

# Commitment to Carbon-Free Energy



## Our Commitment

PNM is committed to the responsible use and protection of New Mexico's natural resources through:

- Strategies to provide reliable and affordable power
- Moving to 100% carbon-free electricity by 2040
- Modernizing our grid to cost-effectively meet New Mexico's increasing renewable energy requirements
- Helping more customers save money with energy efficiency

## Transition to Carbon-Free Electricity

Between 2005 and 2022, PNM's system-wide emissions dropped by 31%. In 2019, PNM committed to serving our customers with 100% carbon-free electricity ahead of New Mexico's 2045 mandate. Today, PNM's resource portfolio capacity is 64% carbon-free and we expect to be 75% carbon-free in 2026, ahead of schedule. PNM is the number-one provider of renewable energy to New Mexicans and is expanding its transmission grid to encourage renewable investment in New Mexico such as the Western Spirit transmission project which helps enable delivery of 800 megawatts of new wind energy in the southwest.

The retirement of the coal-fired San Juan Generating Station in 2022 reduced carbon emissions by 68% from 2005 levels and reduced our coal capacity to 6% of total generation. PNM plans to exit the last of its coal generation at the Four Corners Power Plant no later than 2031.

### Clean Energy

- 64% Carbon-free Generation
- 40% Renewable Generation
- 41% Reduction in Water Use since 2005
- 31% system-wide emissions reduction between 2005 and 2022 - exceeds the United States' voluntary commitment to the Paris Climate Agreement
- Over 1 million solar panels installed across New Mexico

### Energy Efficiency

Since 2007:

- 7.5 billion kilowatt-hours of electricity saved - enough to power one million homes for a year
- 3.8 million metric tons of avoided carbon dioxide
- 2.2 billion gallons of water saved

### On Track and Ahead of Schedule

- 90% Water Use reduction in 2040 from 2005
- 0 pounds per megawatthour of Carbon Intensity by 2040
- 632 MW of battery storage online by the end of 2024 and adding another 640 MW of storage through 2028

## Getting to Carbon-Free

Here's what we are doing today to deliver a carbon-free future for our customers:

- **Resource Planning**

PNM prepares an Integrated Resource Plan every three years with a facilitated Stakeholder process seeking input to help PNM determine the most cost-effective and reliable resource mix to serve our customers over the next 20 years.

- **Climate READi**

PNM is a member of the Climate Power Resilience and Adaptation Initiative (Climate READi), a three-year project led by the Electric Power Research Institute to address physical climate risks by exploring risks to the power grid of extreme weather and climate change so that we can make the grid more resilient.

- **Western Energy Imbalance Market**

PNM is part of the Western Energy Imbalance Market (EIM), which helps us balance supply and demand by finding lower-cost resources resulting in over \$44.4 million in customer fuel savings as of 2023 and an estimated 120,000 metric ton reduction in carbon dioxide emissions.

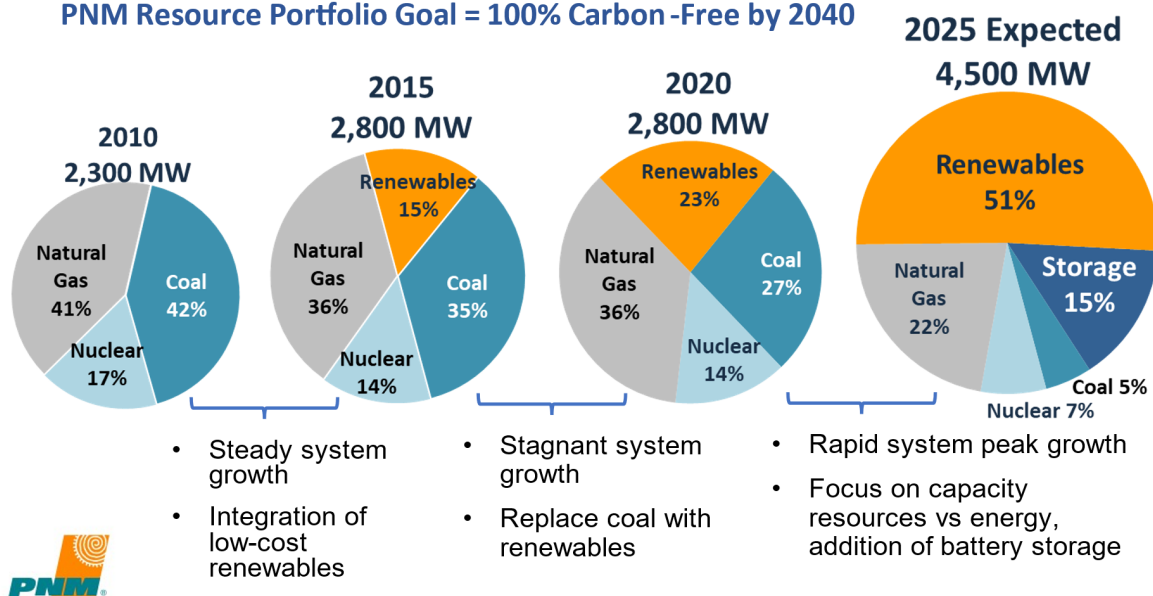
- **World Energy Council**

PNM Chair serves as the North America Chair for the World Energy Council which focuses on energy transitions.

# PNM's ENVIRONMENTAL FOOTPRINT

## ACHIEVING THE ENERGY TRANSITION - AFFORDABLY

PNM Resource Portfolio Goal = 100% Carbon-Free by 2040



### About PNM

PNM serves nearly 550,000 New Mexico residential and business customers. PNM is regulated by the New Mexico Public Regulation Commission and the Federal Energy Regulatory Commission. PNM has a long tradition of supporting the communities that it serves in New Mexico. At the heart of everything we do are our core values of Integrity, Caring and Safety.