRM FOR WINTER

BASE PORTFOLIO WITH NO MARKET INTERACTION AND SUMMER PRM ALSO USED FOR WINTER

PRELIMINARY RESULTS

ISLAND - SUMMER PRM FOR WINTER

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

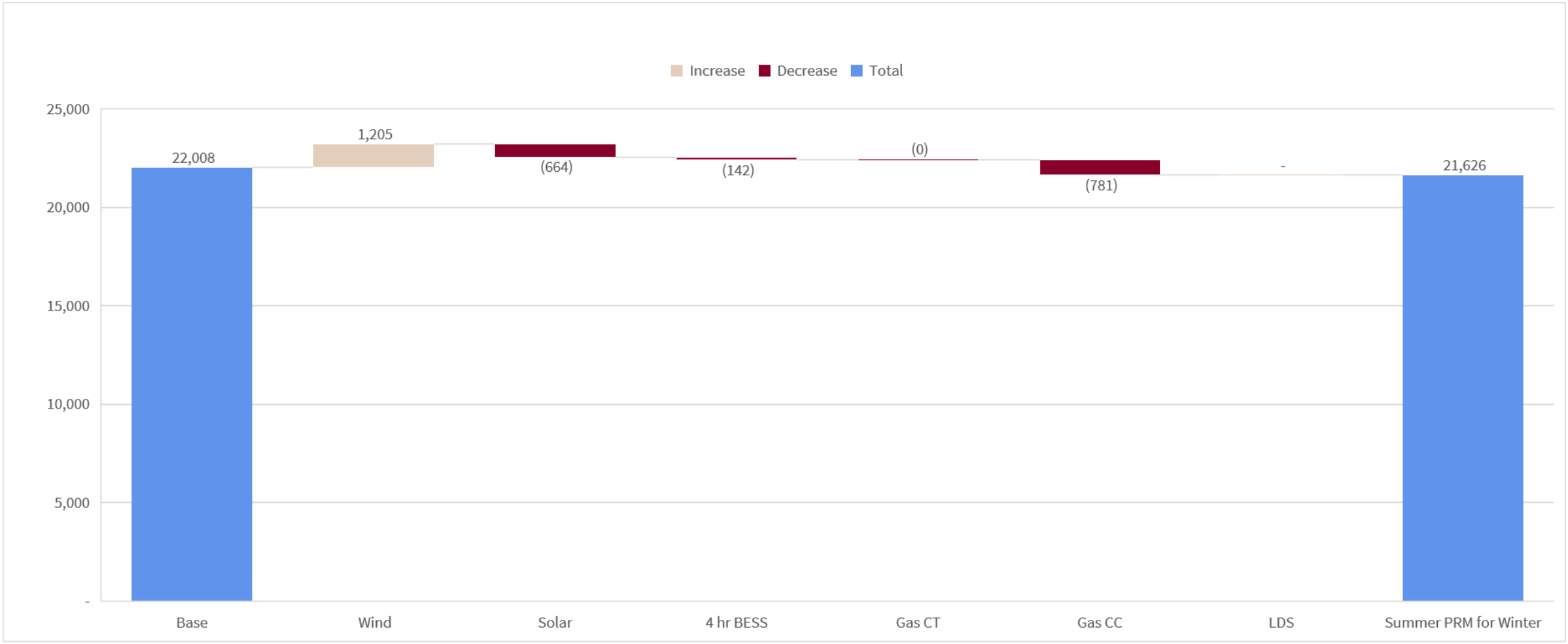
Description:
System can't buy or sell energy to the market and Summer PRM also used for the Winter season. No change to seasonal ELCCs.

NPV through 2047 ($M):
$73,287

EUE:
18,264,885 MWh / $19B

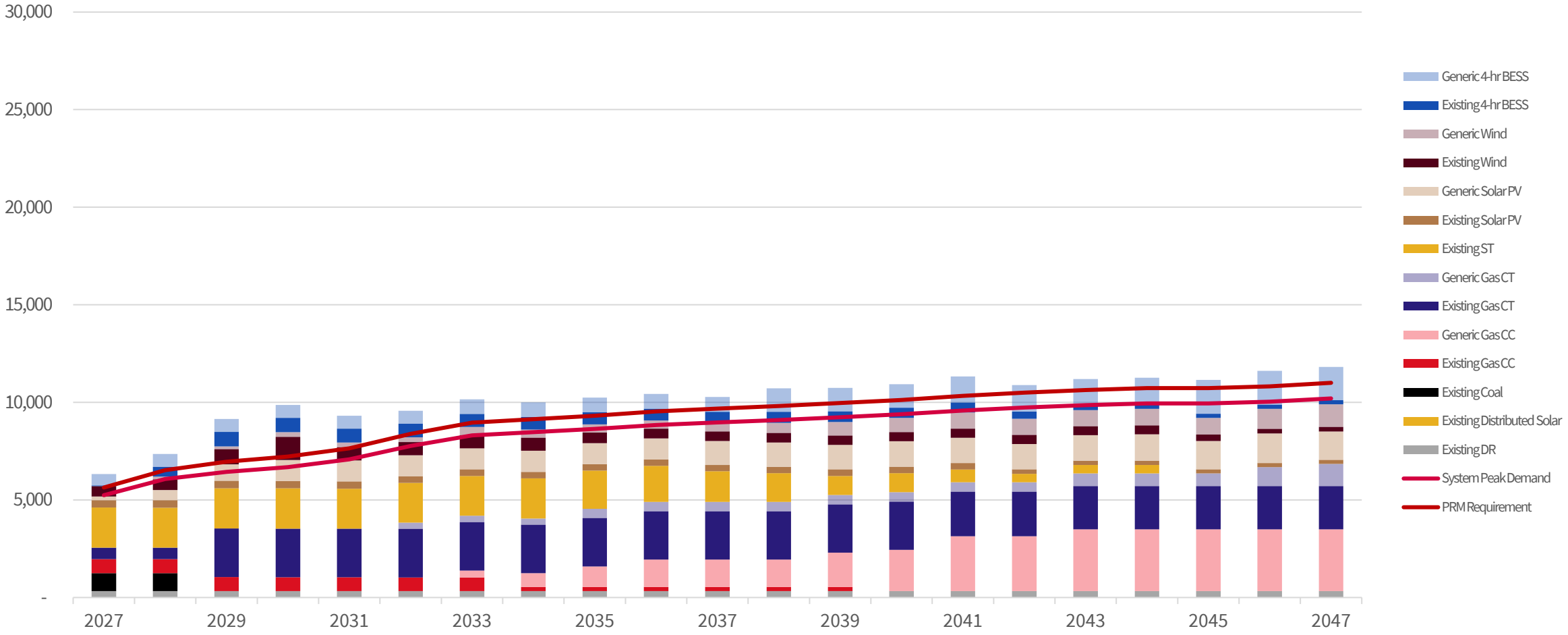
ISLAND SUMMER PRM FOR WINTER: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Islanded System-Summer PRM for Winter

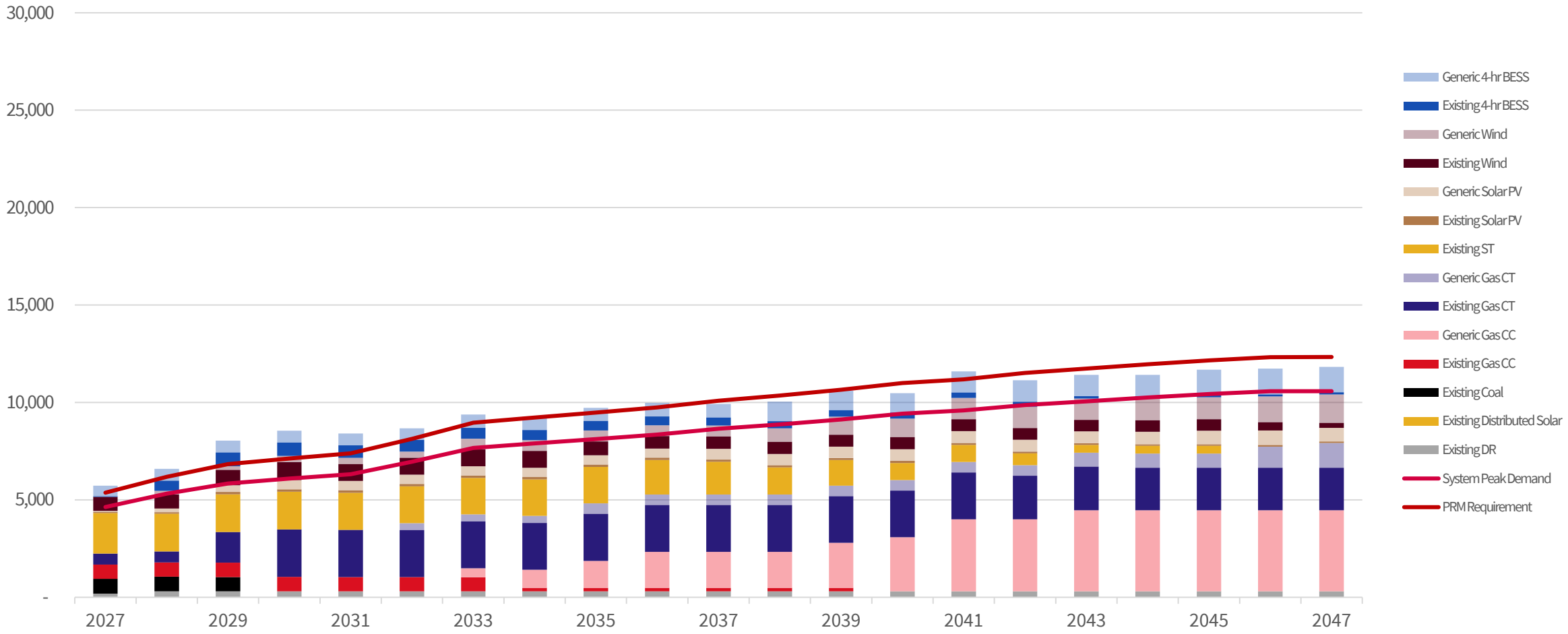


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Islanded System-Summer PRM for Winter



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

LOAD FORECAST SCENARIOS

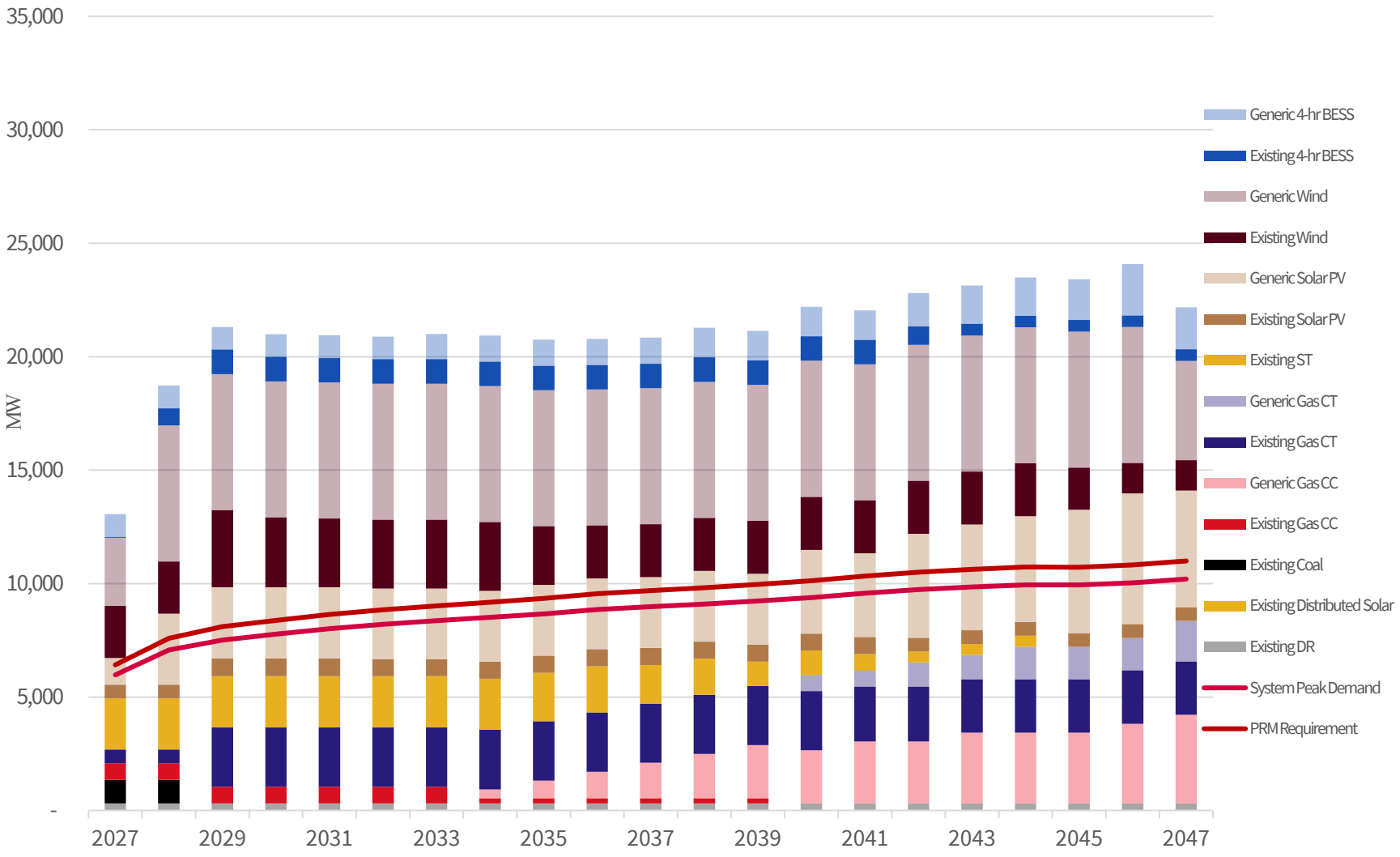
UNCONSTRAINED PLANNING BASE

UNCONSTRAINED LOAD FORECAST WITH NO EMERGING TECH RESOURCE AVAILABLE

PRELIMINARY RESULTS

UNCONSTRAINED PLANNING FORECAST

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Unconstrained Planning Forecast

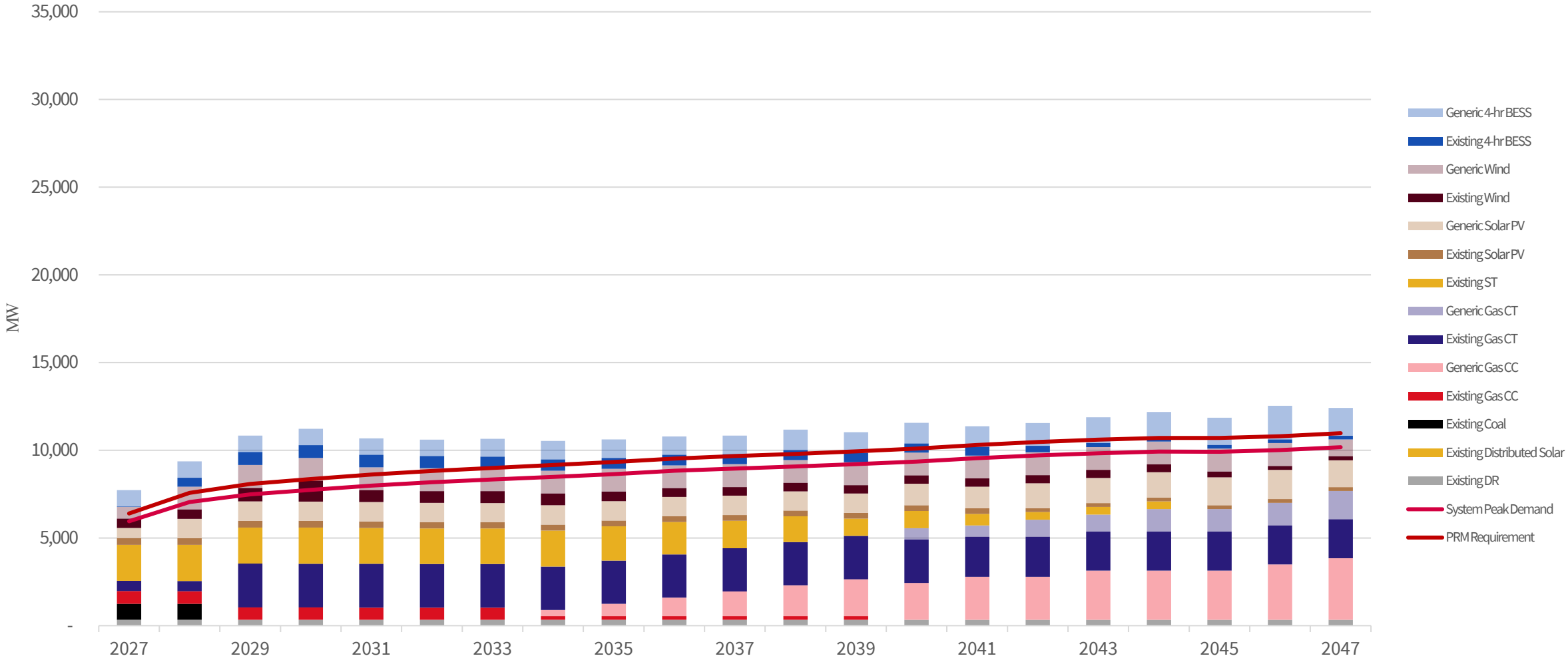
Description:
Optimizes for Unconstrained Planning forecast. No emerging tech available.

