Topic – Demand Side Offerings

Energy Efficiency and Demand Response

PNM offers a wide range of energy efficiency and load management programs tailored to both residential and commercial customers and designed to reduce energy consumption, lower bills, enhance grid reliability, and foster a culture of energy efficiency throughout PNM's service area. PNM's most recent energy efficiency annual report can be found online at www.pnm.com/regulatory.

Energy Efficiency Programs:

- Offer rebates and incentives for installing efficient appliances, HVAC equipment, and implementing operational improvements.

Demand Response Programs:

- Manage electricity demand during peak periods by remotely controlling air conditioning systems and rewarding participants with annual incentives.
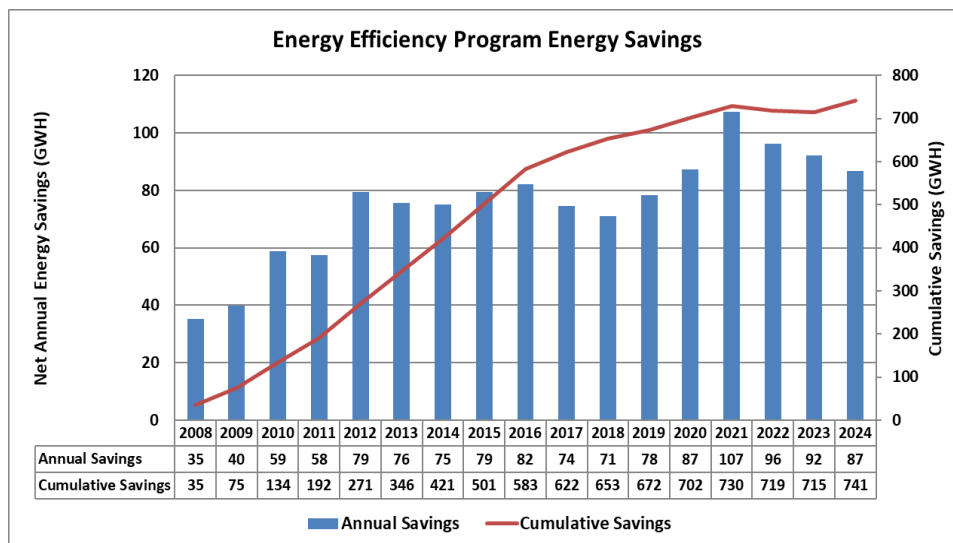
Budget and Savings Targets:

- The PRC approved 2026 annual budget target is approximately $36.5 million
- The minimum annual kWh savings target is 80 GWh

Energy Efficiency and Demand Response Potential Studies:

PNM conducts energy efficiency and demand response potential studies approximately every three years. These studies estimate the energy and demand savings potential in PNM's service territory for approximately 20 years into the future. They include information on what energy efficiency and demand response programs and particular interventions might be implemented by PNM over that timeframe.

The following graph shows historical annual and cumulative energy savings by PNM's energy efficiency and demand response programs:

Energy Efficiency Program Energy Savings

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Savings	35	40	59	58	79	76	75	79	82	74	71	78	87	107	96	92	87
Cumulative Savings	35	75	134	192	271	346	421	501	583	622	653	672	702	730	719	715	741

Transportation Electrification

PNM's Transportation Electrification Program (TEP) has been designed to expand access to electricity as a transportation fuel while fostering improved electrical system efficiency, the integration of variable resources, operational flexibility, and system utilization during historically off-peak hours. The TEP is intended to reduce barriers to EV adoption for PNM customers by offering incentives to offset the costs of installing charging infrastructure, EV-specific electricity rates, and customer outreach on the economic and environmental benefits of EVs.

Program measures include:
- Charging Infrastructure & Residential Vehicle Incentives
  - Residential and commercial charger and installation rebates
  - EV and E-Bike Purchase rebates
  - Fleet Advisory Services to help fleets plan for electrification
- EV Rates & Load Management
  - Whole-Home EV Rate to incentivize charging off-peak
  - Commercial 3F volumetric rate to avoid charging off peak during Summer and Non-Summer months
  - Residential Active Managed Charging Pilot Program to evaluate the potential of residential-focused managed EV charging
- Customer Education, Marketing, and Outreach
  - National Energy Foundation rEV program to educate students about EVs
  - Marketing and outreach to increase customer awareness of PNM EV programs

Community Solar

Community solar projects are stand alone solar facilities interconnected to the utility distribution system, typically 5 MW in size. Community solar subscribers are utility customers that receive credits on their electric bill and also pay a separate bill to their community solar provider.

In Phase I, PNM will interconnect 125 MW of community solar, plus tribal community solar. In Phase II, PNM will interconnect an additional 185 MW of community solar. PNM was the first utility in NM to interconnect a community solar facility and deliver bill credits to customers. By Dec. 31, 2025, PNM had interconnected 25 MW of Phase I community solar.

Grid Modernization

PNM's Grid Modernization program is designed to:
- make the grid stronger and more reliable,
- integrate clean energy faster,
- give customers better tools to manage their energy use.

Advanced Metering Infrastructure (AMI) is a key technology enabling these improvements. AMI meters will support:
- flexible rate options such as our current Time of Day or EV rates
- future programs that can be facilitated by the communications, home area networking, and edge application capabilities of the meter.

Deployment will begin in September 2026 and complete by the end of 2028.