

## **GRIDWORKS 2026 SPS IRP STAKEHOLDER WORKING GROUP**

### **NEW MEXICO LARGE CUSTOMER GROUP'S COMMENTS ON DRAFT IRP STATEMENT OF NEED AND ACTION PLAN**

The New Mexico Large Customer Group (“NMLCG”) provides these Comments on Southwestern Public Service Company’s (“SPS” or “Company”) Draft 2026 Integrated Resource Plan (“IRP”) Statement of Need and Action Plan.<sup>1</sup>

#### **I. INTRODUCTION**

The NMLCG appreciates the Company and Gridworks’ efforts hosting a productive and robust IRP stakeholder process. Load growth in SPS’s service territory and New Mexico policy pose unique challenges for SPS and its customers. Stakeholder collaboration and transparency are necessary to meet these challenges, ensure reliability, and establish reasonable rates. The NMLCG stands ready to participate in future resource planning efforts and support well-tailored resource acquisitions.

#### **II. NMLCG COMMENTS**

The draft Statement of Need and Action Plan provide a valuable framework for SPS’s future resource procurement but could be improved in a few key respects. Below, the NMLCG provides four recommendations to improve this IRP and the IRP process going forward. The NMLCG is actively developing its position on the IRP and reserves the right to refine its position after the Company files the IRP with the New Mexico Public Regulation Commission (“Commission”) and in future SPS resource planning forums.

##### **A. The Statement of Need should provide greater transparency regarding load forecasts and data center large load interconnection requests.**

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<sup>1</sup> SPS 2026 IRP Statement of Need and Action Plan Components, Draft – for Stakeholder Discussion (Aug. 26, 2026) (“IRP Draft”).

The Statement of Need does not provide sufficient transparency for the NMLCG to confidently comment on or support the Company’s data center load forecast. Data centers “account for more than half of the large load additions through 2030,”<sup>2</sup> and therefore drive significant resource needs and acquisitions. It is critical that the Company (1) define the methodology SPS utilizes to consider large load requests in the planning forecast; and (2) provide expected materialization rates, load ramp schedules, and pending large load interconnection requests.

**1. The Company’s data center load forecast methodologies are vague.**

Questions regarding SPS’s treatment of data center load requests remain. The SPS data center load forecast considers both known requests and—through a “probability distribution” methodology—additional unknown loads. But the IRP stakeholder process provided insufficient clarity regarding both methodologies.

First, SPS did not define its criteria to consider a data center load forecast “known.” Are customer agreements or financial commitments required for SPS to consider their requests “known” in the planning forecast? It is the NMLCG’s understanding that SPS does not apply a prescribed process to consider load requests “known,” and instead handles requests on a case-by-case basis. In either instance, stakeholders would benefit from SPS clearly explaining how the Company evaluates and determines which data center load requests to include in the planning forecast.

Second, unknown or future data center loads are included in the planning forecast by introduction of “probability distributions” and “probabilistic load methodolog[ies].”<sup>3</sup> SPS,

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<sup>2</sup> See SPS IRP Workshop 3, SPS Presentation Corrected, Slide 12 (Apr. 30, 2026); *see also* SPS IRP Workshop 3, Load Forecast Discussion Guide (Apr. 30, 2026).

<sup>3</sup> See SPS IRP Workshop 3, SPS Presentation Corrected, Slide 12 (Apr. 30, 2026).

however, did not present details regarding the formulation of the distribution(s), empirical input assumptions, or resulting probabilities as a part of the stakeholder process. While recognizing the importance of customer-specific confidentiality the NMLCG requests more detail regarding these methodologies, and how the Company assigned prospective large loads with materialization rates. The lack of specificity and transparency represents a flaw in the IRP and Statement of Need, and frustrates stakeholders' ability to analyze load forecast accuracy.

**2. SPS should provide greater clarity regarding load forecast methodologies and the Company's interconnection queue.**

The Company should adopt two IRP practices to address this issue. First, SPS should establish—and provide stakeholders with—a more defined large load materialization rate methodology. For example, Nevada Energy provided 2026 IRP stakeholders with a materialization methodology based on objective criteria, including interconnection requests and signed Energy Service Agreements (“ESA”).<sup>4</sup> SPS should establish similar methodologies tailored to the Company's interconnection process and service area.

Second, the Company should provide stakeholders with greater transparency regarding pending interconnection requests. For example, SPS's Xcel Energy affiliate Public Service Company of Colorado (“PSCo”) provided stakeholders with individual forecasted data center loads' (1) probability of interconnection; and (2) forecasted load ramp.<sup>5</sup> A redacted version of PSCo's individualized data center load forecast is attached here as **Exhibit A**. As shown in Exhibit A, PSCo was able to provide valuable customer count and load information while still maintaining confidentiality of customer-specific information. Importantly, PSCo also routinely updated the

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<sup>4</sup> See Nevada Public Utilities Commission, Docket No. 26-05007, Vol. 7 – Narrative Load Forecast, Market Fundamentals, Fuel and Purchase Power Price Forecasts and Technical Appendix, pp. 9-11 (May 6, 2026).