NPV through 2047 ($M):
$50,934

EUE:
618 MWh / $620K

SUMMER ACCREDITED CAPACITY (MW)

Unconstrained Planning Forecast

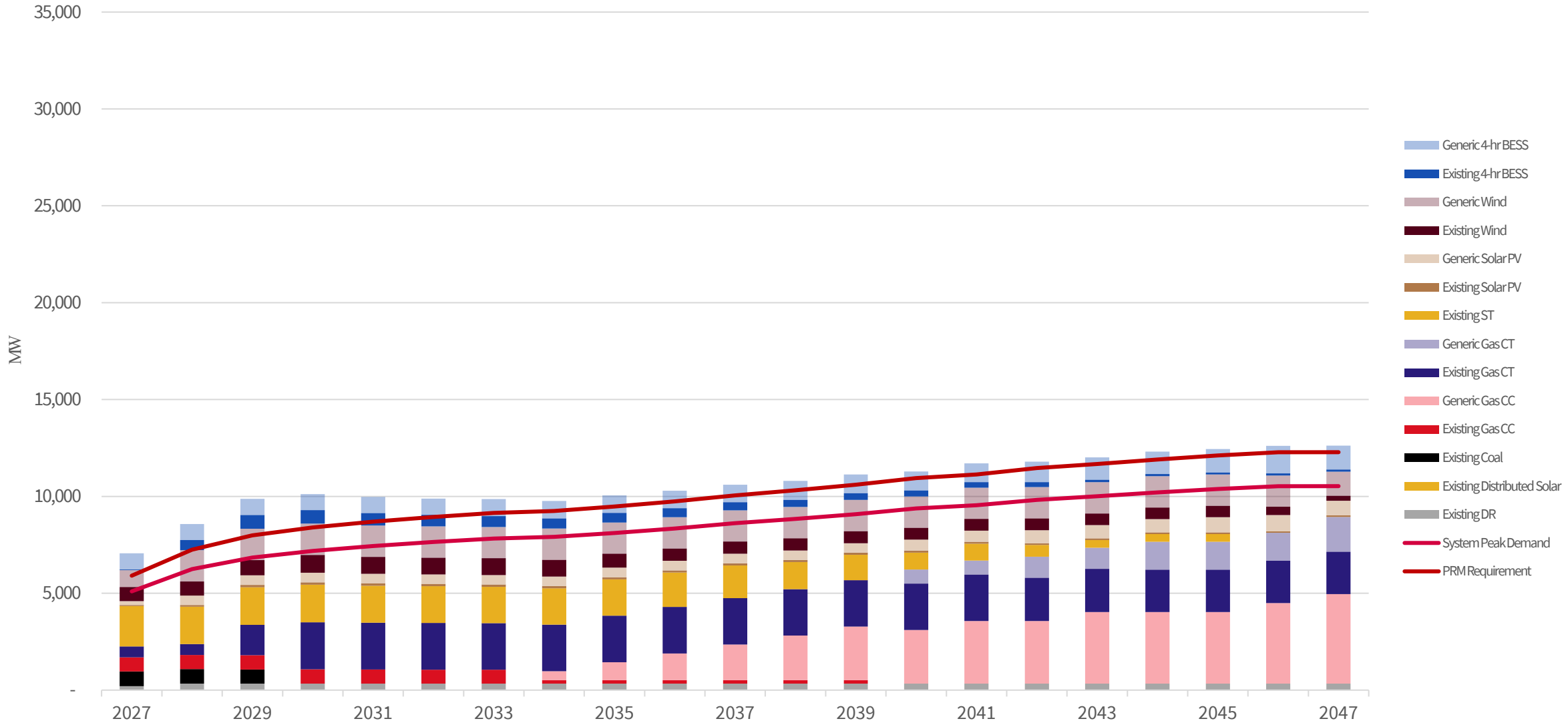


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Unconstrained Planning Forecast



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

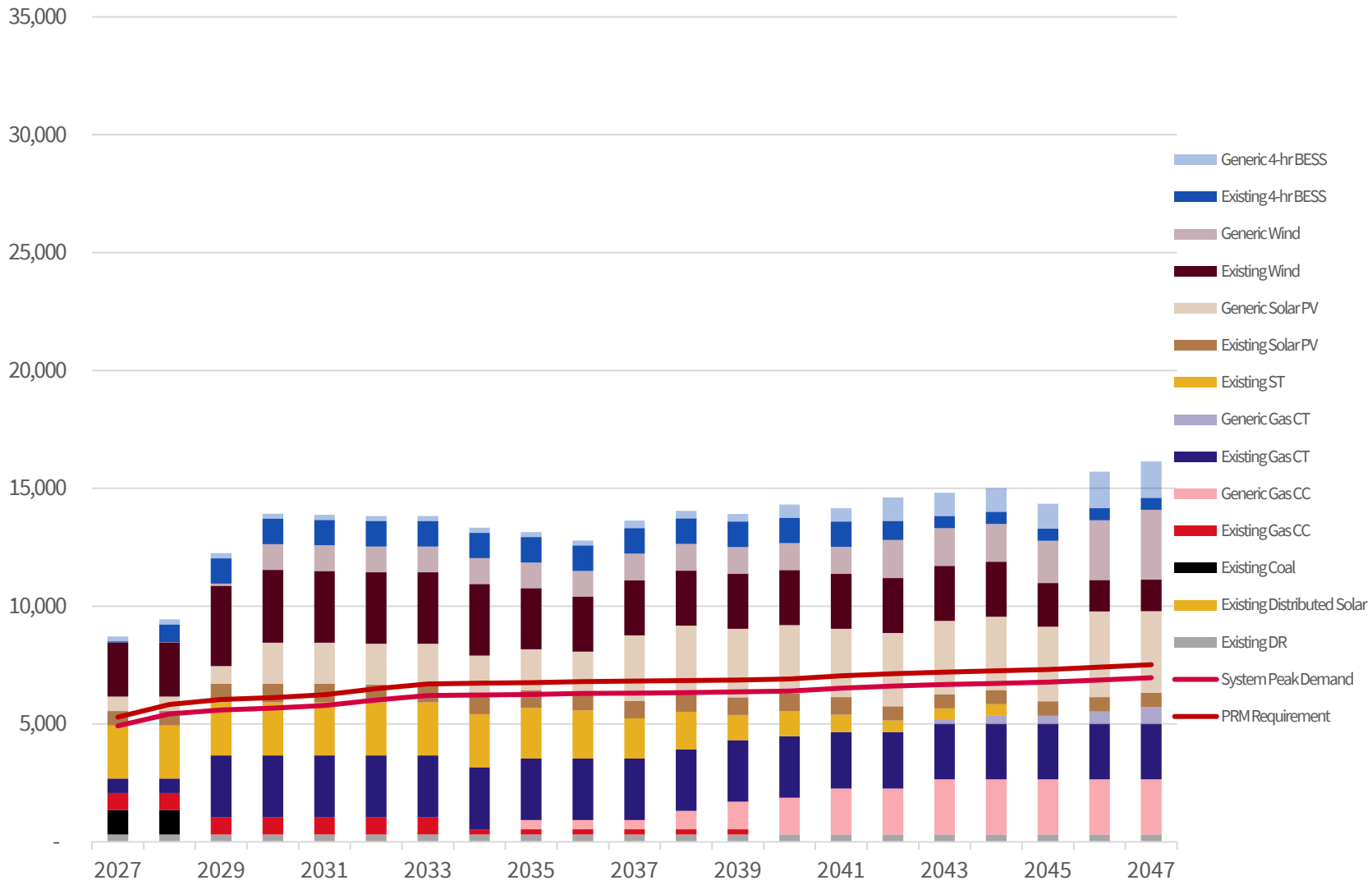
LOW BASE

LOW LOAD FORECAST WITH NO EMERGING TECH RESOURCE AVAILABLE

PRELIMINARY RESULTS

LOW BASE FORECAST

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Low Planning Forecast

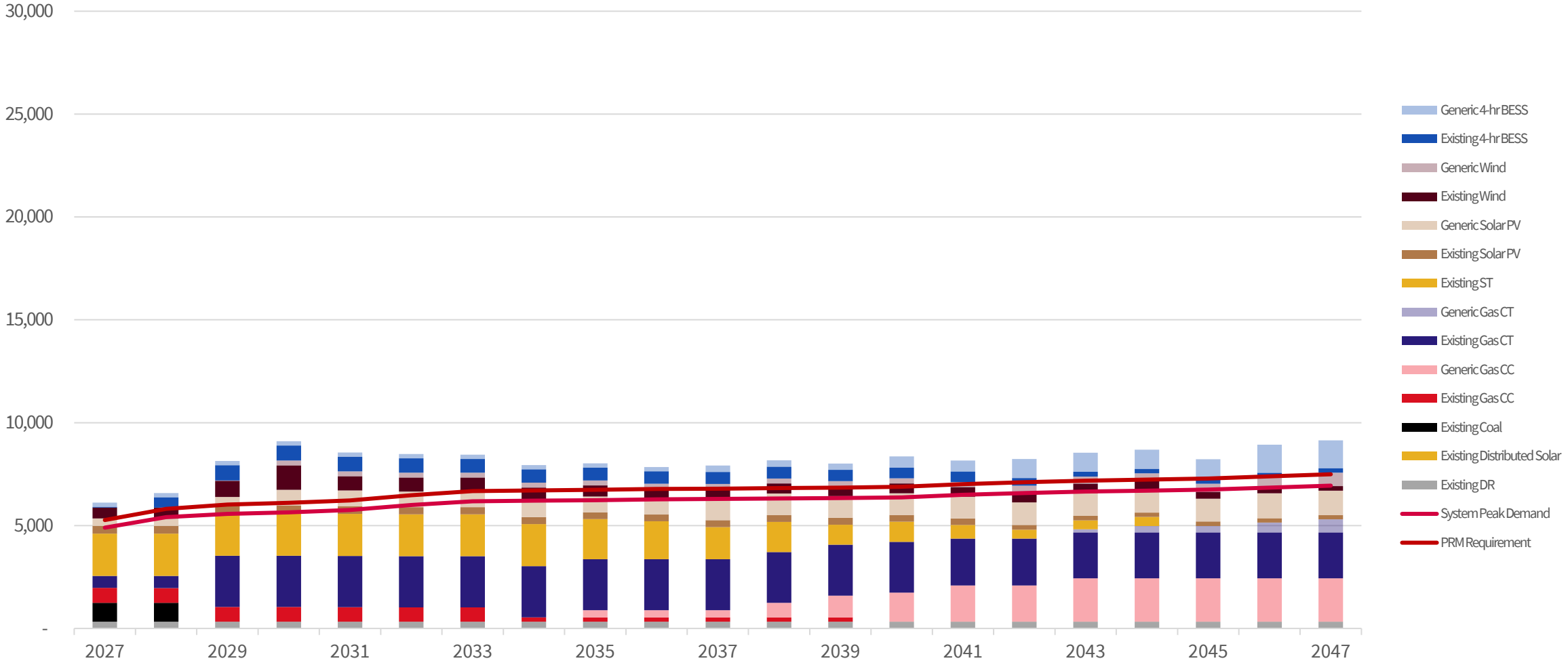
Description:
Optimizes for Low Planning forecast. No emerging tech available.

NPV through 2047 ($M):
$32,865

EUE:
0 MWh

SUMMER ACCREDITED CAPACITY (MW)

Low Base Forecast

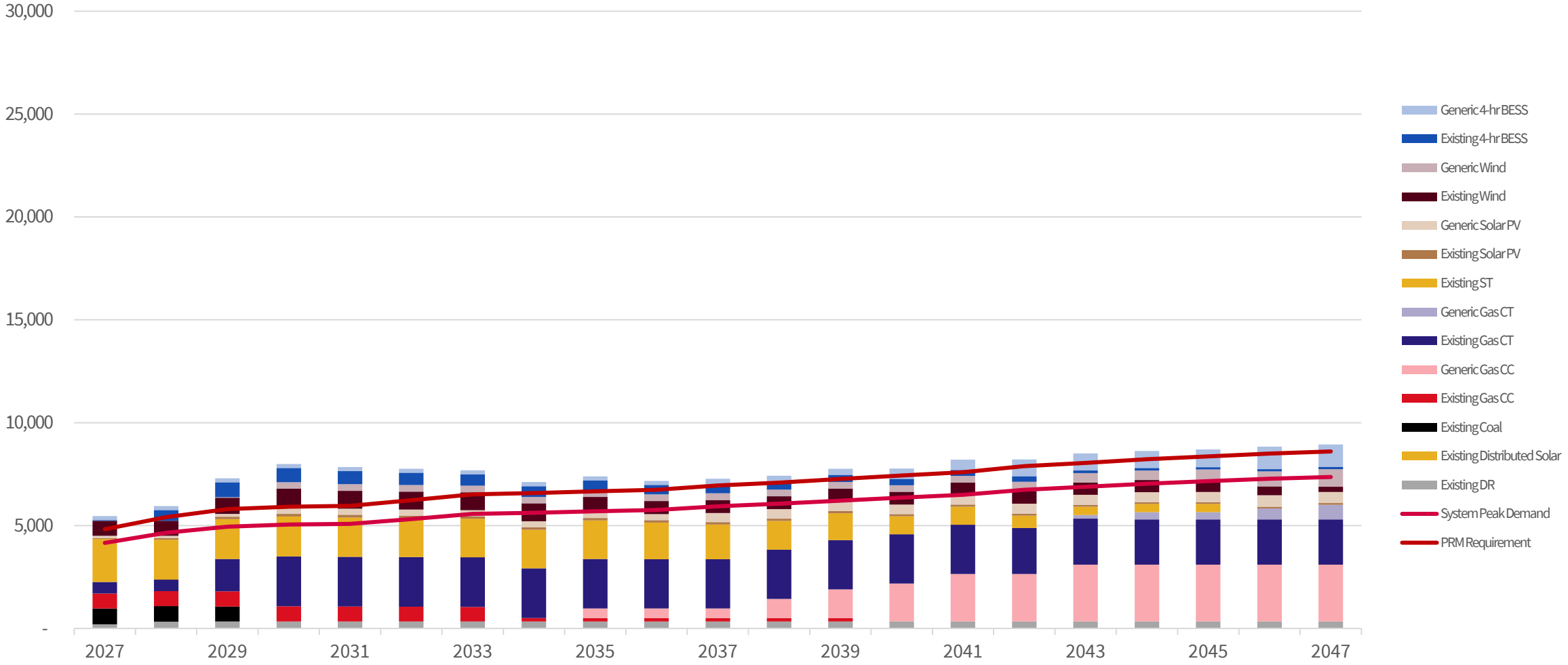


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Low Base Forecast



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

LOW BASE + EMERGING TECH

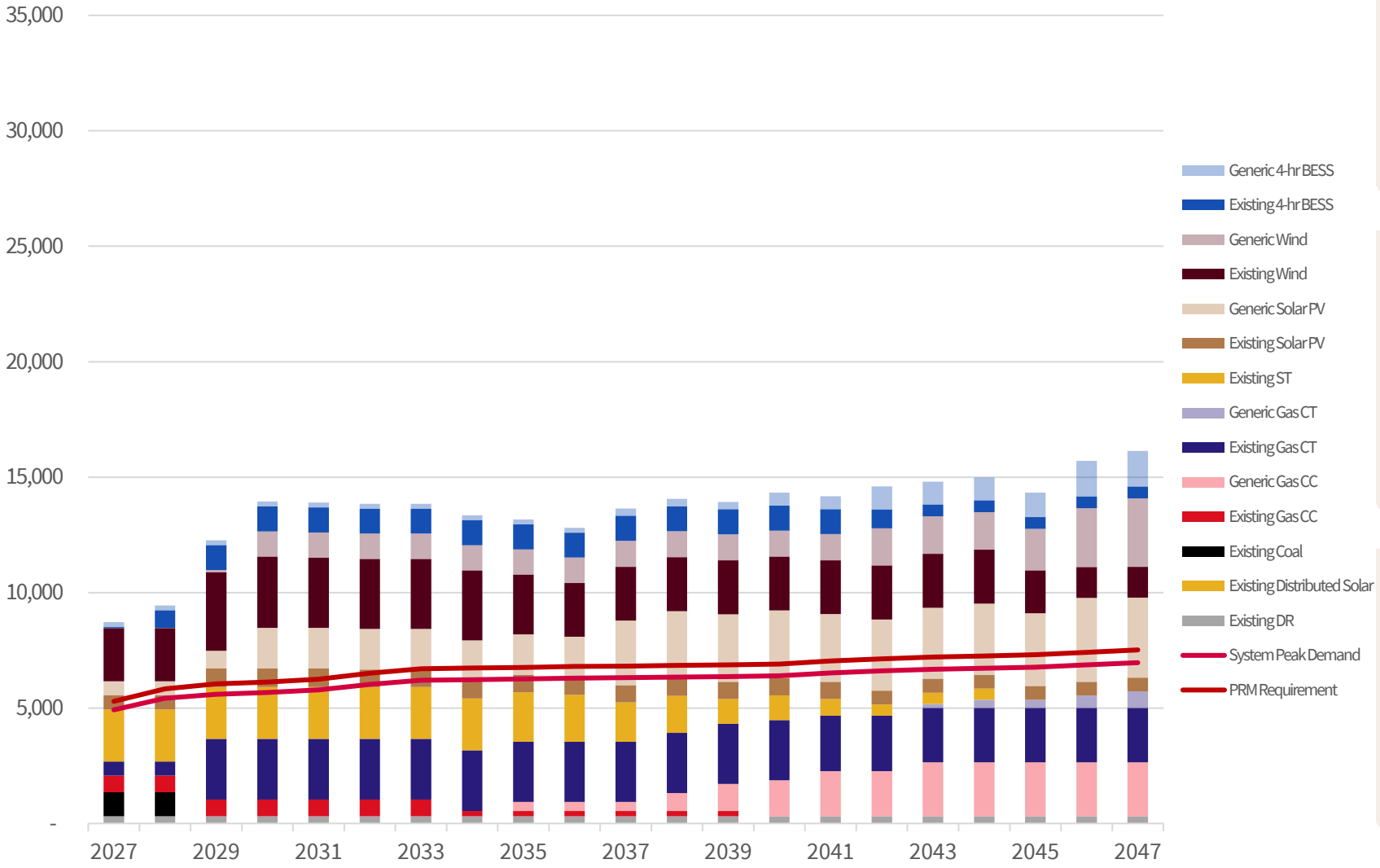
LOW LOAD FORECAST WITH EMERGING TECH RESOURCES AVAILABLE

PRELIMINARY RESULTS

LOW BASE + EMERGING TECH

Nameplate through 2047 (MW)

★ No Emerging Tech selected



Forecast Assumption:
2026 V1 Low Planning Forecast

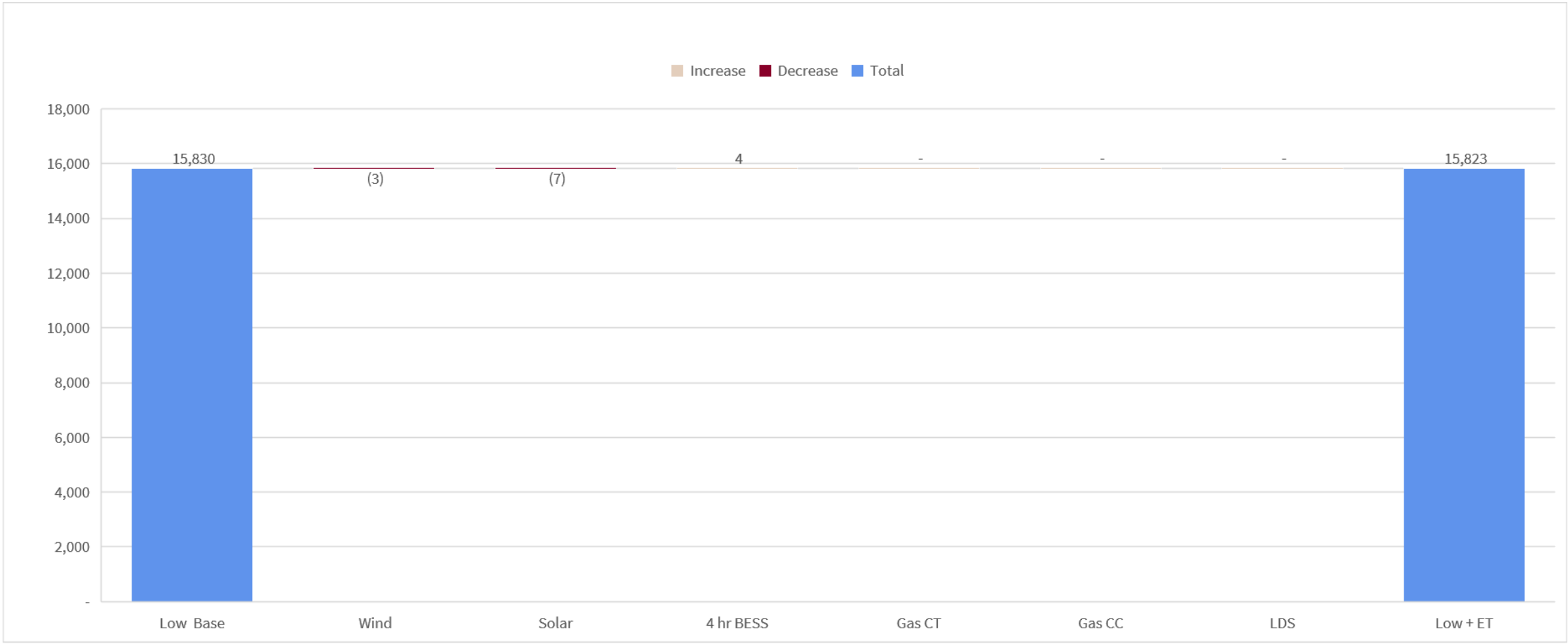
Description:
Solves for Low Planning forecast with emerging technology available.

