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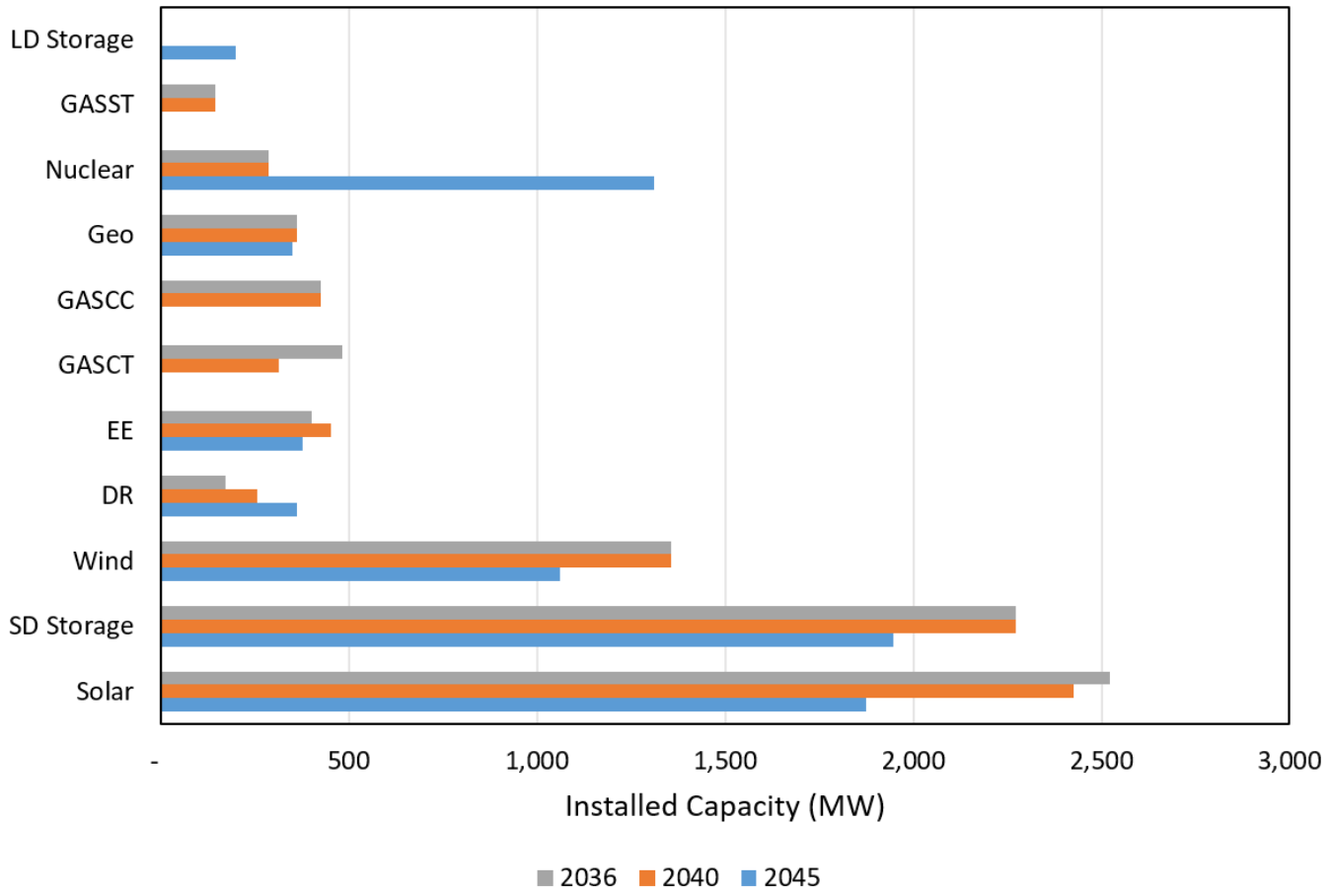
2026 PNM IRP Reliability Results

Stakeholder Scenario 12

Technology	Installed Capacity (MW)		
	2036	2040	2045
Solar	2,524	2,425	1,875
Short Duration Storage	2,273	2,273	1,947
Wind	1,356	1,356	1,062
Demand Response	174	258	363
Energy Efficiency	403	454	377
Combustion Turbine	482	315	0
Combined Cycle	425	425	0
Geothermal	361	361	350
Nuclear	288	288	1,310
Steam Turbine	146	146	0
Long Duration Storage	0	0	200
Load Forecast	3,488	3,557	3,673



