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CONTACT: Kelly-Renae Huber; 505-463-3908 cell; KR.Huber@pnm.com



PNM joins the Western Energy Imbalance Market to bring millions in customer savings

PNM participation in Western EIM enables lower customer cost and greater integration of renewable energy

(ALBUQUERQUE, NM) – This morning, PNM officially joined and began participating in the Western Energy Imbalance Market (Western EIM), the culmination of a multi-year planning effort designed to bring substantial benefits to PNM retail customers and New Mexico’s renewable landscape.

Saves PNM
customers approximately
\$10 to \$20
million
annually



 Provides
**fuller
utilization**
of PNM renewables across
larger footprint

The Western EIM is a real-time energy

market using advanced technology to locate the lowest-cost energy to balance energy supply with demand over its entire footprint, maximizing participant resources. PNM’s entry today expands the market into New Mexico, a state rich with renewable potential. PNM considered the costs and benefits of joining multiple regional organizations and determined that the Western EIM provided the greatest benefit to its customers before filing its plans with the New Mexico

Public Regulation Commission (NMPRC) and finalizing its decision to join the market in 2019. Since then, PNM has been preparing and testing its system for today’s implementation.

Since its launch in 2014, the Western EIM has provided more than \$1.18 billion in economic and environmental benefits to its participants in the western region of the electric grid. In the fourth quarter of 2020 alone, the 11 participants in the Western EIM achieved nearly \$70 million in benefits. Beginning today, PNM will also be able to begin realizing these benefits. By 2023, 22 active Western EIM participants will represent over 83 percent of the load within the Western Electricity Coordinating Council (WECC).

“The Western Energy Imbalance Market has a proven track record of realizing regional market efficiencies, maximizing renewable resources and reducing customer costs among participants, and today’s entry into the market means PNM is able to access these same benefits,” said Pat Vincent-Collawn, PNM Resources chairman, president and CEO. “Our customers will benefit from real annual savings projected to begin at \$10 million with the potential to grow to over \$20 million. This step also expands PNM’s environmental leadership and furthers our plans to reach our goal of powering customers with 100% emissions-free energy by 2040.”

Participation in the Western EIM does not change the way PNM plans and manages its resources to meet its customers projected demand for each hour of every day. Within that hour, if winds suddenly increase and more wind generation is produced during the hour, PNM can access the market to sell this excess energy in five-minute intervals to other participants that have a need, resulting in sales credits. Conversely, if customer demands unexpectedly increase during the hour and more energy is suddenly needed, PNM can access the market for excess renewable energy available from other participants at a lower cost than it would take to otherwise generate or procure this energy. Both situations result in a reduction to the net costs to serve PNM customers and allow for the greater use of renewables across the broader geographical area.

PNM participation in the Western EIM is a net benefit for its customers with cost savings automatically flowing to them through the PNM fuel charge that can be found as a separate line item on customer bills. This charge reflects the cost of any fuels PNM purchases to power its customers’ homes and businesses. With an increase in the use and capacity of renewable generation and the added benefit of a real-time market through the Western EIM, that fuel charge has the potential for significant savings by reducing the charge on customers’ monthly bills. The fuel charge is adjusted on a quarterly basis and reviewed by the NMPRC.

“We are very pleased to welcome Public Service Company of New Mexico (PNM) to the Western EIM,” said ISO CEO and President Elliot Mainzer. “PNM is on a path to be carbon free by 2040 and brings additional geographical and resource diversity to the EIM. We are excited about our new partnership with PNM and look forward to providing additional economic and environmental value to their customers.”

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With headquarters in Albuquerque, PNM is the largest electricity provider in New Mexico, serving 530,000 customers in dozens of communities across the state. PNM is a subsidiary of PNM Resources, an energy holding company also headquartered in Albuquerque. For more information, visit PNM.com.

Furtheres the PNM
path to
100%
**emissions-free
electricity**