NPV through 2047 ($M):
$32,865

EUE:
0 MWh

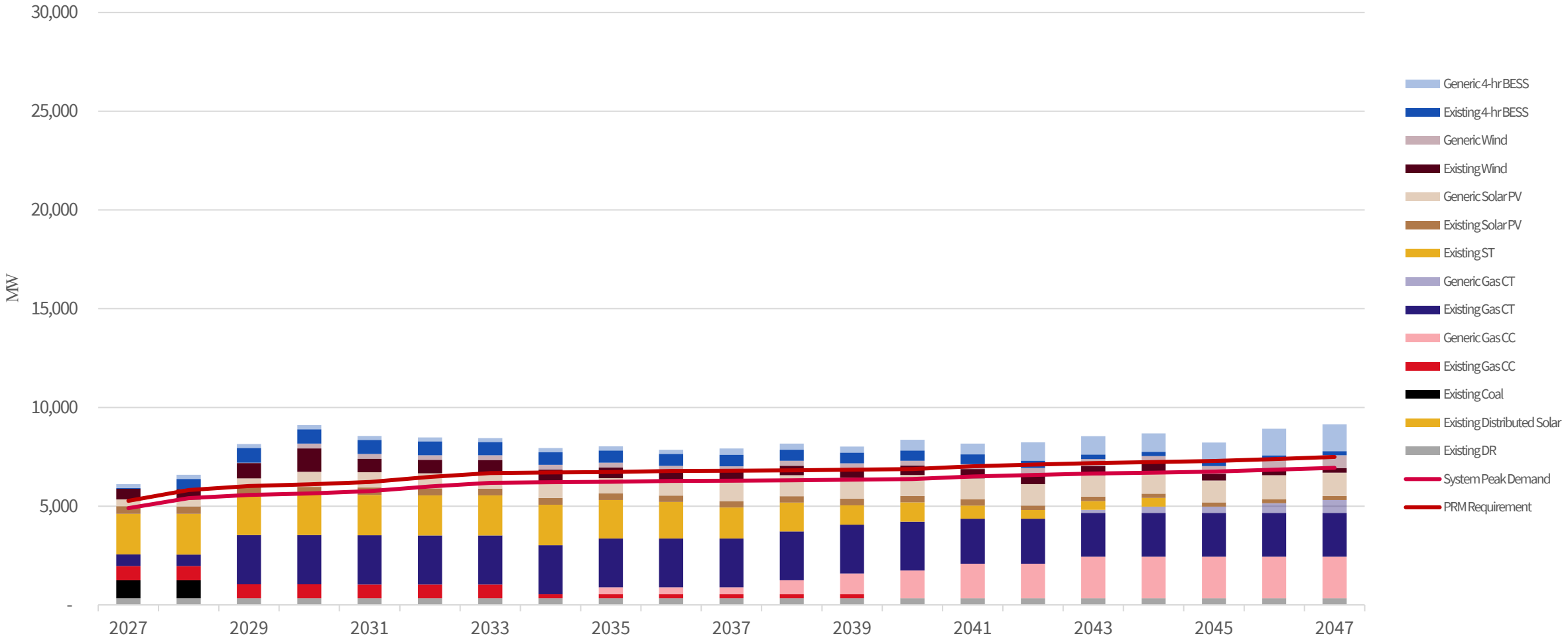
LOW BASE + EMERGING TECH: CAPACITY DIFFERENCE IN 2047 FROM LOW BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Low Base + Emerging Tech

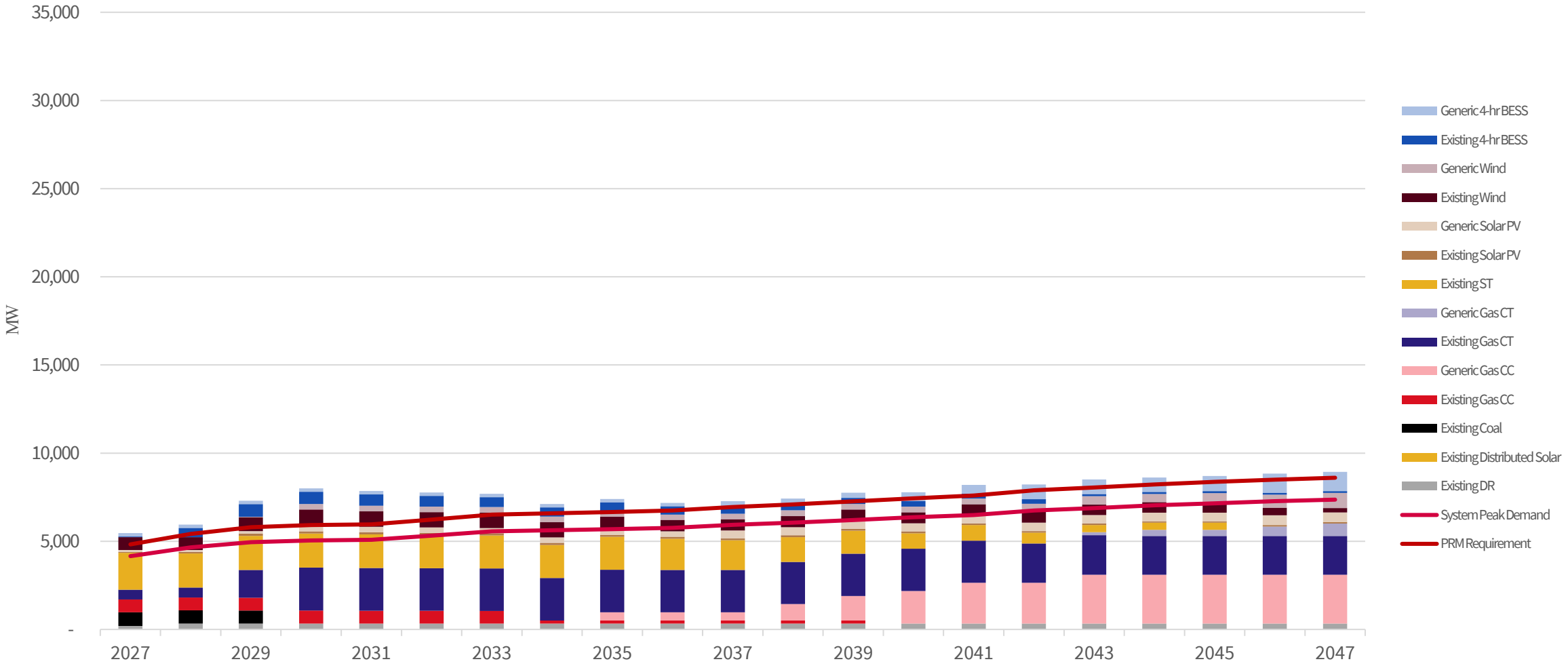


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Low Base + Emerging Tech



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

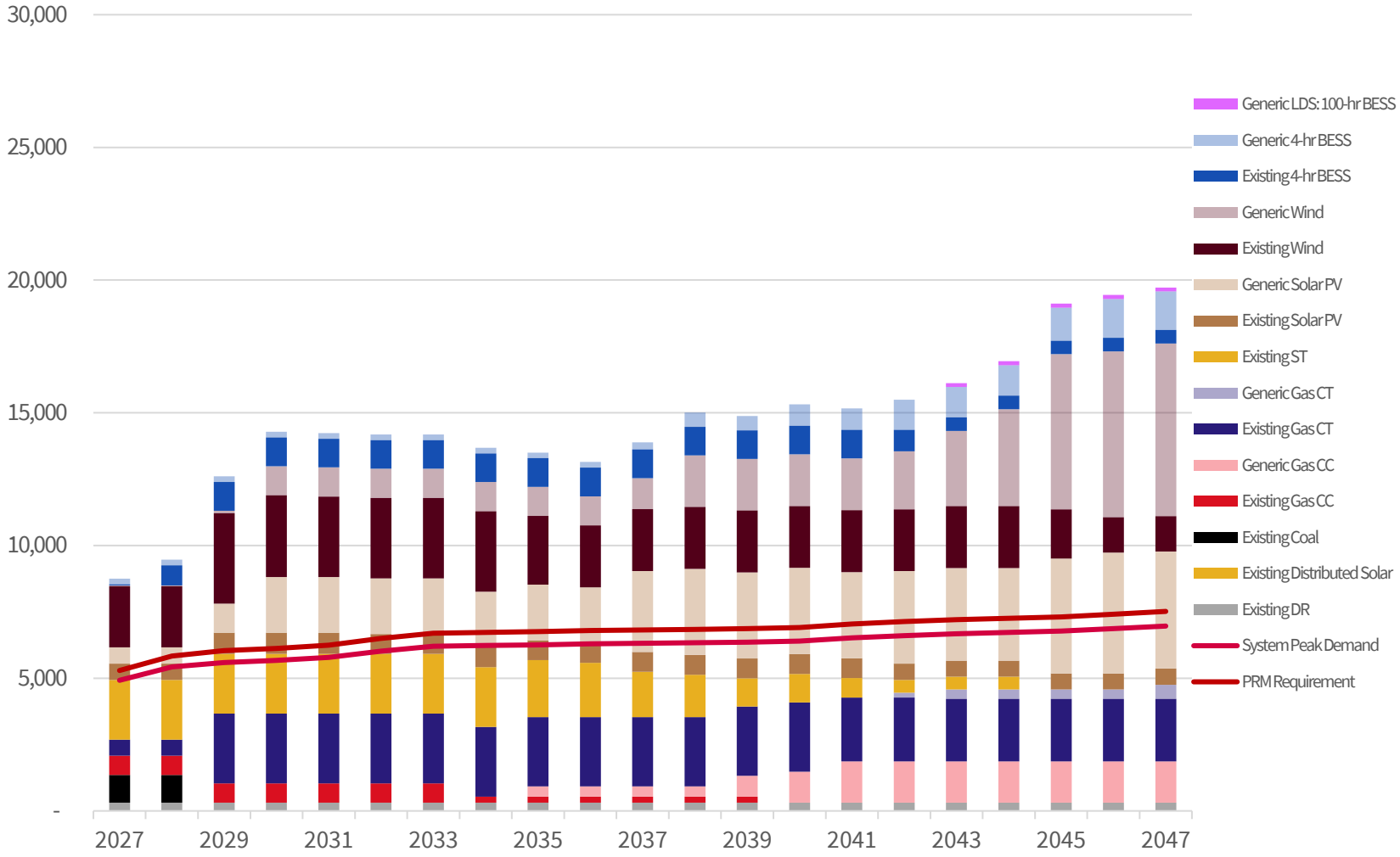
LOW RPS 2045 - SPLIT

LOW LOAD FORECAST WITH RPS COMPLIANCE THROUGH A SPLIT PORTFOLIO

PRELIMINARY RESULTS

LOW RPS 2045 – SPLIT

Nameplate through 2047



Forecast Assumption:
2026 V1 Low Planning Forecast

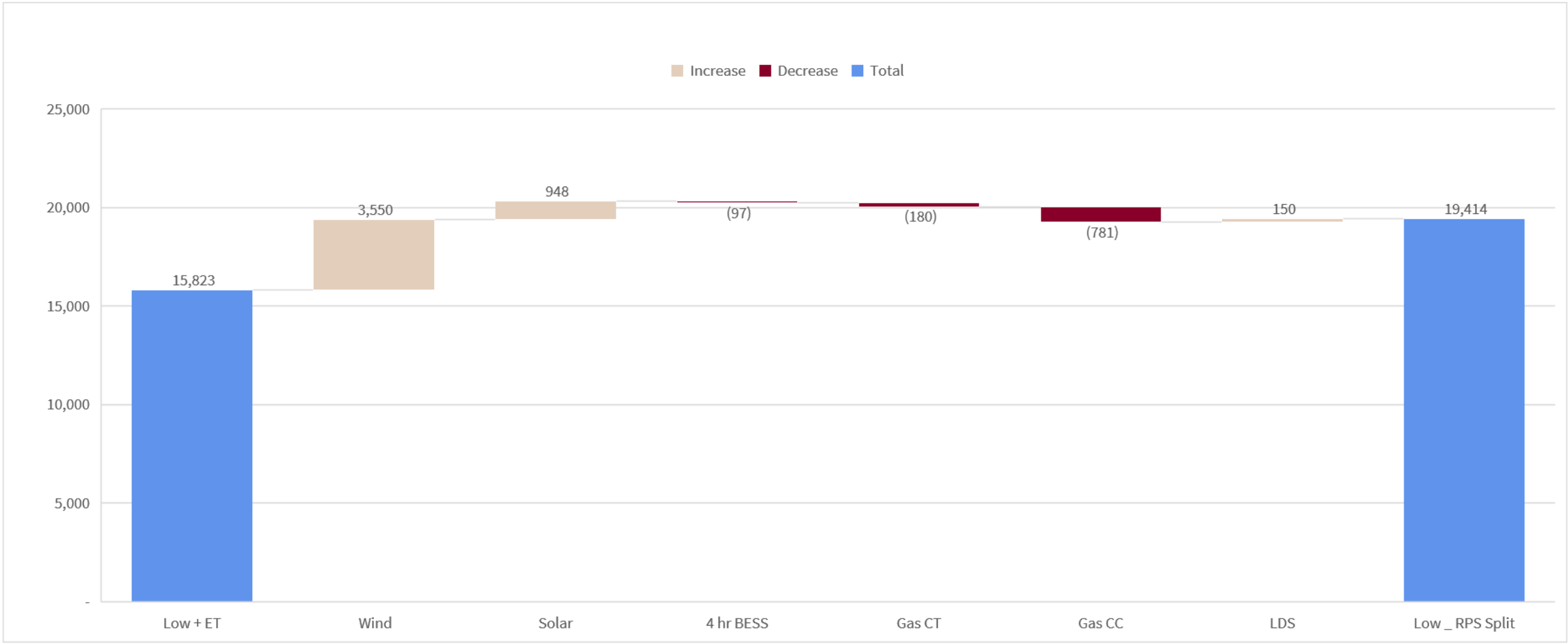
Description:
Locks in TX load share of resources from low base + emerging tech plan, then optimizes additional resource additions to meet RPS

NPV through 2047 ($M):
$32,959

EUE:
0 MWh
Operates as 100% REC requirement and partially relies on TX load ratio share of thermal resources.

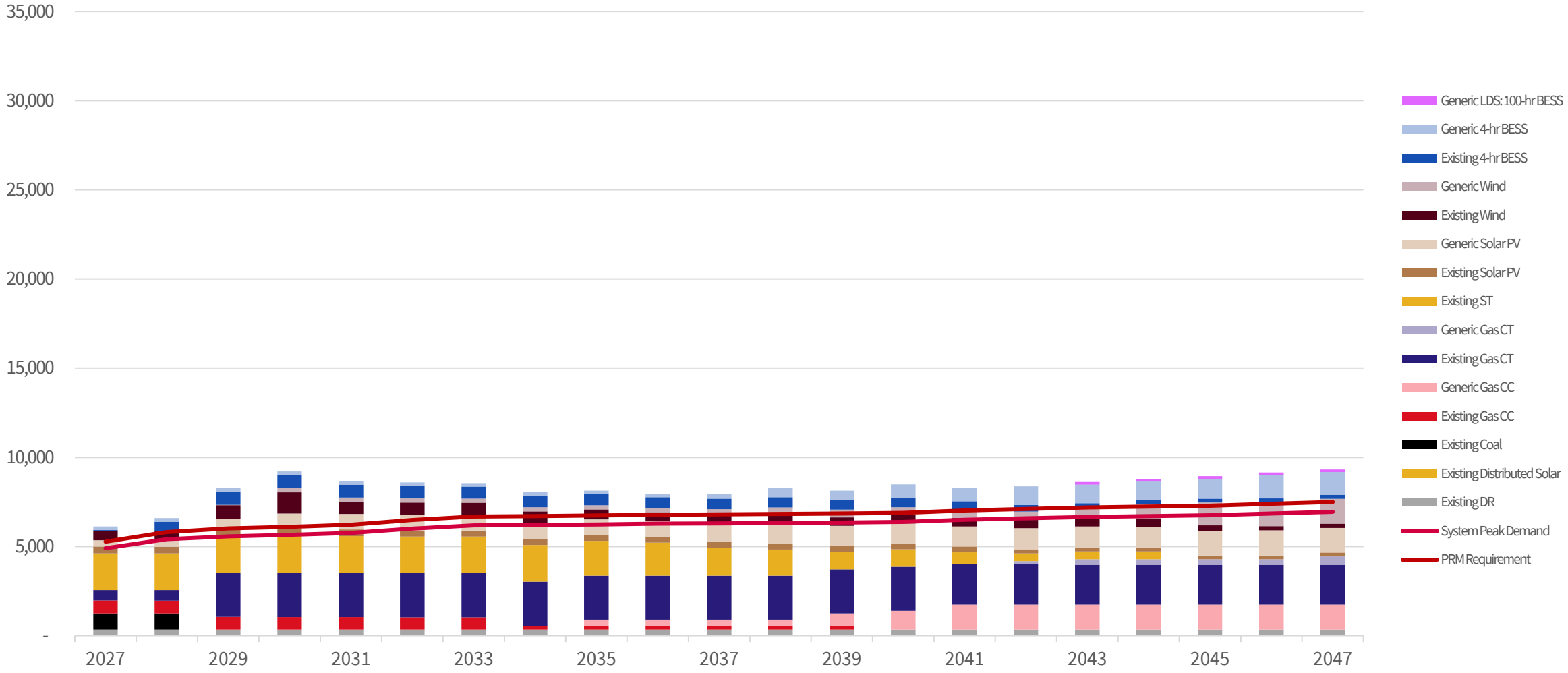
LOW RPS 2045 - SPLIT: CAPACITY DIFFERENCE IN 2047 FROM LOW BASE + EMERGING TECH

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Low Split RPS Compliance Through 2045

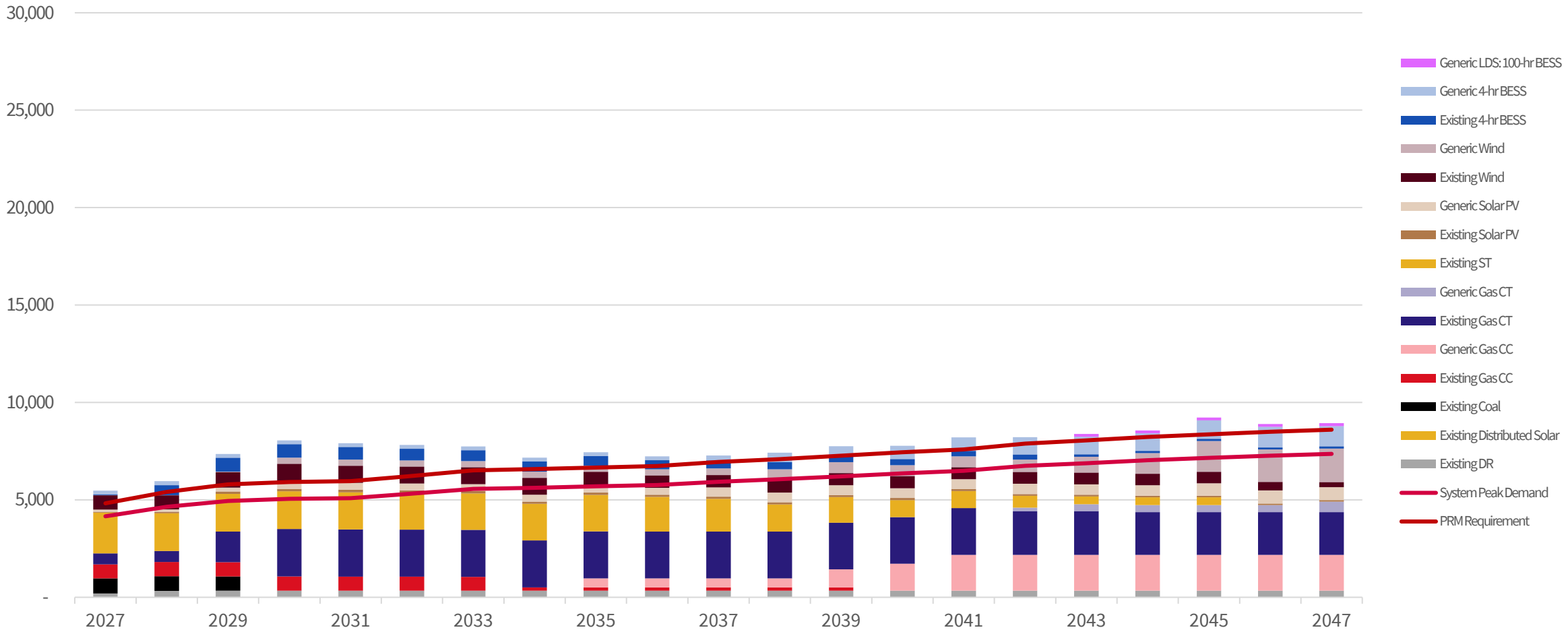


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Split RPS Compliance Through 2045