Reliability Results: Stakeholder Scenario 12

- Determination of the portfolio in EnCompass accounts for exceeding PRM when 20-year NPV can be minimized.
- **2036:** Exceeds reserve margin relative to the 14.5% target (25.0%).
  - Compared to the CTP portfolio there is lower load, more firm dispatchable resources, more dynamic balancing resources, less solar.
- **2040:** LOLE above 0.1 indicates likely over-estimation of ELCC for DR resources.
- **2045:** As significant nuclear capacity is added and existing wind and solar retire, average reliability contribution of renewables and storage increase.

Year	Scenario 12		
	LOLE (days/year)	EUE (MWh)	Estimated Reserve Margin (%)
2036	0.01	5	25.0%
2040	0.30	329	17.5%
2045	0.10	65	11.9%

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PNM 2026 IRP Facilitated Stakeholder Process

HEG Results Update

July 2026

Disclosure Regarding Forward Looking Statements

The information provided in this presentation contains scenario planning assumptions to assist in the Integrated Resource Plan public process and should not be considered statements of the company's actual plans. Any assumptions and projections contained in the presentation are subject to a variety of risks, uncertainties and other factors, most of which are beyond the company's control, and many of which could have a significant impact on the company's ultimate conclusions and plans. For further discussion of these and other important factors, please refer to reports filed with the Securities and Exchange Commission. The reports are available online at www.pnmresources.com.

The information in this presentation is based on the best available information at the time of preparation. The company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events, except to the extent the events or circumstances constitute material changes in the Integrated Resource Plan that are required to be reported to the New Mexico Public Regulation Commission (NMPRC) pursuant to Rule 17.7.4 New Mexico Administrative Code (NMAC).

Outline

- ELCC Updates for HEG
- Revised HEG Modeling Results
- Statement of Need Revisions for HEG Future

2026 IRP Process Check

Stakeholder Feedback throughout the FSP

Data Collection

- Load Forecast (Feb)
- Supply-side resources (Jan)
- Demand-side resources (Feb)
- Commodity Prices (Jan)
- Existing Resources & Costs (Feb)
- Resource accredited capacity (Feb)

Define Modeling Framework

- EnCompass (zonal & nodal)
- SERVM (reliability)
- Futures
- Sensitivities
- Topology
- Transmission
- Stakeholder requests

Modeling Results

- Expansion plans
- Projected Operating costs (fixed, variable, fuel)
- CO2 emissions
- Portfolio NPV
- Nodal congestion
- Nodal curtailments

Analyze Results

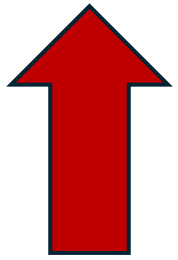
- Resource mixes
- Trends
- Customer Impacts

MCEP

- Best portfolio
- Balance cost, environment, reliability
- Potential alternative resource plans

SON & Action Plan

- Type & Timing of Resources
- Items to pursue in next 3 years



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Revised HEG Modeling Results

ELCC Updates for HEG Future and Sensitivities

- Initial reliability results from HEG showed PNM's portfolio was over-building to meet system needs.
- PNM worked with PowerGem to adjust ELCC's of energy limited resources (short-duration storage, solar, wind)
- Final adjustments resulted in slight increases to ELCC's to align with portfolio reliability target of 0.1 LOLE
- PNM reran all HEG related sensitivities with the updated ELCC's to determine impacts to capacity expansion plans