<sup>5</sup> Colorado Public Utilities Commission, Proceeding No. 24A-0442E, PSCo Public Hearing Ex. No. 140 – Large Load Customer Forecast Included in Updated Base Forecast (1) (Jun. 24, 2025).

information provided in Exhibit A as experience has shown that forecasted data center large loads can fluctuate rapidly as utilities field new load requests while previous requests may drop out. Georgia Power, moreover, files large load economic development reports publicly, providing updates on the utility's interconnection queue.<sup>6</sup> SPS should similarly provide detailed large load interconnection information to support load forecasts and the Statement of Need.

**B. The Action Plan should call for updated load forecasts on a rolling basis.**

As set forth above, opaque and speculative data center forecasts largely drive SPS's Statement of Need. The Statement of Need—incorporating loads that may fail to materialize—could call for unnecessary and excessive resource acquisitions.

The Company should therefore adopt a more flexible IRP process enabling frequent load forecast updates. SPS, for example, could engage in more frequent IRPs that consider “trued-up” and more accurate load forecasts. Alternatively, the Company could true-up load forecasts at each stage of an individual IRP's Request for Proposal (“RFP”) process, ensuring the Company is targeting the correct and most up to date load forecast.

Ultimately, the current IRP resource planning process is designed to serve slowly expanding load. This model is no longer adequate. Large data centers may request expedited interconnections or fail to materialize altogether, greatly frustrating long term planning horizons. More frequent, flexible IRP updates would possibly capture these big load forecast swings, and thus may address these concerns.

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<sup>6</sup> See Georgia Public Service Commission, Docket No. 55378, Georgia Power Company Quarterly Large Load Economic Development Report (May 15, 2026), <https://psc.ga.gov/search/facts-document/?documentId=226607>.

**C. The Statement of Need should refine the “technology category” resource procurement design.**

The Statement of Need categorizes “procurement need ranges” by “technology category.”<sup>7</sup> Specifically, it distinguishes “Firm,” “Dynamic Balancing,” and “Carbon-Free” resources, and assigns procurement targets for each “bucket.” But these buckets will not benchmark or otherwise inform resource procurement or RFP efforts. For example, it is unclear whether a failure to meet the technology category targets constitutes a failure to meet the Statement of Need.

Ultimately, the technology category procurement targets are apparently immaterial and may unnecessarily raise confusion. For example, questions regarding the categorization of hybrid resources, and their qualifications in future procurement cycles, were left open during the last stakeholder workshop. Thus, the NMLCG recommends that the Company clarify its “technology category” intentions, the application of each “bucket,” and the IRP model’s process informing resource procurement. Otherwise, the Statement of Need’s ultimate resource acquisition goal is unclear.

**D. The Action Plan should call for broad RFPs to ensure the bid pool is as robust as possible.**

SPS’s RFPs should consider a broad range of resources to promote competition and least-cost portfolios. The NMLCG previously noted SPS’s previous RFPs unnecessarily limit eligible resources.<sup>8</sup> The Action Plan should address these limitations and call for broad RFPs.

Specifically, the Action Plan should direct RFPs to:

- Consider surplus interconnection resource capacity currently constrained by existing interconnection capabilities. Previous RFPs excluded interconnection resource capacity constrained by existing interconnection capabilities, and thus may have unnecessarily limited cost-effective capacity.<sup>9</sup>

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<sup>7</sup> IRP Draft, pp. 3-4.

<sup>8</sup> Docket No. 25-00066, NMLCG Ex. 1 (Hashlamoun Dir.), pp. 16-20.

<sup>9</sup> *Id.* at p. 17.

- Include capacity-only, “bring-your-own-generation,” and sleeved arrangements. This would mitigate concerns related to speculative data center loads, which could possibly participate in bring-your-own-generation arrangements.
- Expand the “product” definition, which in previous RFPs limited eligible projects to resources “that convey all energy, capacity, ancillary services including reactive supply and voltage control, and any environmental benefits generated from the proposed project.”<sup>10</sup> This definition unnecessarily excludes renewable resources that seek to retain Renewable Energy Credits.
- Relax Southwestern Power Pool, Inc. (“SPP”) interconnection queue criteria. Previous RFPs limited eligible projects to resources that (1) are in the SPP queue; and (2) have completed related Phase 2 studies.<sup>11</sup> This, again, may unnecessarily exclude cost-effective and reliable resources.

Collectively, the RFP modifications above would broaden RFP eligibility and promote cost-effective, reliable resource portfolios.

## II. CONCLUSION

The NMLCG appreciates the opportunity to participate in the IRP stakeholder process and looks forward to future stakeholder collaboration regarding SPS resource planning.

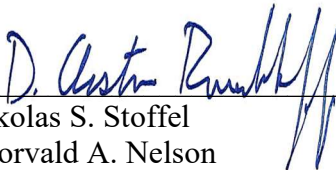
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<sup>10</sup> *Id.* at p. 18.

<sup>11</sup> *Id.* at p. 19.

Respectfully submitted September 4, 2026.

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