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

GAS SENSITIVITIES

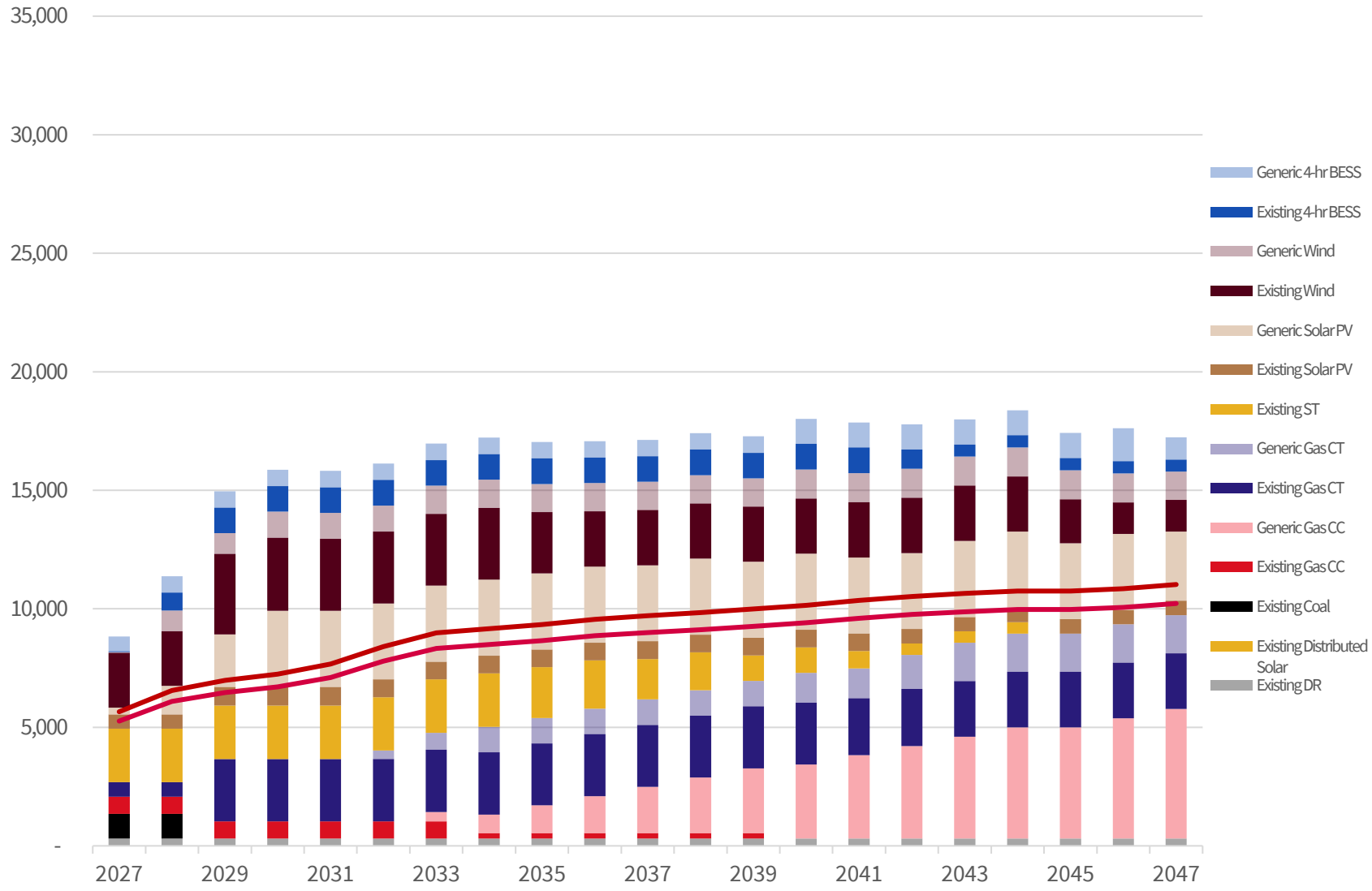
LOW GAS SENSITIVITY

BASE PORTFOLIO WITH LOW GAS PRICES

PRELIMINARY RESULTS

LOW GAS SENSITIVITY

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

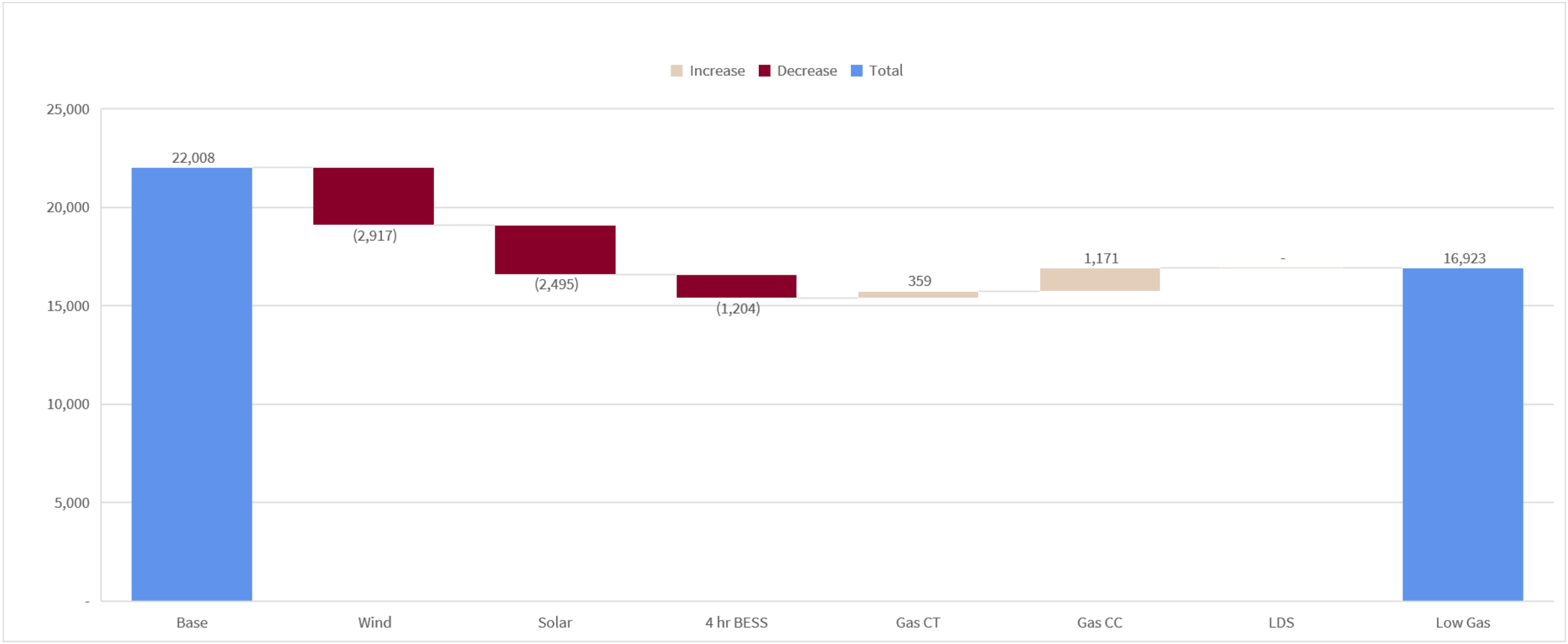
Description:
Solves for Constrained PL. with 50% reduction to gas and energy prices

NPV through 2047 ($M):
$48,985

EUE:
1 MWh / $1K

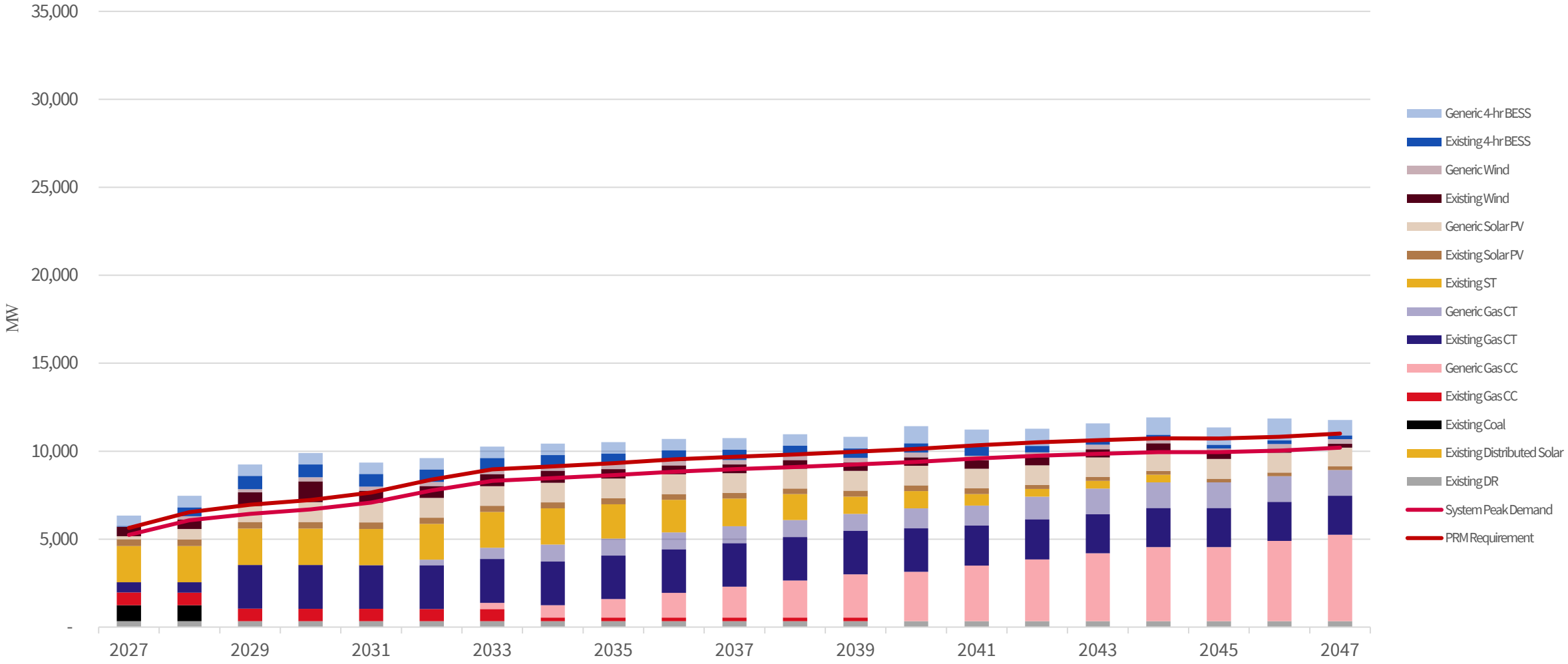
LOW GAS: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Low Gas

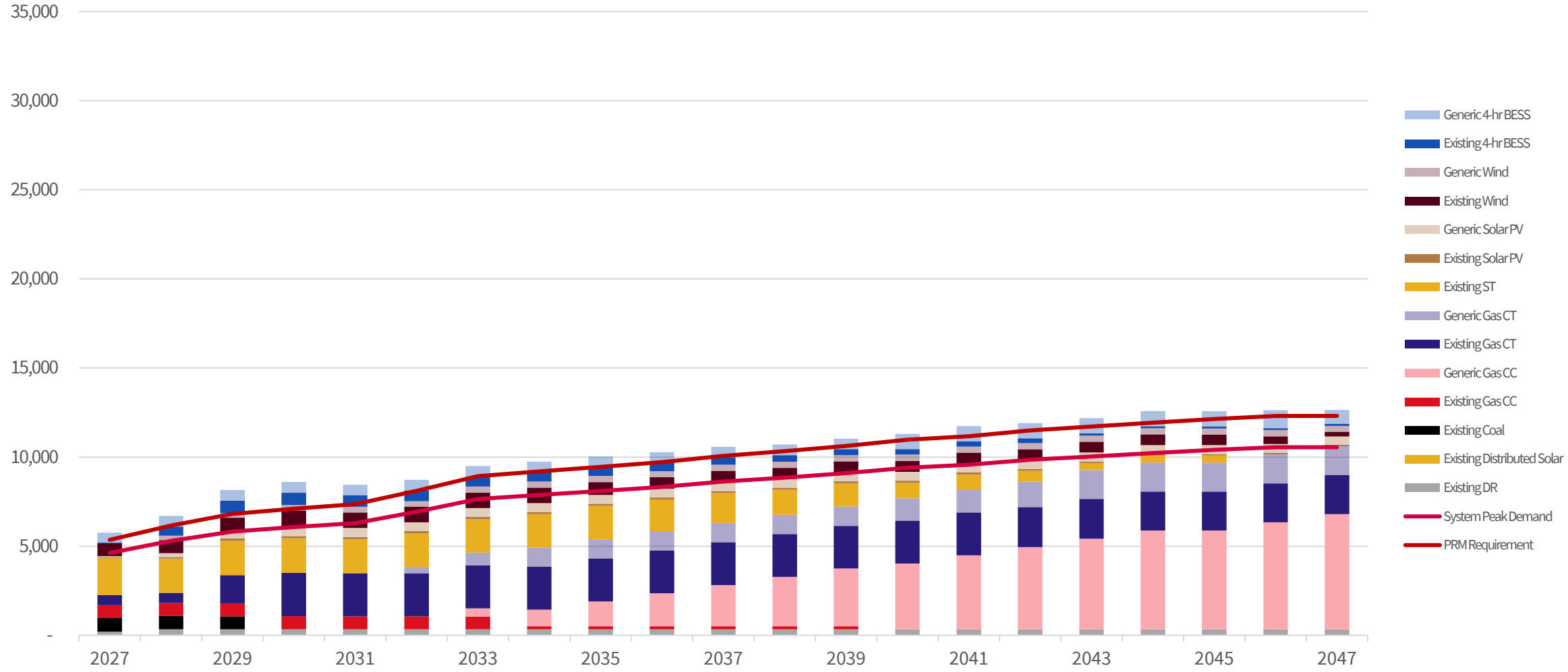


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Low Gas



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

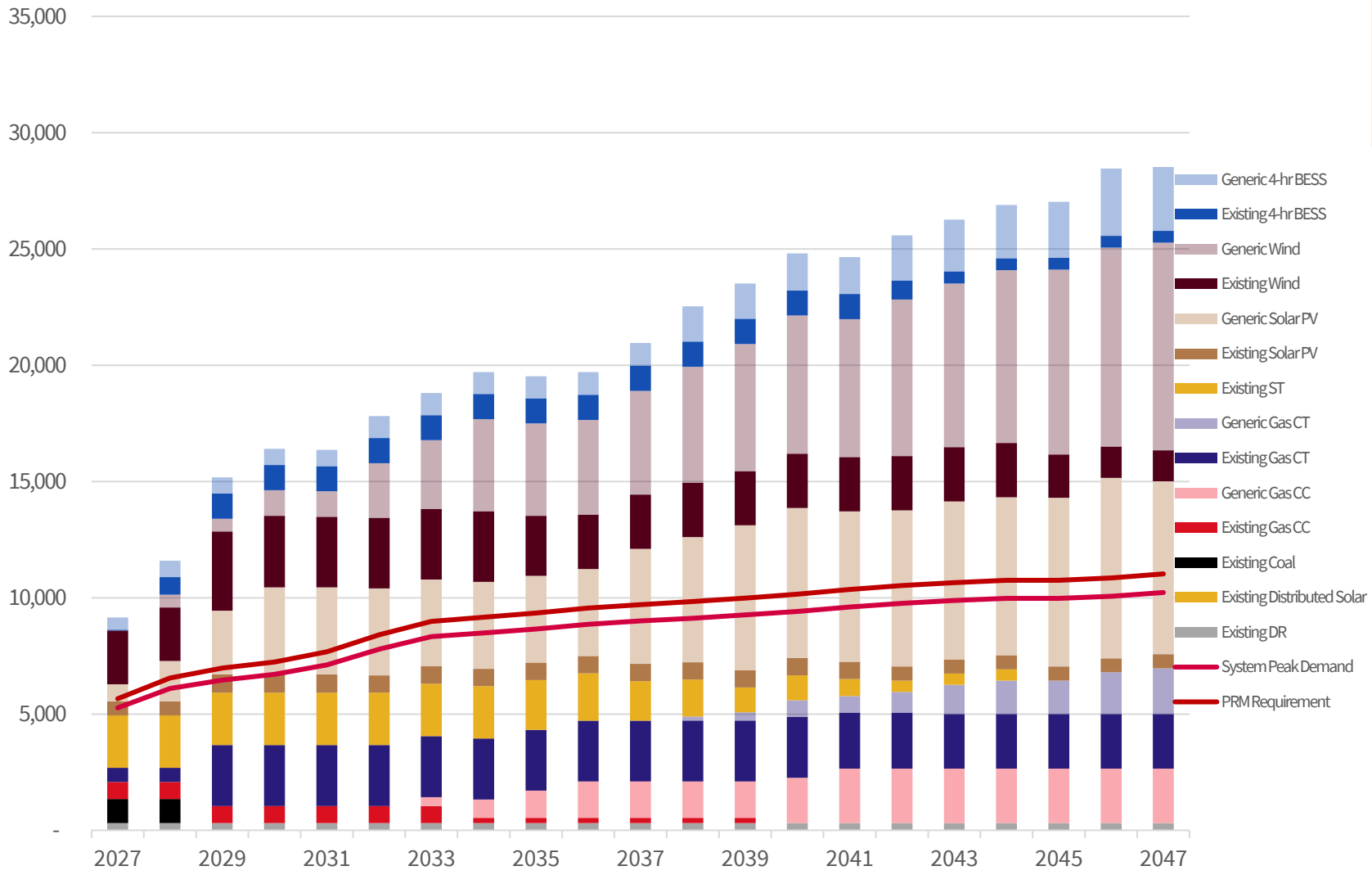
HIGH GAS SENSITIVITY

BASE PORTFOLIO WITH HIGH GAS PRICES

PRELIMINARY RESULTS

HIGH GAS SENSITIVITY

Nameplate Additions through 2047



Forecast Assumption:
2026 V1 Constrained Planning Forecast

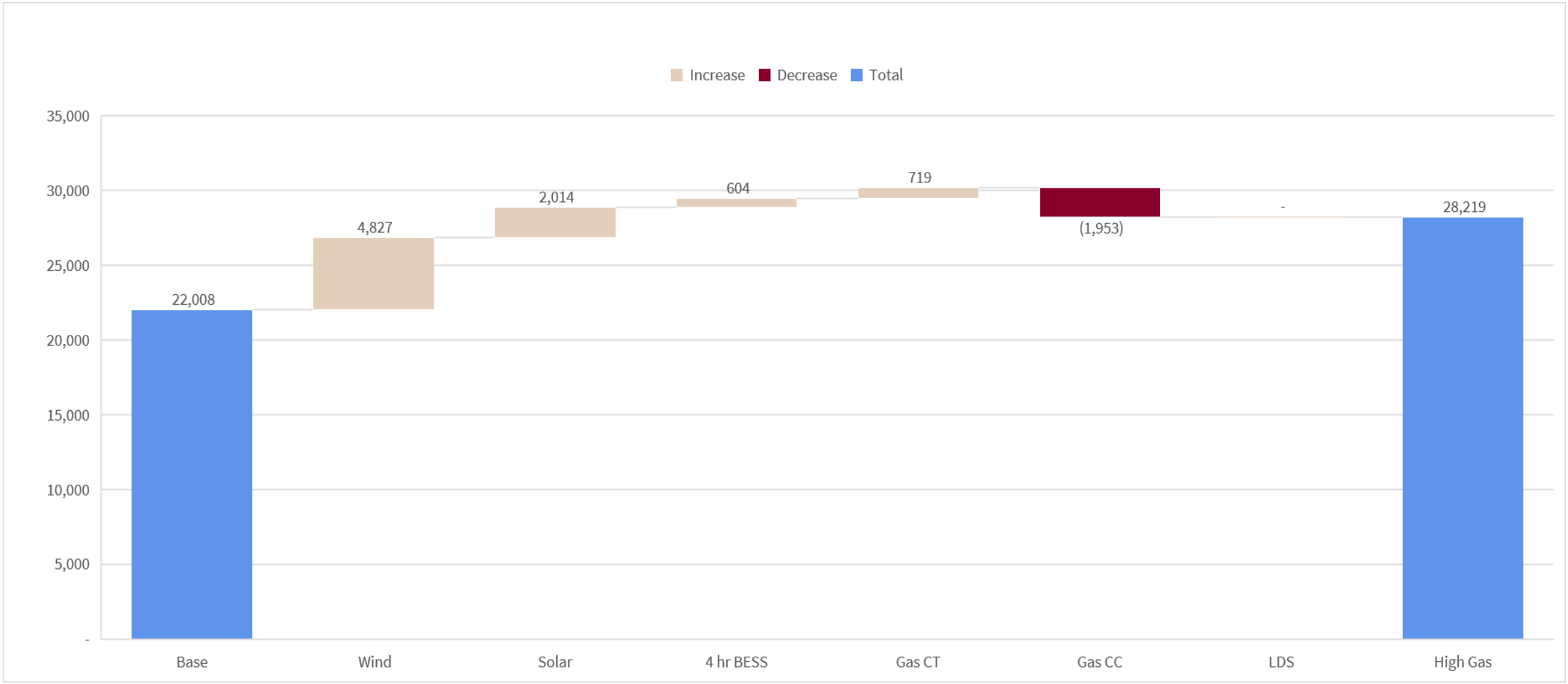
Description:
Solves for Constrained PL. with 50% increase to gas and energy prices