ELCC = Effective Load Carrying Capability

HEG = High Economic Growth

ELCC Updates for HEG Future

Comparison between previous ELCC and updated ELCC

Block	Block 0	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6	Block 7	Block 8
2026 IRP 4hr BESS									
Installed capacity (MW)	0	1,690	1,990	2,290	2,590	2,890	3,190	3,490	3,790
May 13th	74.4%	48.8%	32.2%	25.3%	21.3%	18.6%	16.7%	15.2%	13.8%
Updated	77.4%	50.7%	33.5%	26.3%	22.1%	19.4%	17.4%	15.8%	14.3%
2026 IRP Solar PV									
Installed capacity (MW)	0	2,360	2,760	3,160	3,560	3,960	4,360	4,760	5,160
May 13th	19.4%	8.3%	2.9%	1.6%	1.0%	0.7%	0.6%	0.4%	0.3%
Updated	20.2%	8.6%	3.1%	1.7%	1.1%	0.8%	0.6%	0.5%	0.3%
2026 IRP Wind									
Installed capacity (MW)	0	1,460	1,860	2,260	2,660	3,060	3,460	3,860	4,260
May 13th	11.6%	10.8%	4.2%	2.4%	1.6%	1.2%	0.9%	0.7%	0.6%
Updated	12.5%	11.7%	4.5%	2.6%	1.7%	1.3%	1.0%	0.8%	0.6%
2026 IRP 8hr BESS									
Installed capacity (MW)	0	260	560	860	1,160	1,460	1,760	2,060	2,360
May 13th	82.0%	66.3%	45.8%	36.9%	31.7%	28.1%	25.5%	23.5%	21.5%
Updated	88.6%	71.7%	49.5%	39.9%	34.2%	30.4%	27.6%	25.4%	23.2%

High Economic Growth Expansion Plan (updated)

May 13th

HEG Accredited Capacity (MW)													
	Firm Dispatchable Resources							Dynamic Balancing Resources		Carbon-Free Energy Resources			
Year	Nuclear (MW)	Gas Combined Cycle (MW)	Gas Combustion Turbine (MW)	Gas Internal Combustion (MW)	LD Storage (MW)	Pumped Hydro (MW)	Geothermal (MW)	SD Storage (MW)	Demand Response (MW)	Solar (MW)	Wind (MW)	Energy Efficiency (MW)	Total (MW)
2029	-	-	169	-	92	-	-	255	-	85	93	-	693
2030	-	-	-	-	92	-	-	-	29	12	-	-	133
2031	-	-	39	-	-	-	-	223	-	38	-	11	311
2032	-	-	-	-	-	-	-	-	-	22	-	11	33
2033	-	-	-	-	276	-	-	-	-	26	3	12	317
2034	-	-	-	-	-	84	-	-	-	32	-	12	128
2035	-	-	-	-	-	-	-	-	-	14	12	11	37
2036	-	-	-	-	-	-	-	-	-	2	8	11	21
Total	-	-	208	-	460	84	-	478	29	232	116	68	1,674

