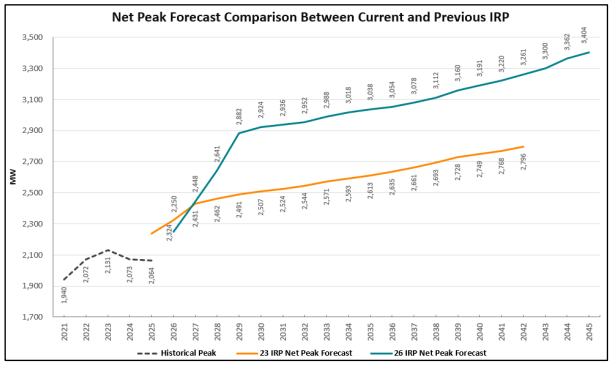
Forecasts used in PNM's IRP

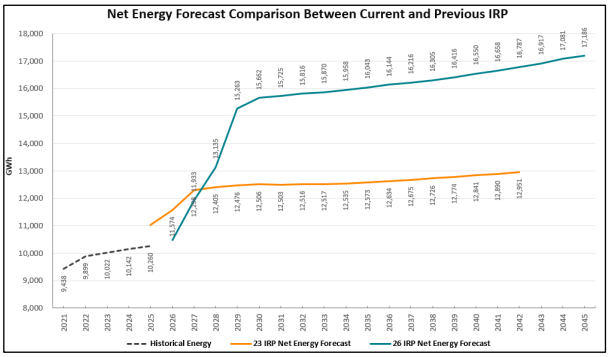
Load Forecast

What is PNM's load?



Demand (kW or MW)
maximum power needed

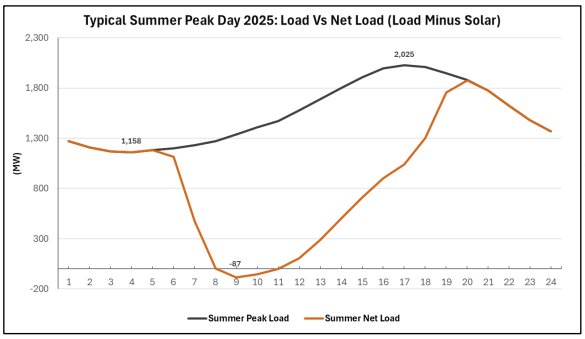
- Highest demands occur in summer months
- Forecast Summer Peak is typically used to determine reserve margin



Energy (kWh or MWh or GWh)
electricity consumed over time

- Typically drives the type of generation
- Highest energy uses occurs in summer months

How does PNM's forecast differ by season?

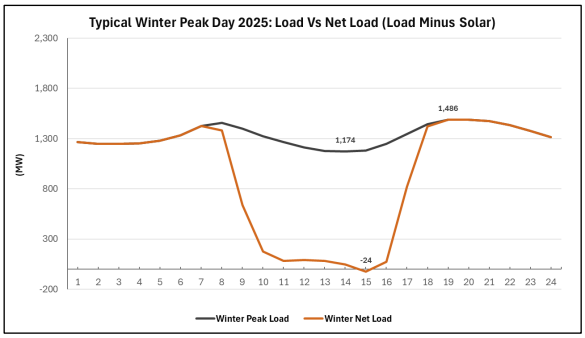


Summer Peak:

- Summer peak drives the need for capacity and reserves
- Can be extreme
- Solar generation on the system requires PNM to respond to intermittent weather patterns

Winter Peak:

- Secondary importance; but still essential
- Solar generation on the system impacts less during winter months



What impacts the load forecast?

- PV forecast - separate forecast that lowers system IRP forecast for both demand and energy
- EE forecast - separate forecast, serves to reduce the load/energy requirements (various treatment options within IRP)
- EV/TOU – forecast of customer usage
- Economic Development/Growth - increases the load/energy requirements
- DR - programs that can reduce peak capacity requirements
- Amount of Weather History Considered

Major impacts to 2026 IRP load forecast

Economic Development Requests:

- 2021[1] (1,746 MW) – 15% Data Center, 51% Manufacturing, 34% Other
- 2022 (2,497 MW) - 18% Data Center, 49% Manufacturing, 33% Other
- 2023 (2,308 MW) - 27% Data Center, 38% Manufacturing, 35% Other
- 2024 (4,166 MW) - 39% Data Center, 34% Manufacturing, 27% Other
- 2025 (5,321 MW) - 47% Data Center, 30% Manufacturing, 24% Other

[1] 2021 figures are based on a 7-month average due to limited data.

Projects by Phase, December 2025:

- Phases 1-3 (1,615 MW) – 88% Data Center, 8% Manufacturing, 4% Other
- Phase 4 (4 MW) – 0% Data Center, 0% Manufacturing, 100% Other
- Phase 5-6 (1,792 MW) – 98% Data Center, 1% Manufacturing, 1% Other

Typical Project Timeframes:

- T/D Construction Scenarios at Economic Development Certified Sites
  - Average Timeline to Serve a 5 MW Load – 17 months
  - Average Timeline to Serve 10 MW Load – 20 months
  - Average Timeline to Serve a 50 MW Load – 26 months
- Generation Resource Acquisition – Up to 60 months
- Typical Economic Development Project Timeline to Energization – 6-18 months[2]

[2]Based on responses to Area Development's 39th Annual Corporate & 21st Annual Consultants Surveys (2025).

Market Based Forecasts

Fuel Price Forecasts

- Projection of fuel prices for coal, uranium, natural gas or hydrogen for thermal generators
- Used in modeling to estimate the fuel cost of fossil fired resources

Wholesale Electric Price Forecast

- Estimate of future wholesale electricity prices
- Used in modeling to optimize the overall cost of the portfolio by allowing market purchases or sales of excess generation