NPV through 2047 ($M):
$51,857

EUE:
7,709 MWh / $8M

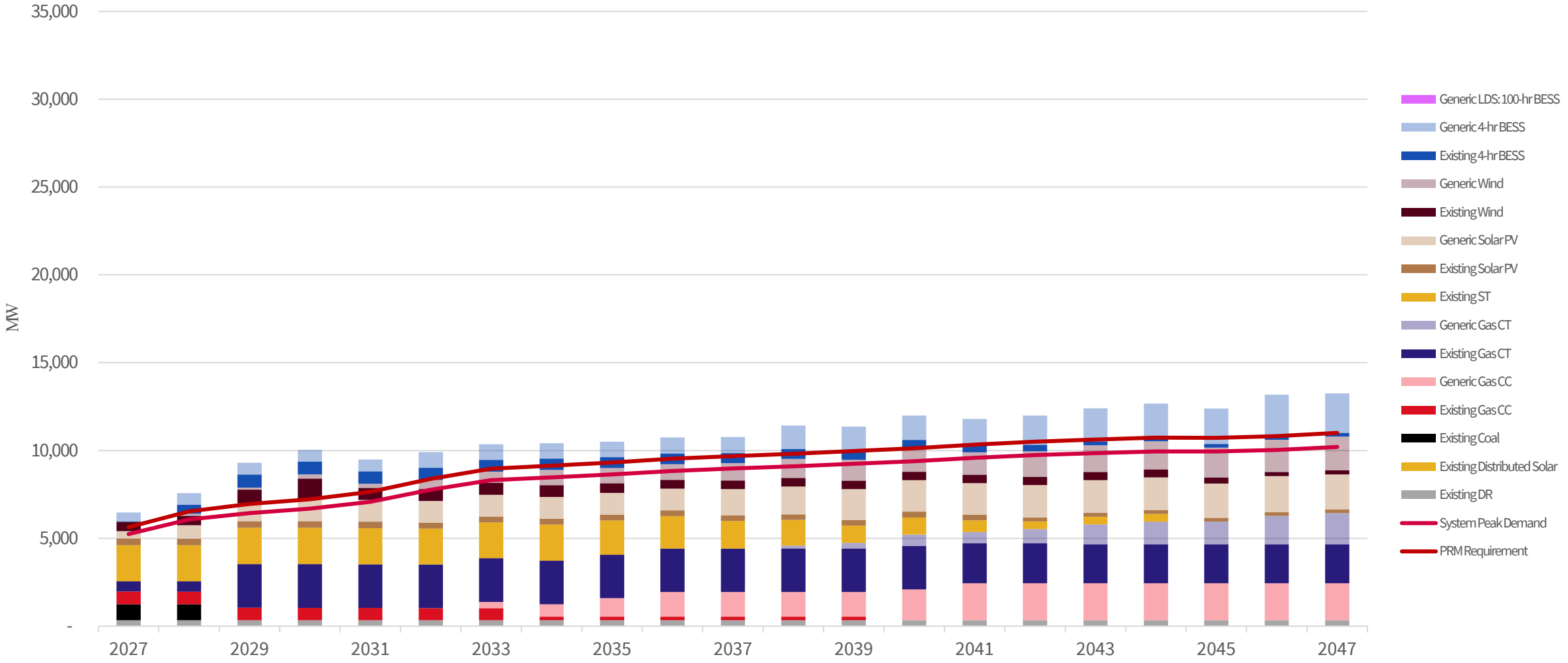
HIGH GAS: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

High Gas

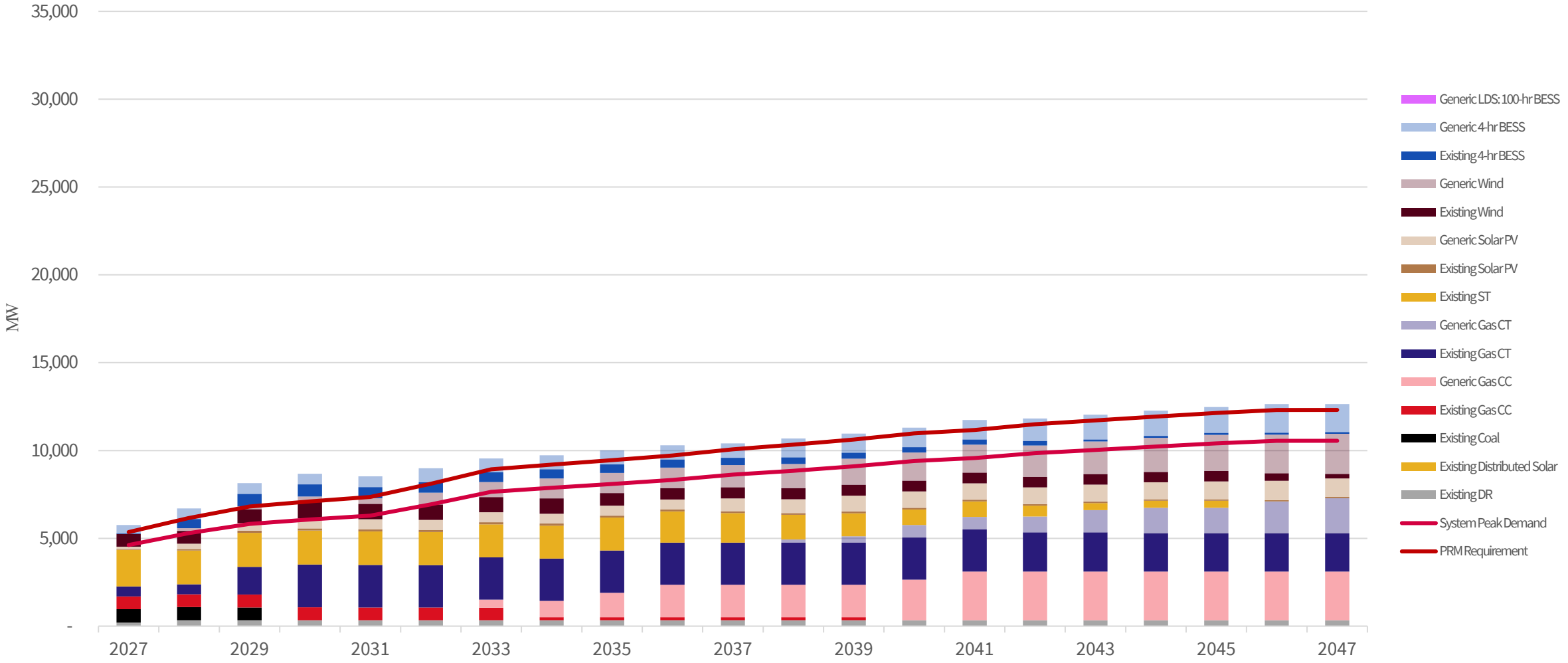


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

High Gas



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

EXISTING RESOURCE CHANGES

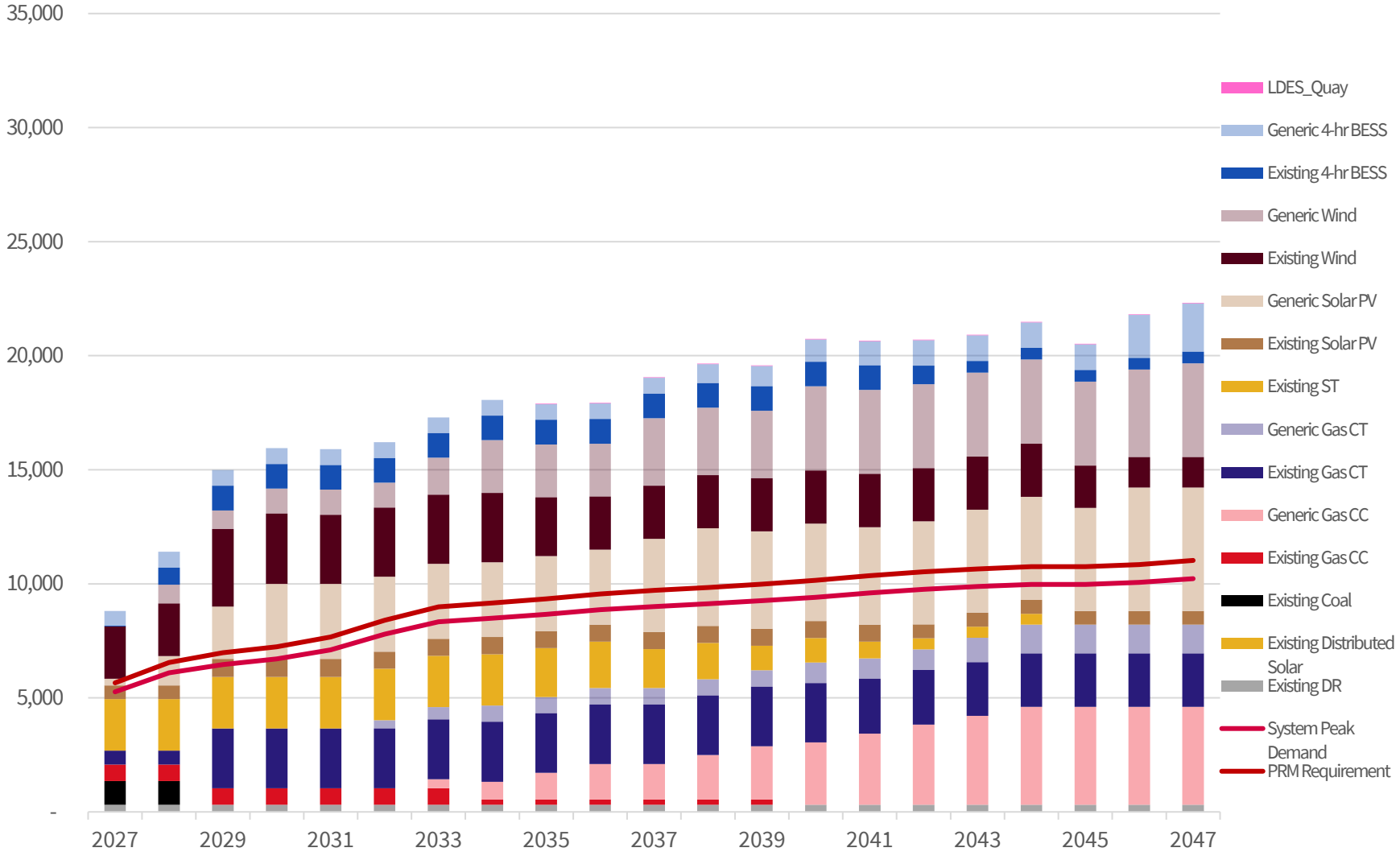
QUAY CO. 100-HR LDES

BASE PORTFOLIO WITH REPLACEMENT OF QUAY CO. OIL CT FOR 100-HR LDES

PRELIMINARY RESULTS

REPLACE QUAY CO. WITH 100-HR LDES

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

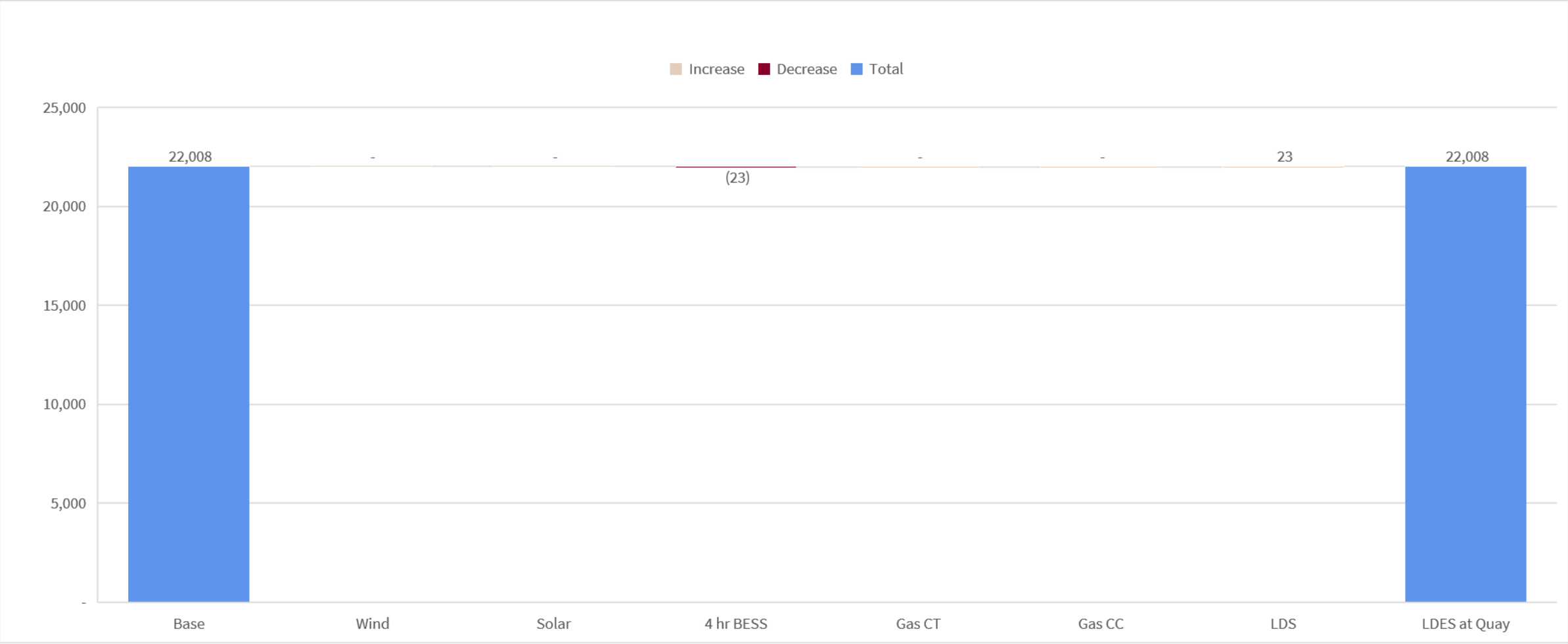
Description:
Solves for Constrained PL. When Quay CT retires, 100 Hr. LDS is forced in at the POI.

NPV through 2047 ($M):
$50,586

EUE:
0 MWh

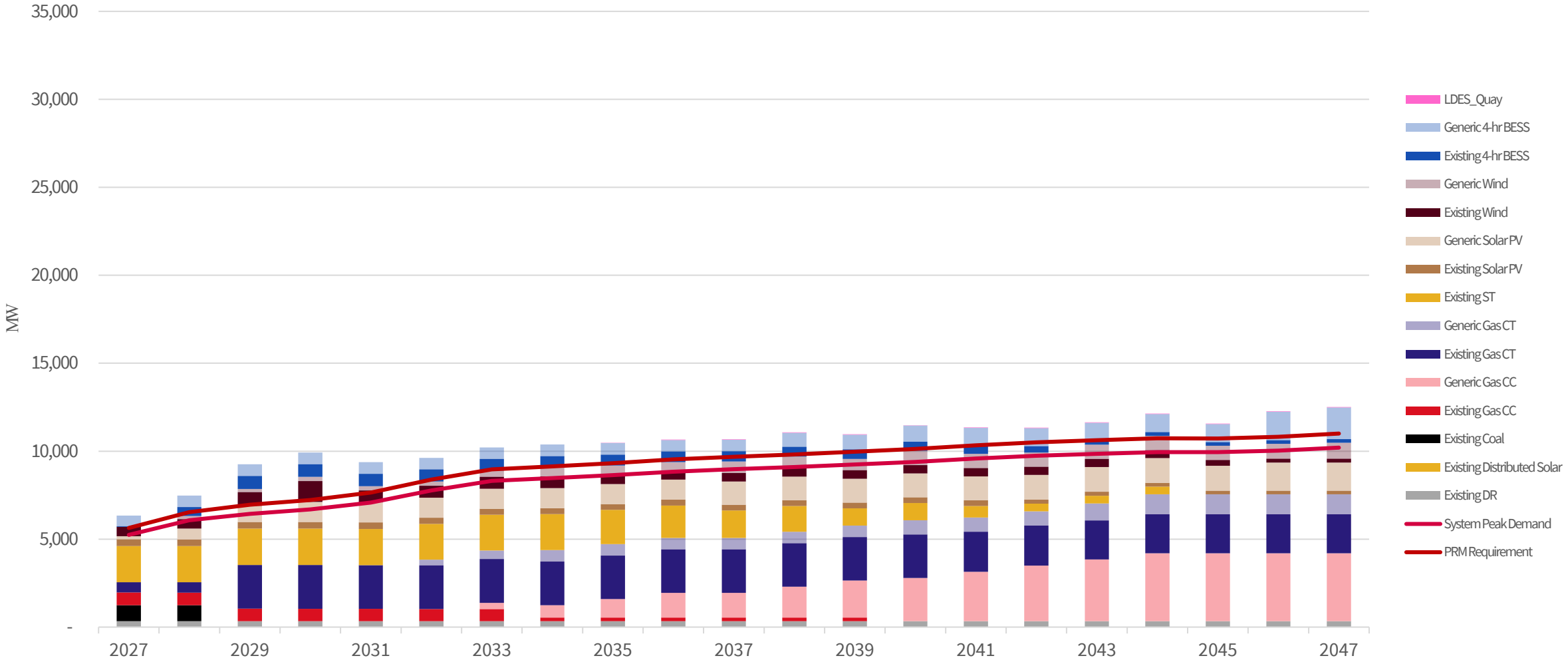
REPLACE QUAY WITH 100-HR LDES: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Replace Quay with 100-hr LDES