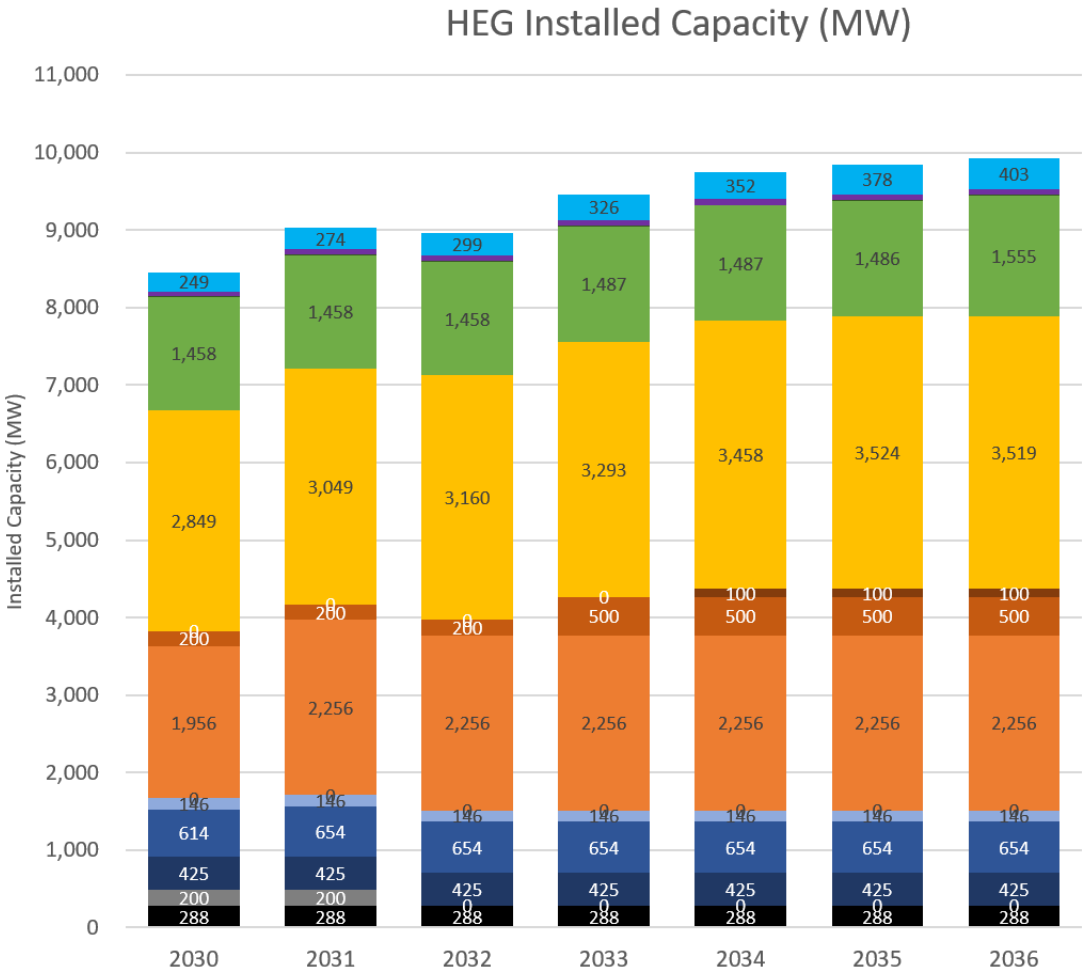
Updated

2029	-	-	169	-	-	-	-	308	-	61	113	-	650
2030	-	-	-	-	-	-	-	101	29	27	-	-	157
2031	-	-	39	-	-	-	-	240	-	64	-	11	355
2032	-	-	-	-	-	-	-	-	-	19	-	11	30
2033	-	-	-	-	276	-	-	-	-	23	2	12	313
2034	-	-	-	-	-	84	-	-	-	27	-	12	123
2035	-	-	-	-	-	-	-	-	-	10	16	11	38
2036	-	-	-	-	-	-	-	-	-	7	10	11	27
Total	-	-	208	-	276	84	-	649	29	238	141	68	1,692