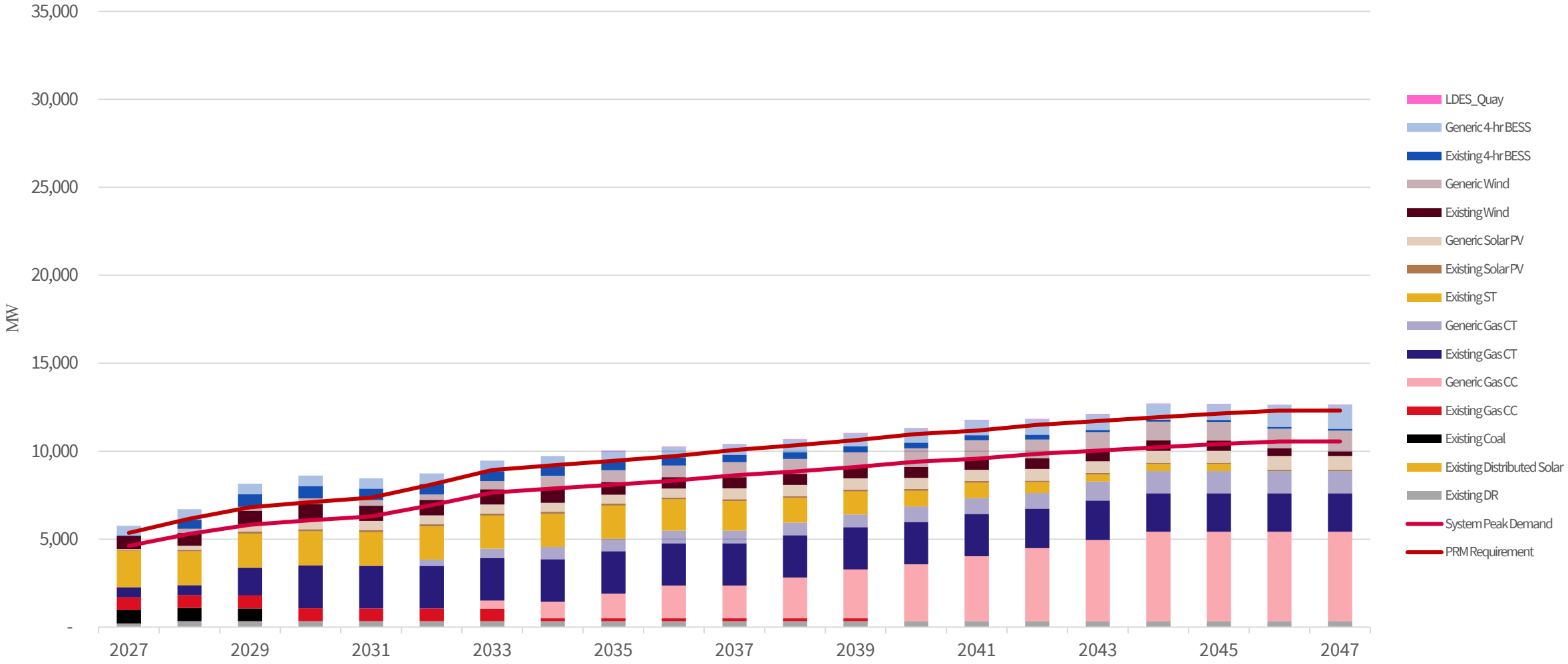


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Replace Quay with 100-hr LDES



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

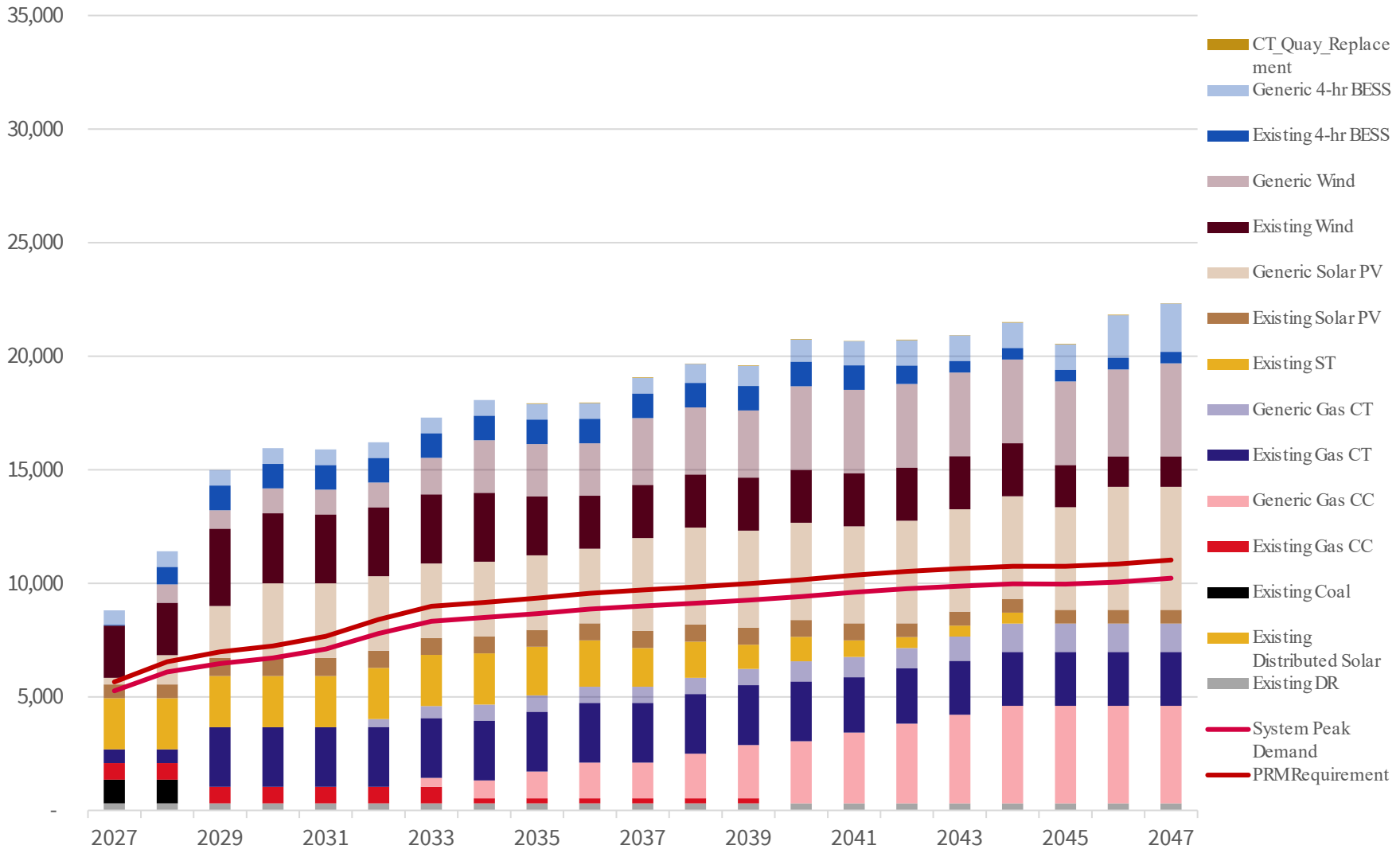
REPLACE QUAY CO. WITH CT

BASE PORTFOLIO WITH REPLACEMENT OF QUAY CO. OIL CT FOR GAS CT

PRELIMINARY RESULTS

REPLACE QUAY CO. WITH CT

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

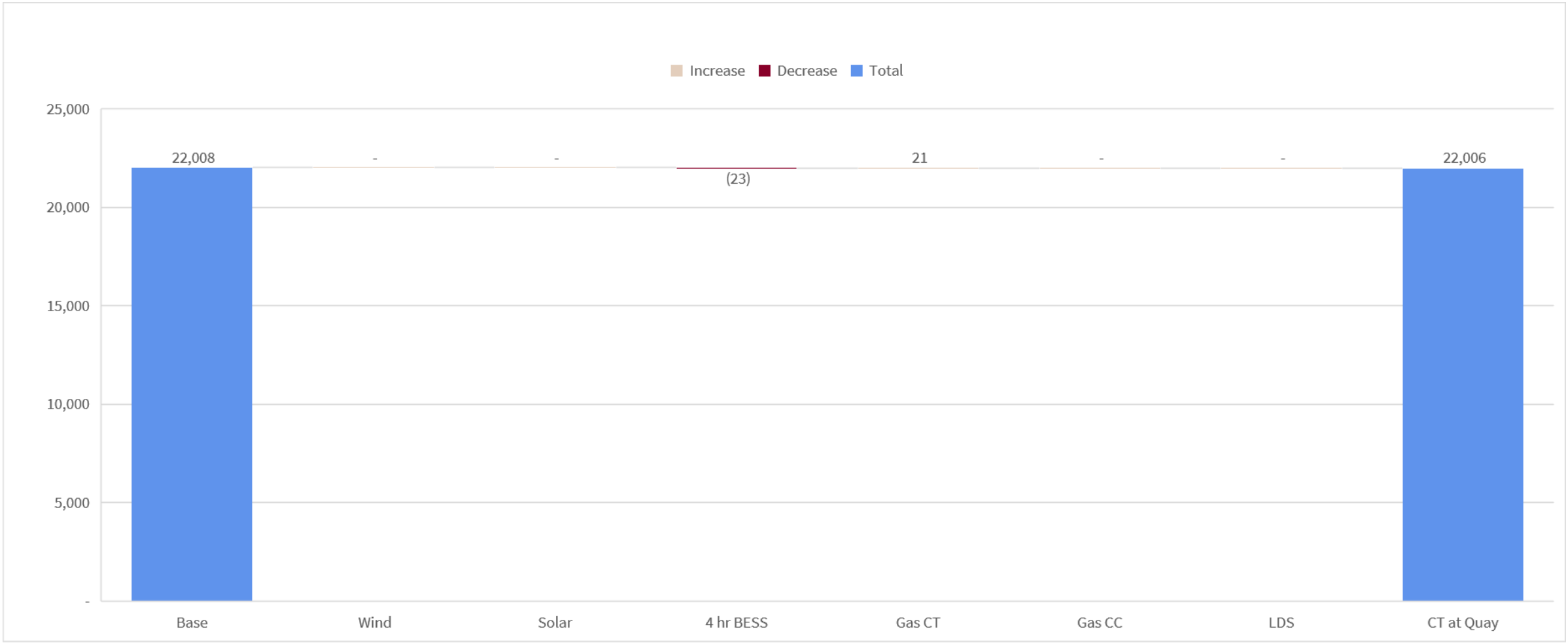
Description:
Solves for Constrained PL. When Quay CT retires, a gas CT is forced in at the POI.

NPV through 2047 ($M):
$50,585

EUE:
1 MWh / $1K

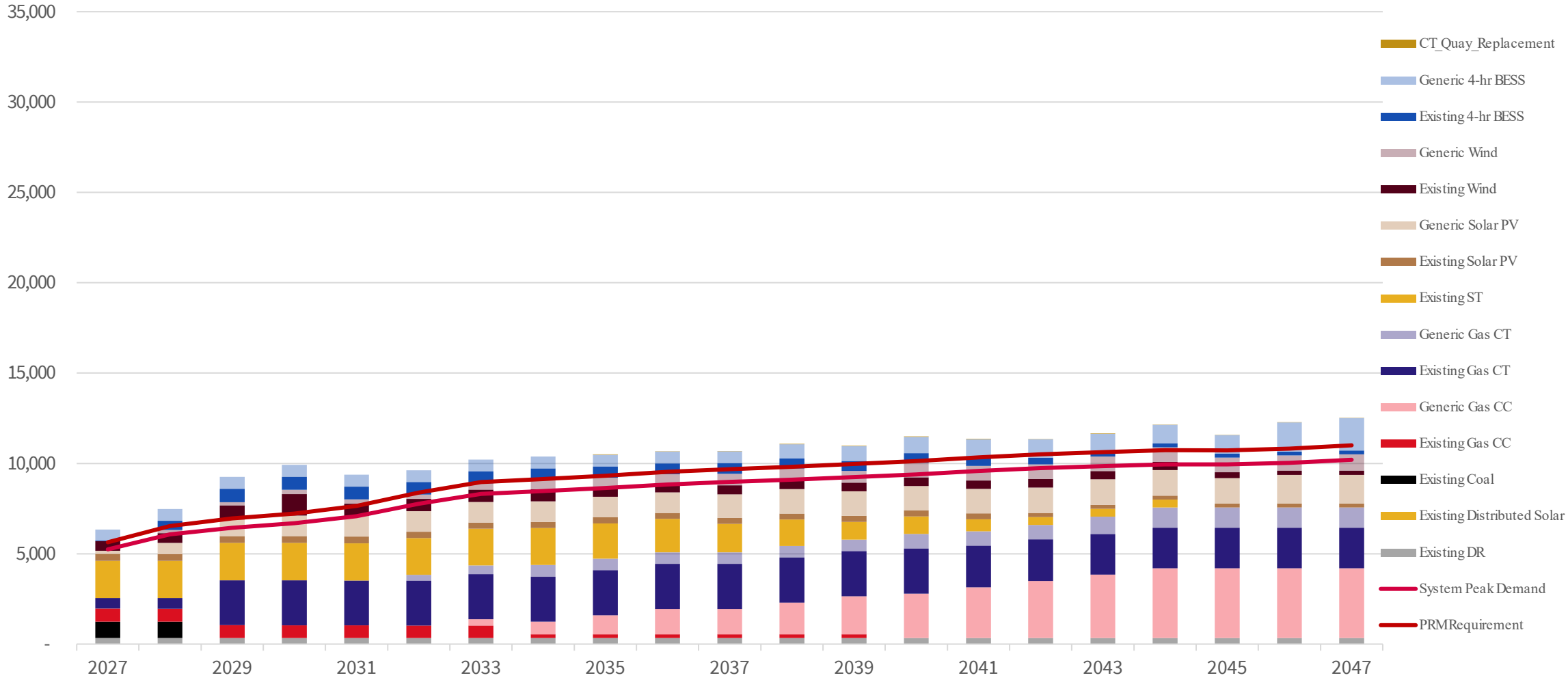
REPLACE QUAY WITH CT: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Replace Quay with CT

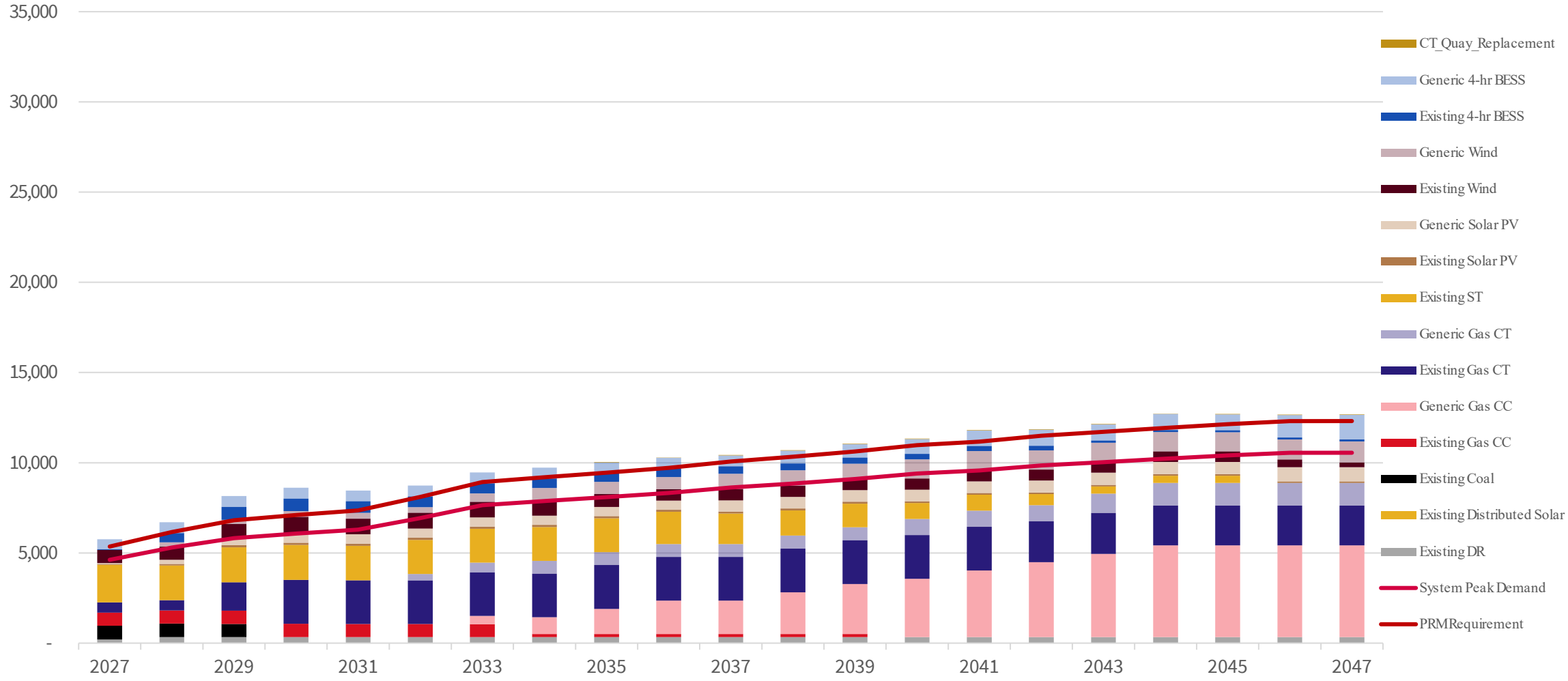


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Replace Quay with CT



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

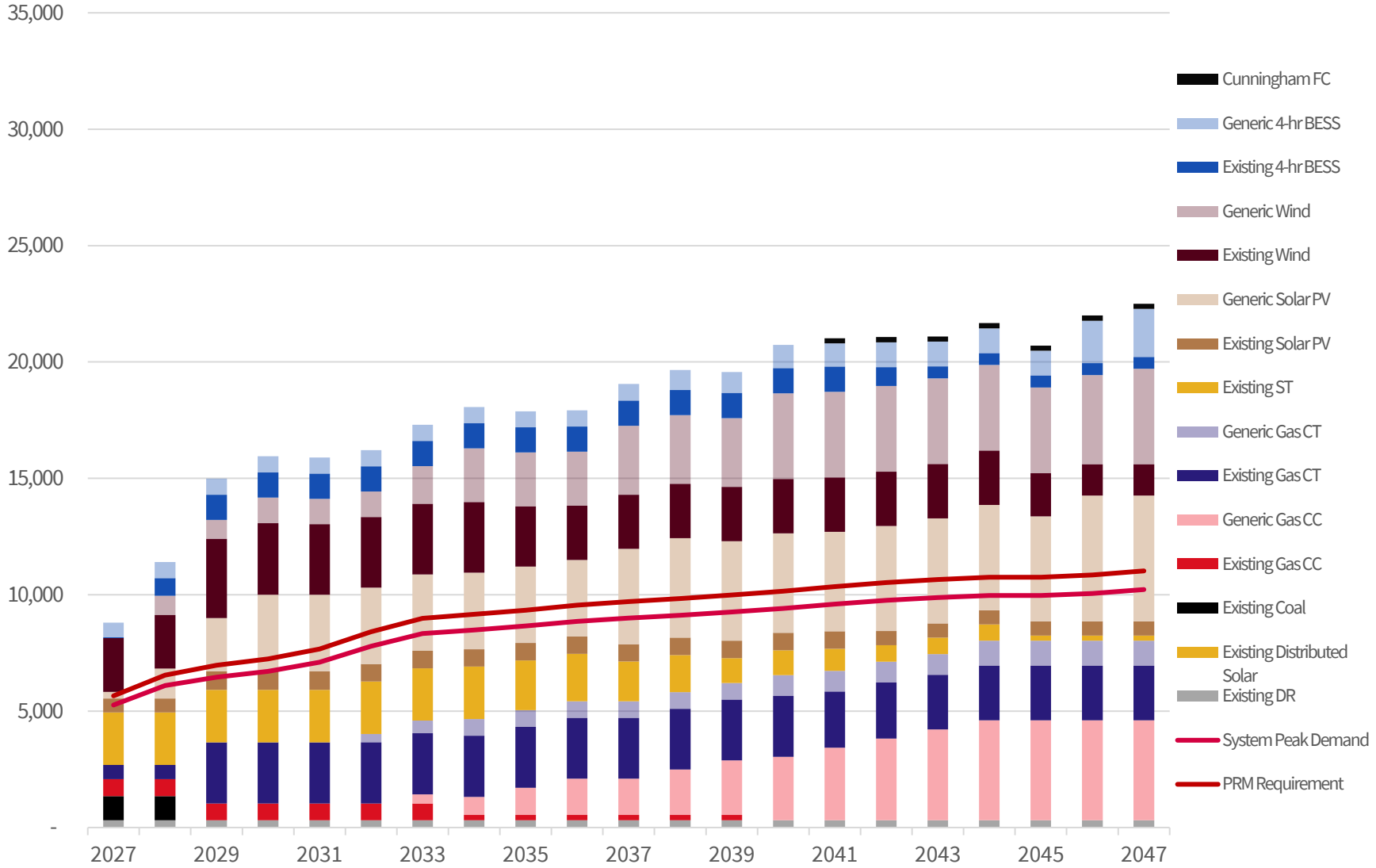
REPLACE CUNNINGHAM 3&4 WITH FUEL CELLS

BASE PORTFOLIO WITH REPLACEMENT OF GAS UNITS 3&4 AT CUNNINGHAM WITH FUELL CELLS

PRELIMINARY RESULTS

REPLACE CUNNINGHAM 3&4 WITH FUEL CELLS

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

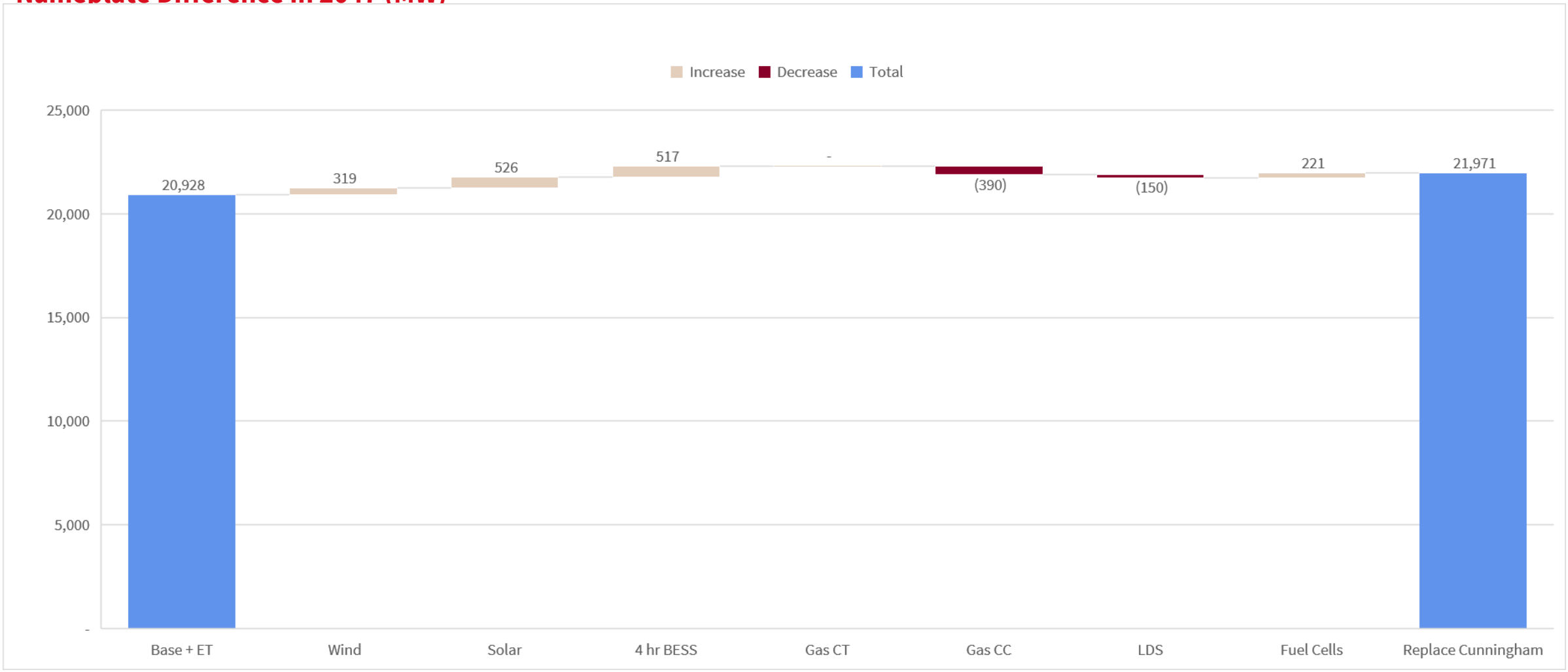
Description and/or Limits:
Solves for Constrained PL. When Cunningham CTs retire, Fuel Cells are forced in at the POI.

NPV through 2047 ($M):
$50,703

EUE:
0 MWh

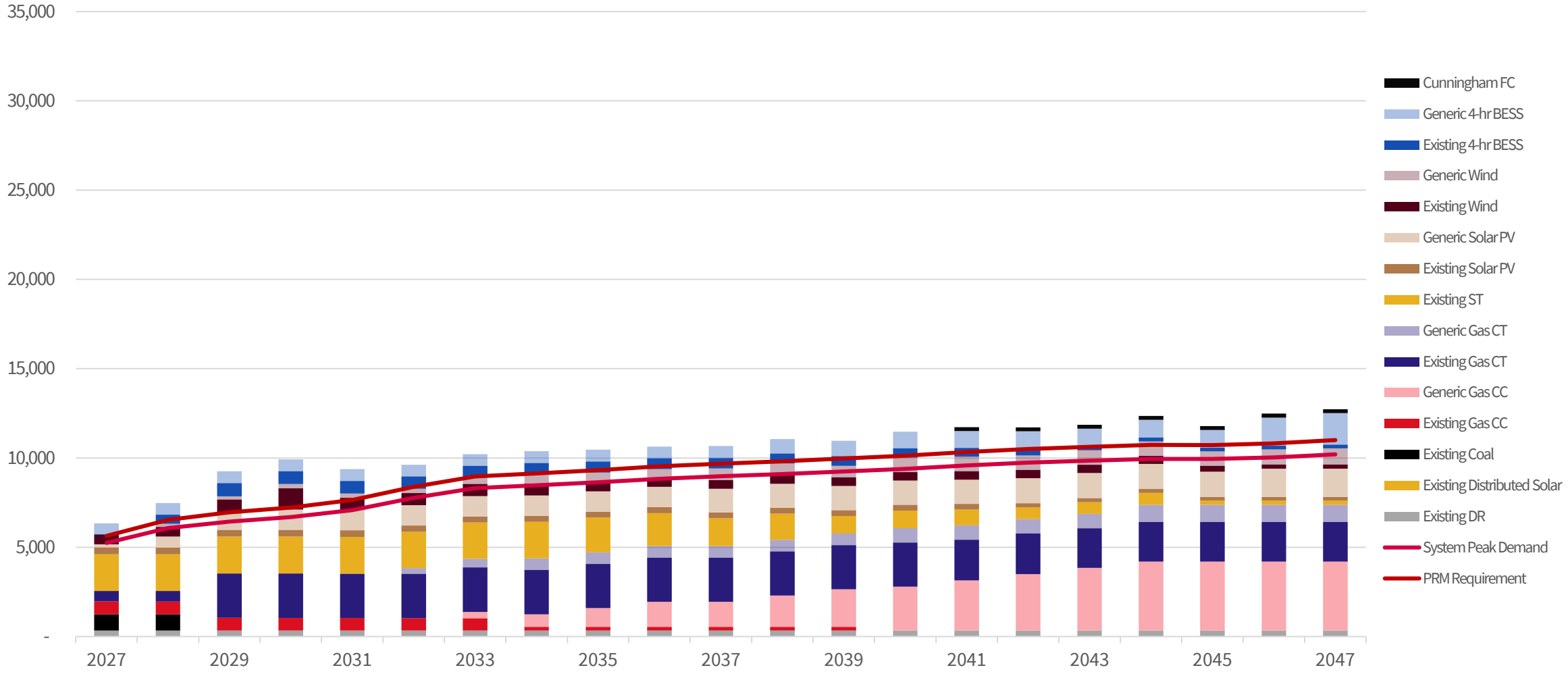
REPLACE CUNNINGHAM WITH FUEL CELLS: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Replace Cunningham 3&4 with Fuel Cells

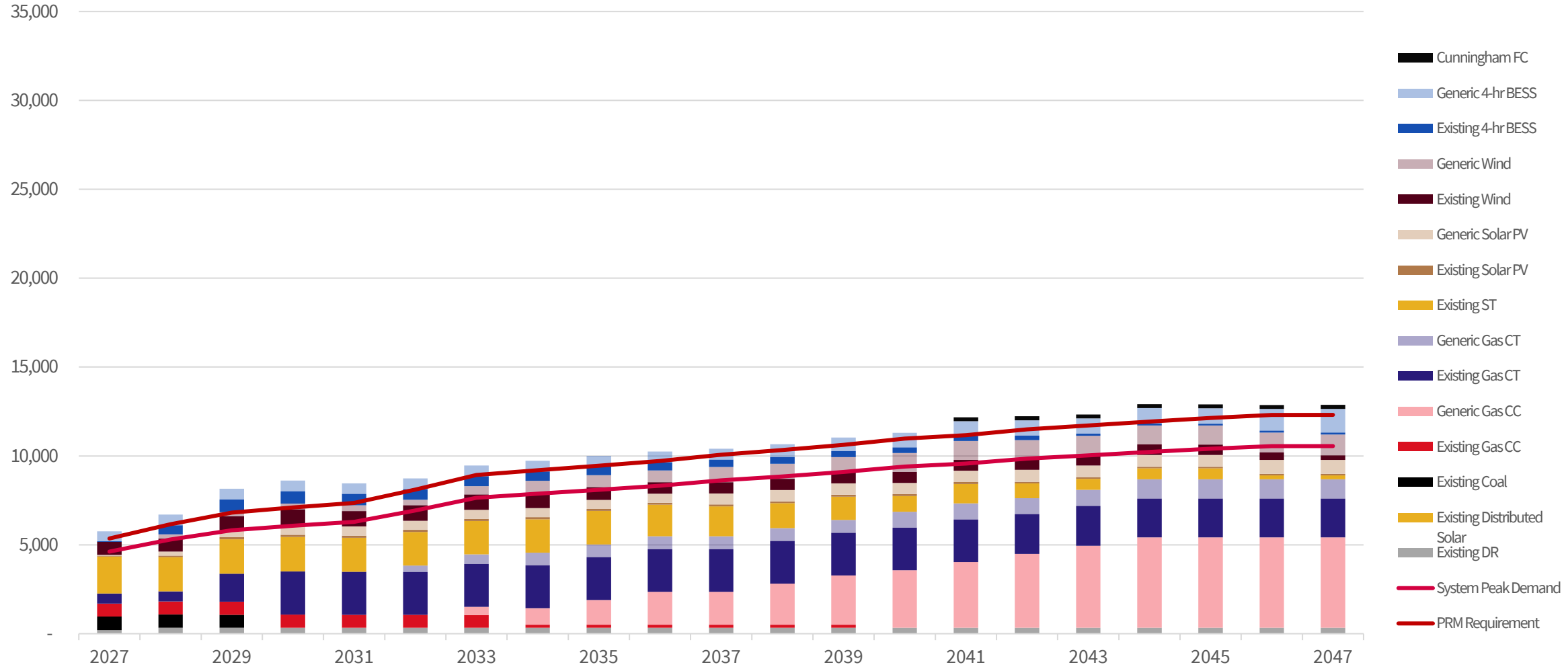


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Replace Cunningham 3&4 with Fuel Cells



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

DATA CENTER SCENARIOS

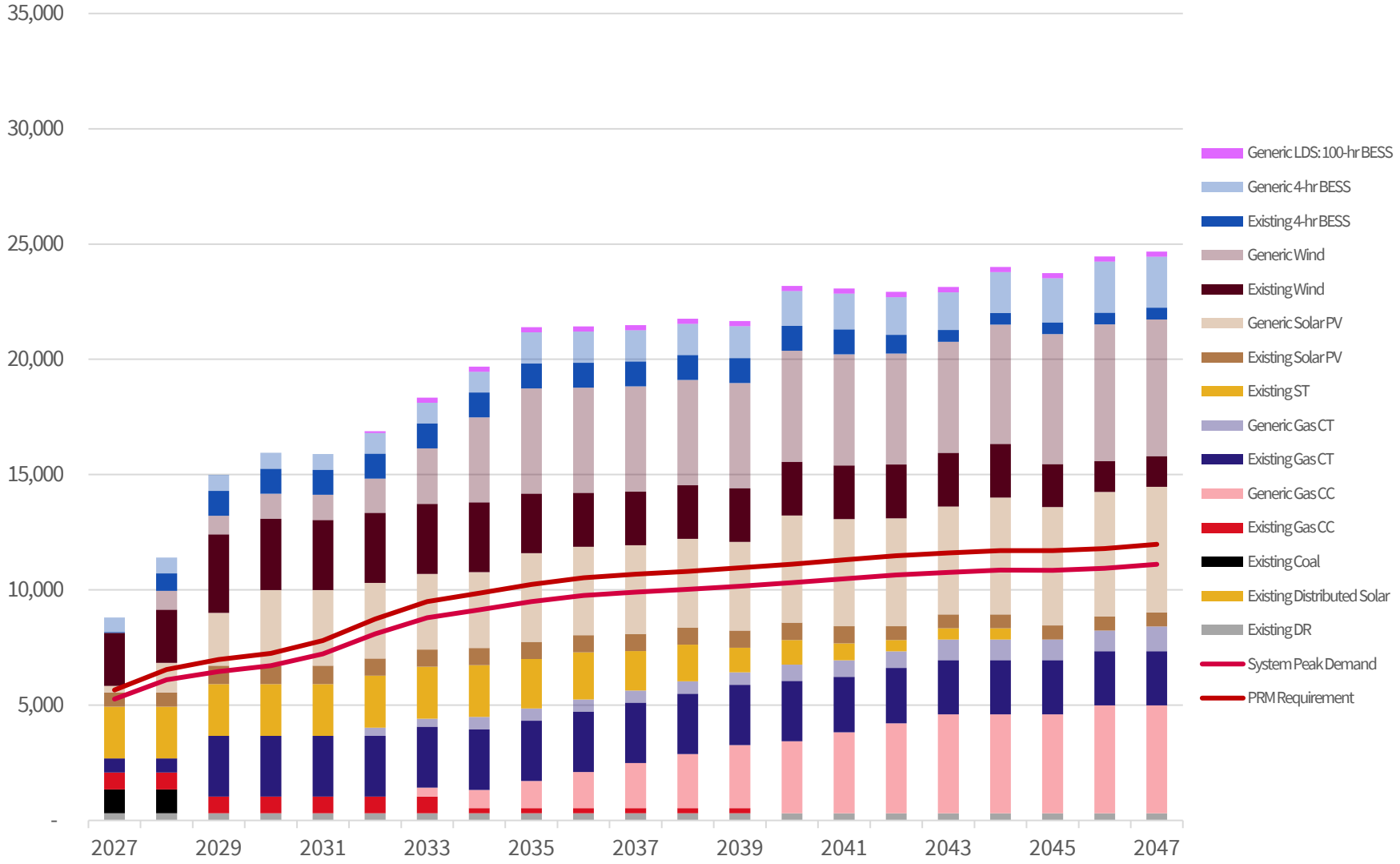
DATA CENTER IN NEW MEXICO

BASE PORTFOLIO WITH 1GW INCREMENTAL DATA CENTER LOAD SERVED BY CARBON FREE RESOURCES

PRELIMINARY RESULTS

DATA CENTER IN NEW MEXICO

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

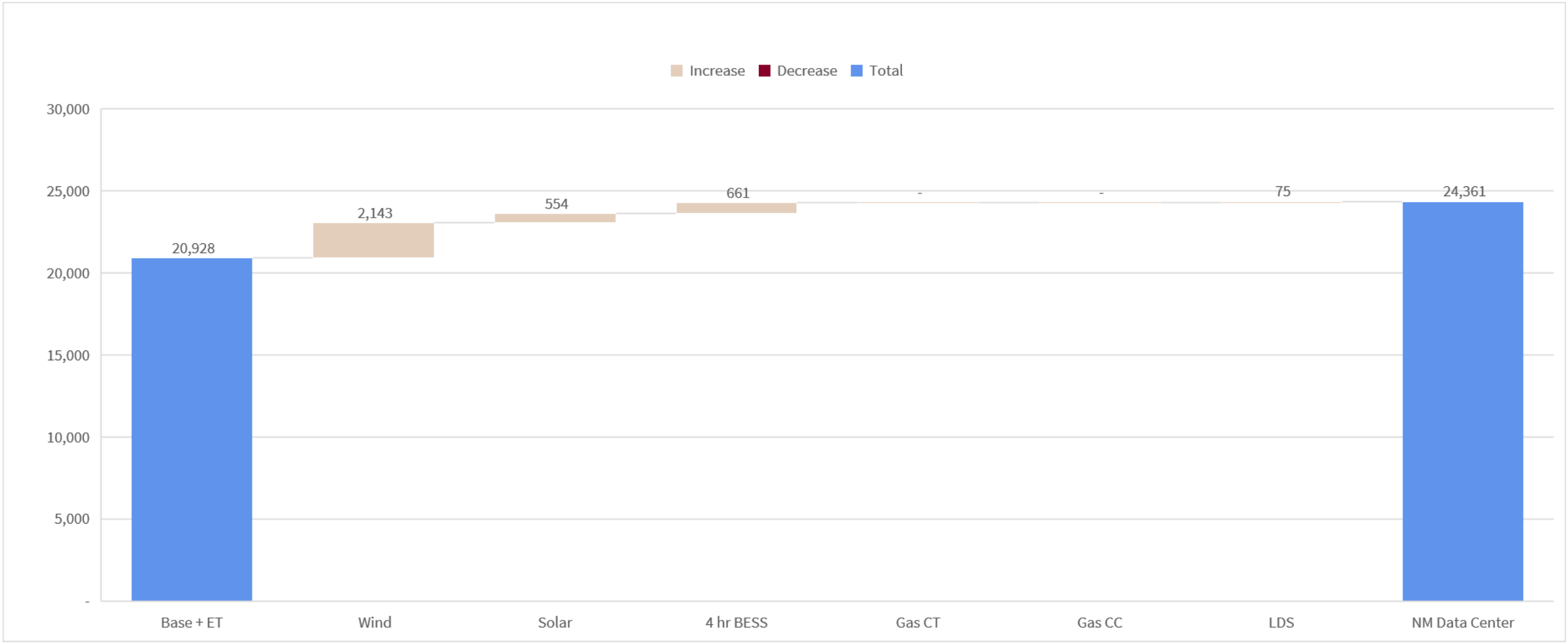
Description and/or Limits:
Incrementally solves for 1 GW Data Center (No CO2 resources selectable to meet DC load).