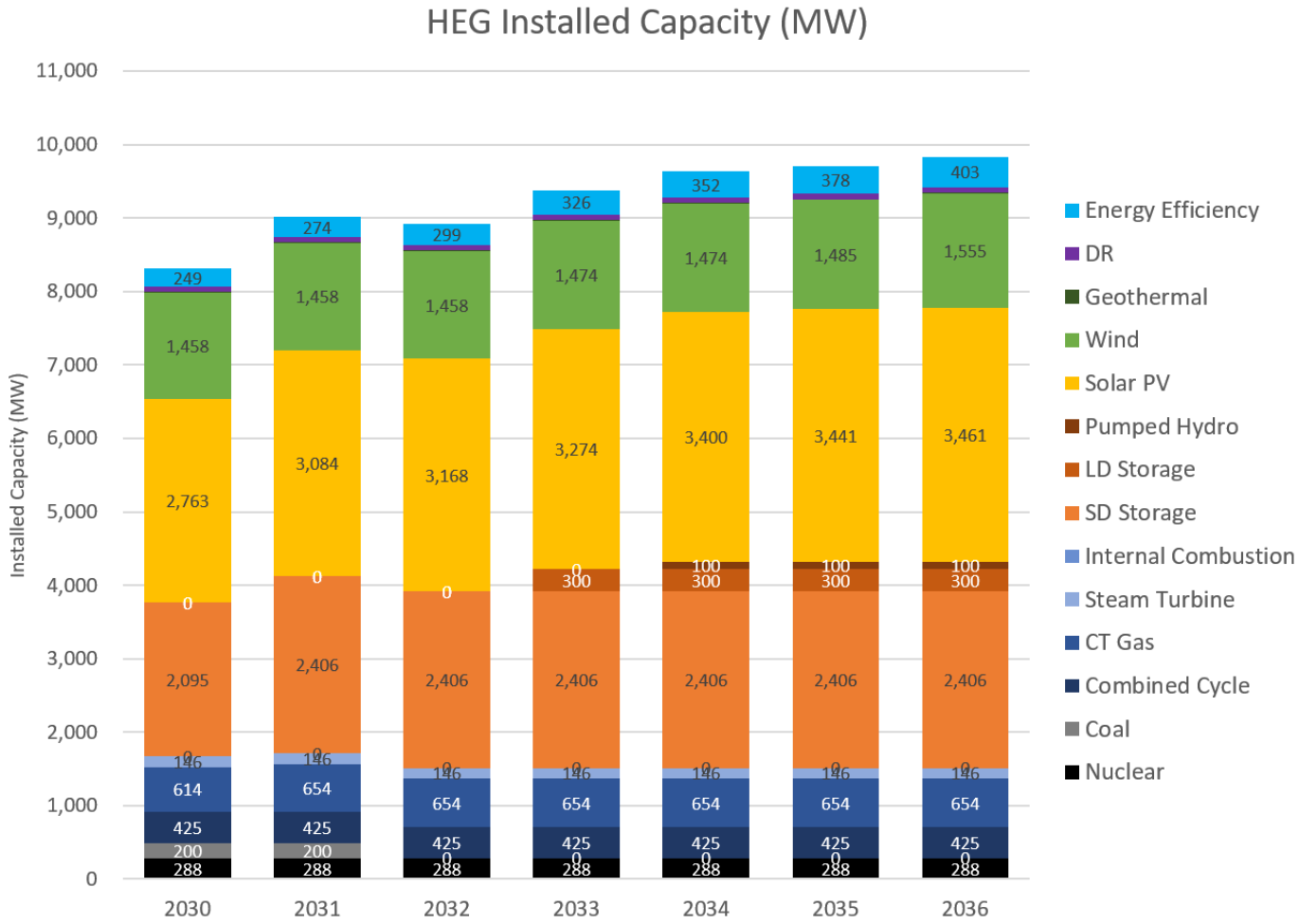
Observations

- New observations
  - Less Long-Duration Storage than previous results
  - More Short-Duration Storage than previous results
- Same as the previous
  - Solar and EE bundles added consistently through 2036 *(Similar to CTP)*
  - Demand Response in 2030 (Peak Saver Extension, EV TOD, TOD) *(Similar to CTP)*
  - Pumped Hydro needed in in focus years *(Incremental to CTP)*

Annual Installed Capacity: Updates to HEG

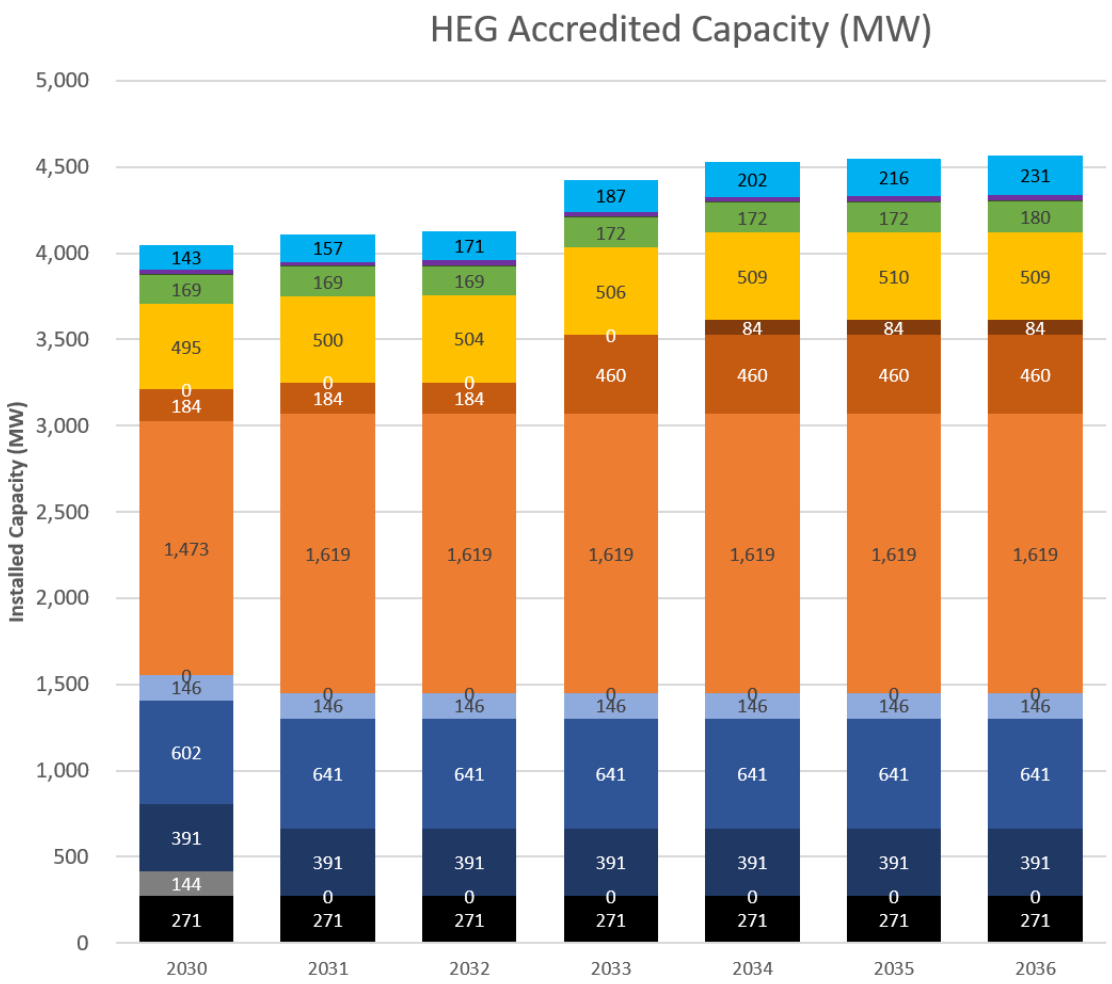


May 13th



Updated

Annual Accredited Capacity: Updates to HEG