NPV through 2047 ($M):
$55,178

EUE:
0 MWh

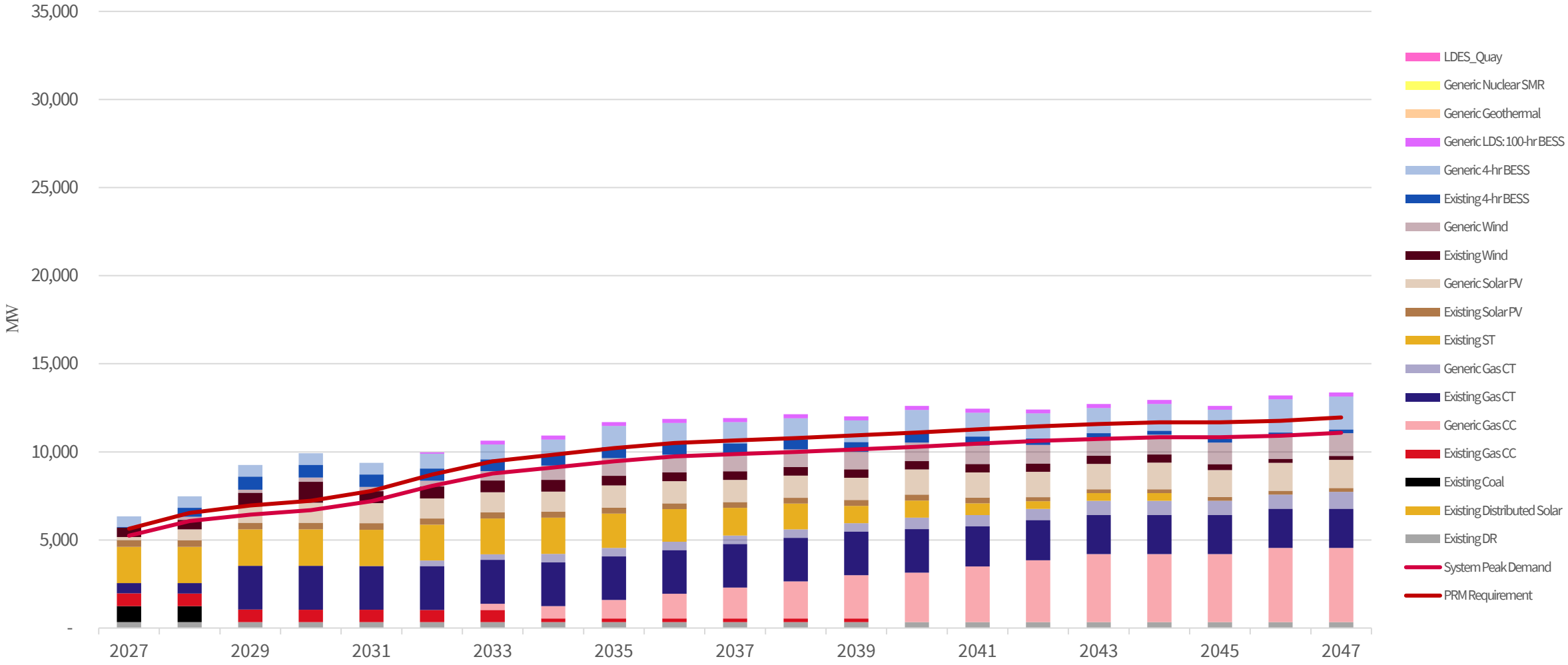
1 GW DATA CENTER IN NEW MEXICO : CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Data Center in New Mexico

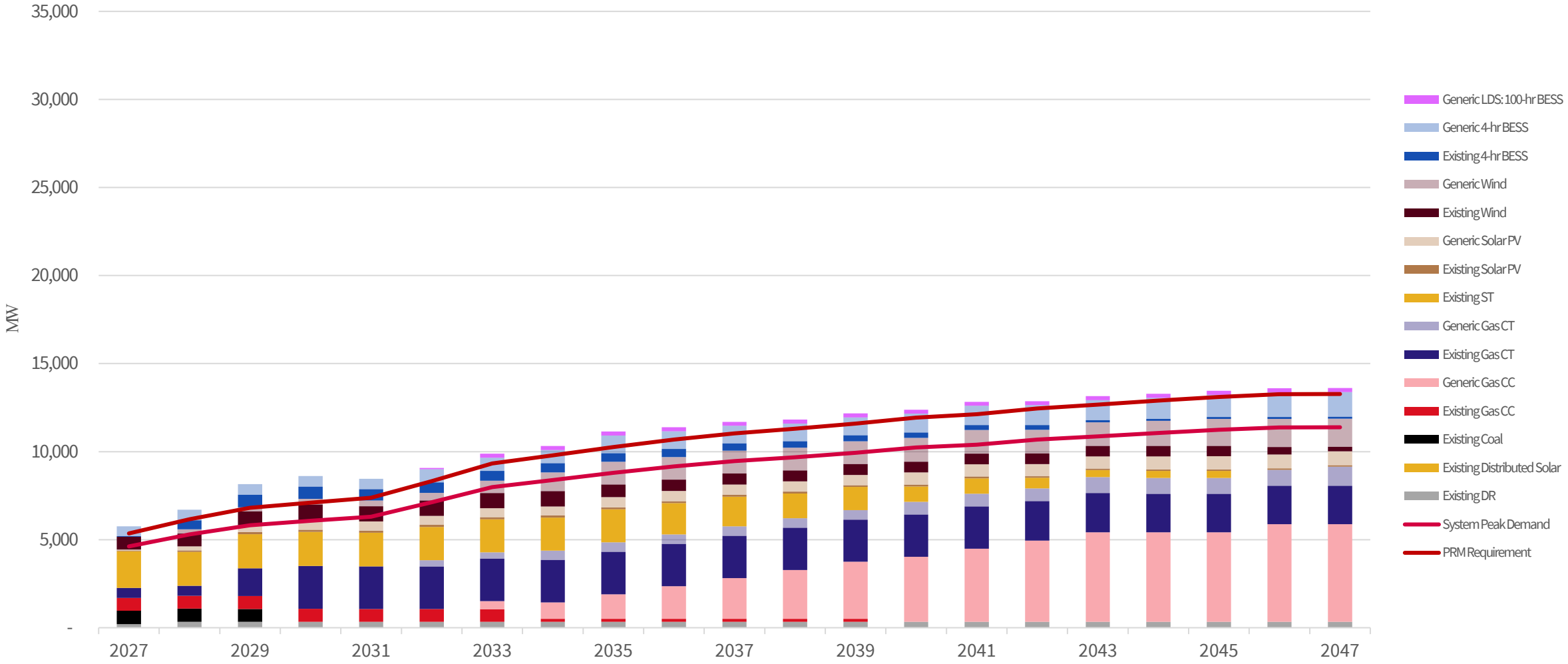


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Data Center in New Mexico



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

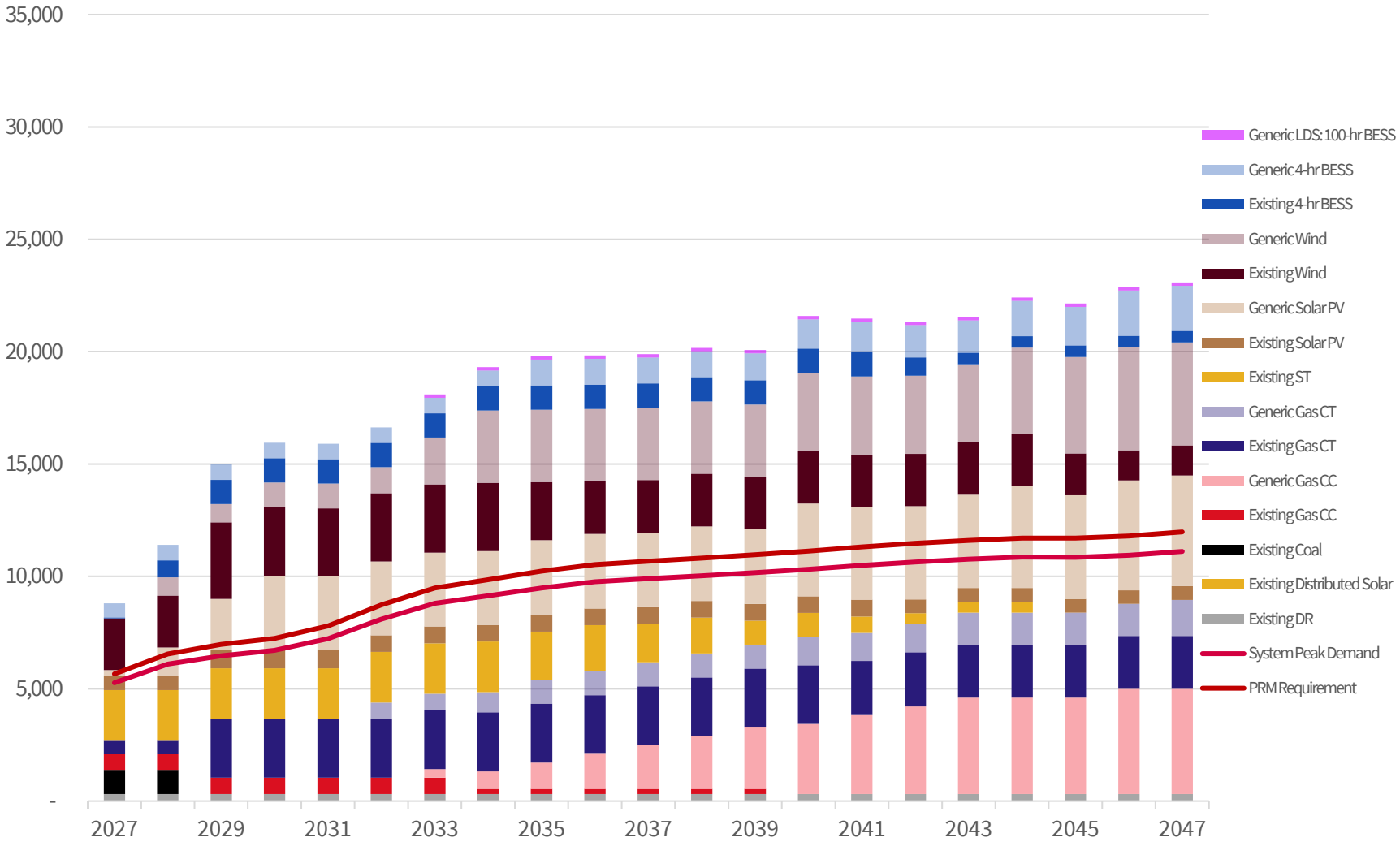
DATA CENTER IN TEXAS

BASE PORTFOLIO WITH 1GW INCREMENTAL DATA CENTER LOAD SERVED BY ALL RESOURCES

PRELIMINARY RESULTS

DATA CENTER IN TEXAS

Nameplate through 2047 (MW)



Forecast Assumption:
2026 V1 Constrained Planning Forecast

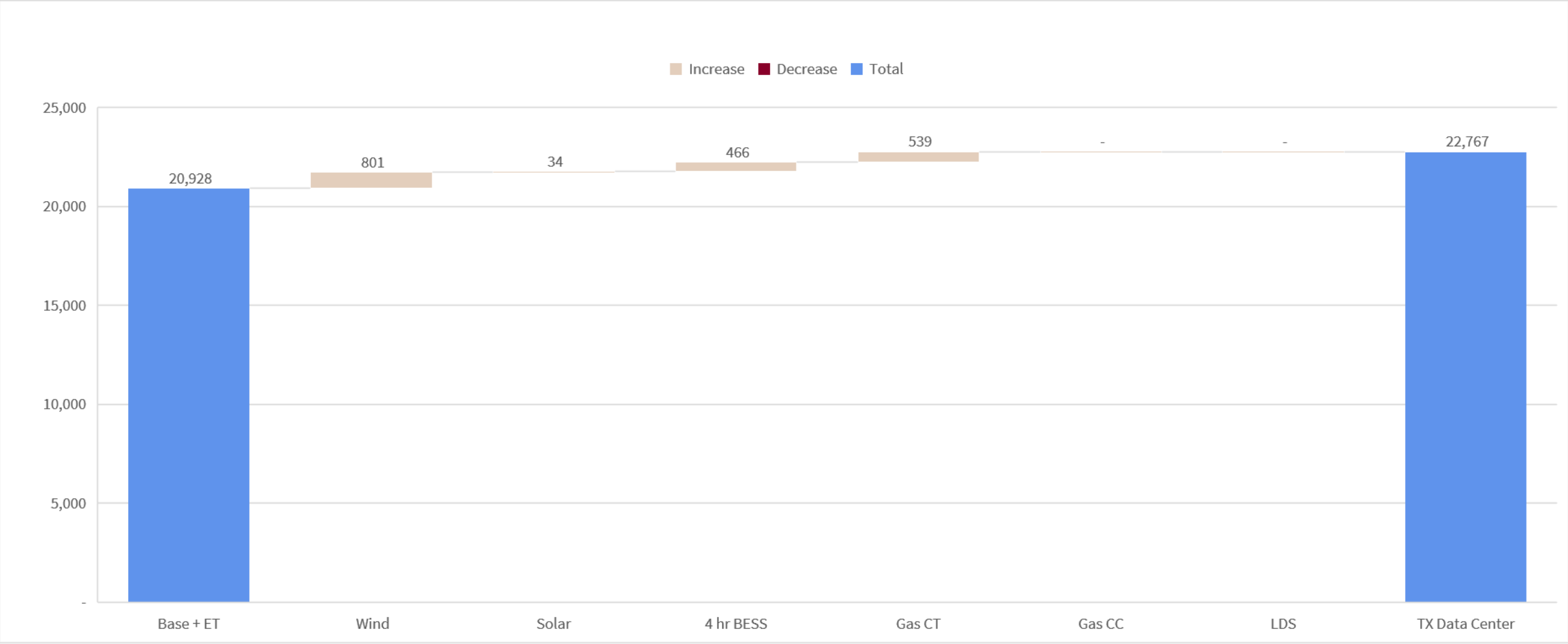
Description and/or Limits:
Incrementally solves for 1 GW Data Center. All resources available.

NPV through 2047 ($M):
$55,257

EUE:
464 MWh / $615K

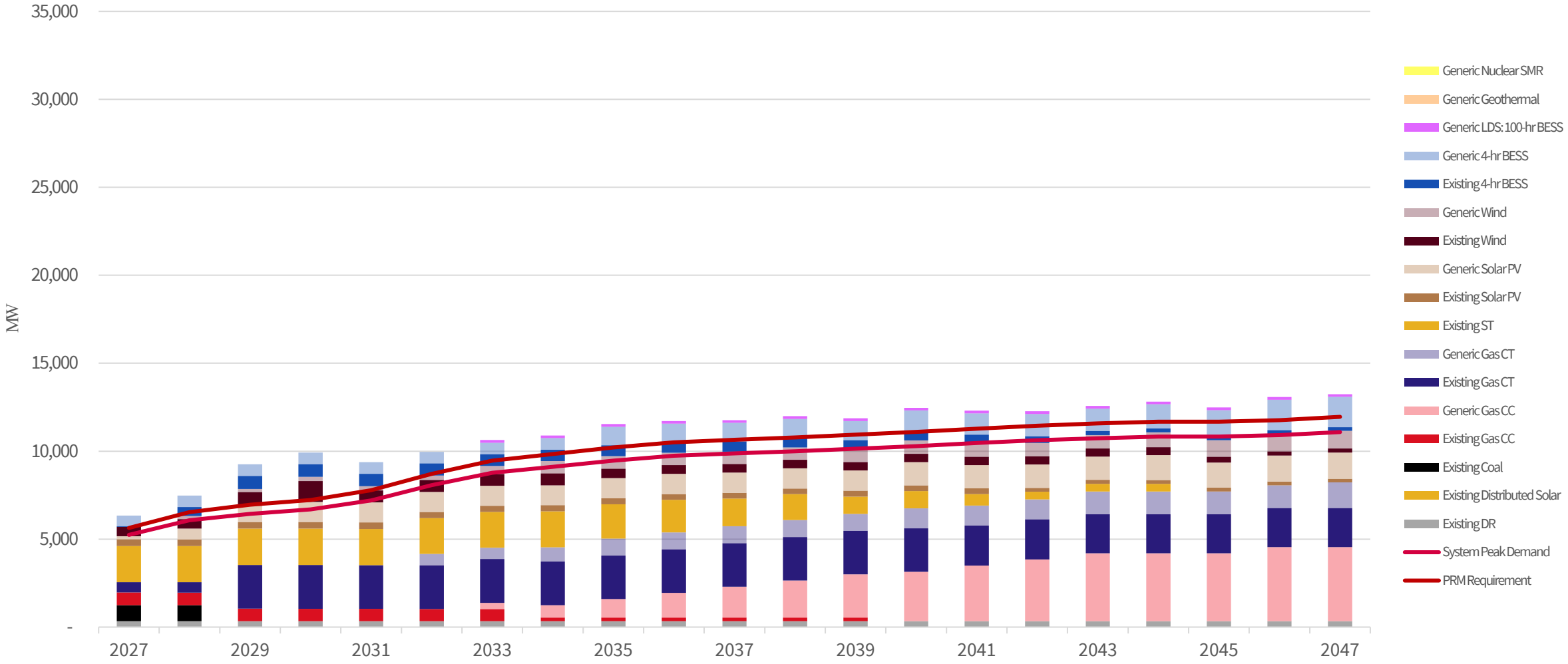
1 GW DATA CENTER IN TEXAS: CAPACITY DIFFERENCE IN 2047 FROM BASE

Nameplate Difference in 2047 (MW)



SUMMER ACCREDITED CAPACITY (MW)

Data Center in Texas

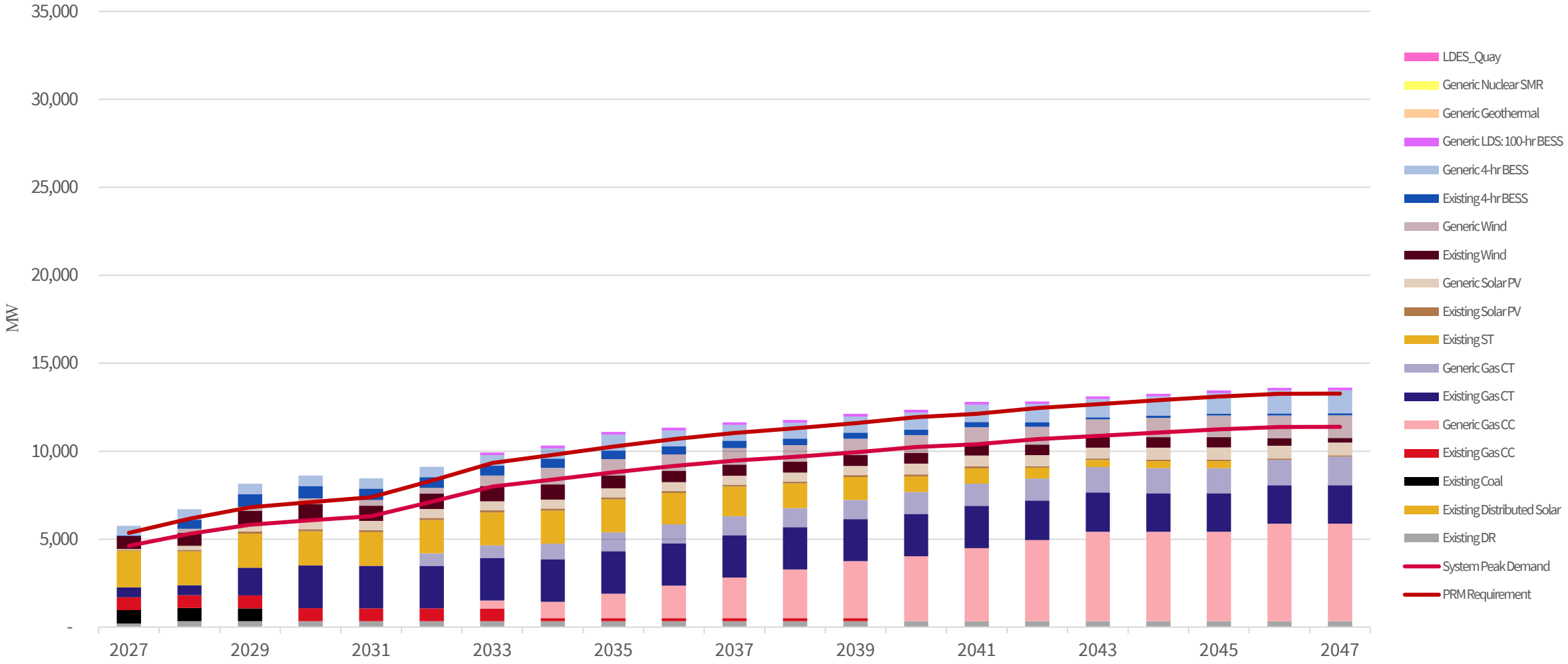


Preliminary Results. Subject to change.

*Distributed Solar is approximately 100 MW.

WINTER ACCREDITED CAPACITY (MW)

Data Center in Texas



Preliminary Results. Subject to change. *Distributed Solar is approximately 100 MW.

QUESTIONS?