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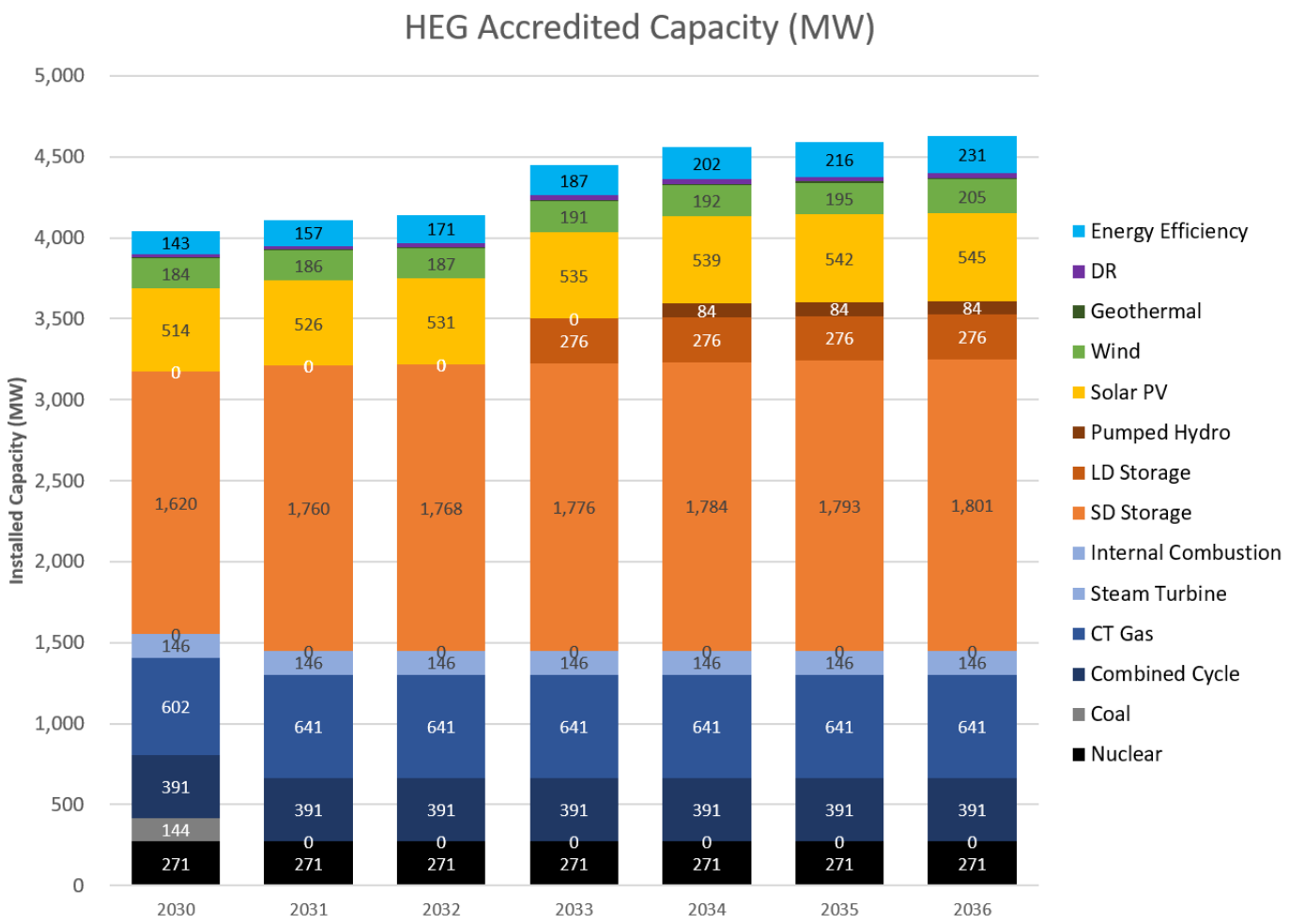
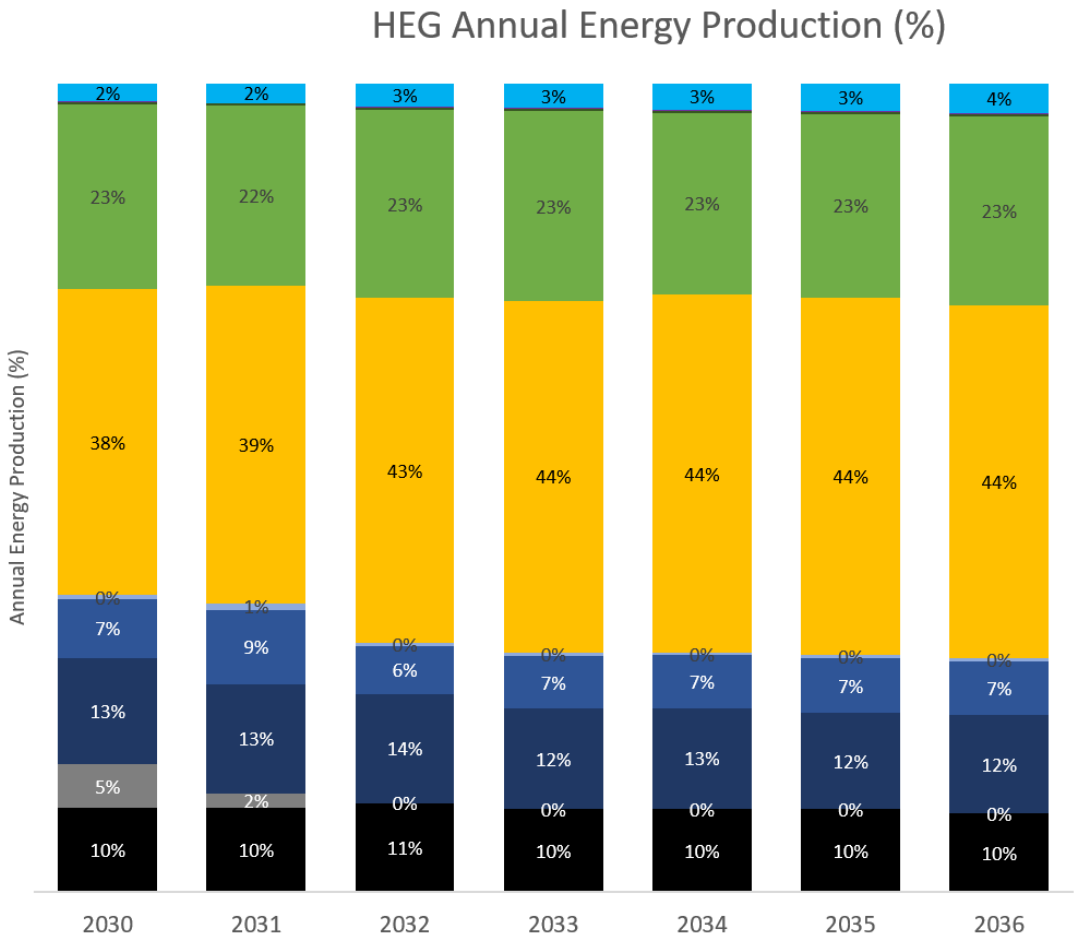


Updated

Annual Energy Production: Updates to HEG



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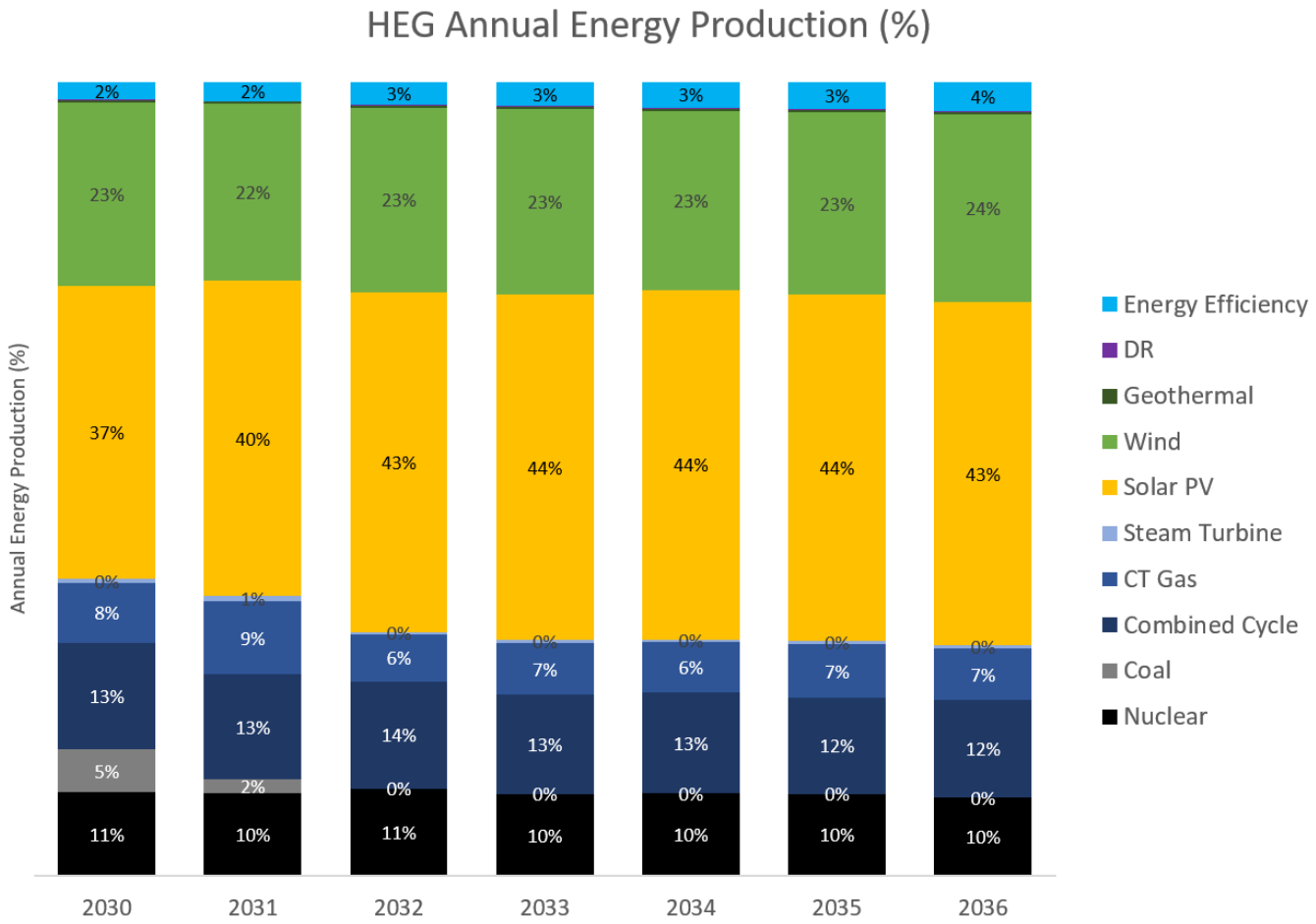
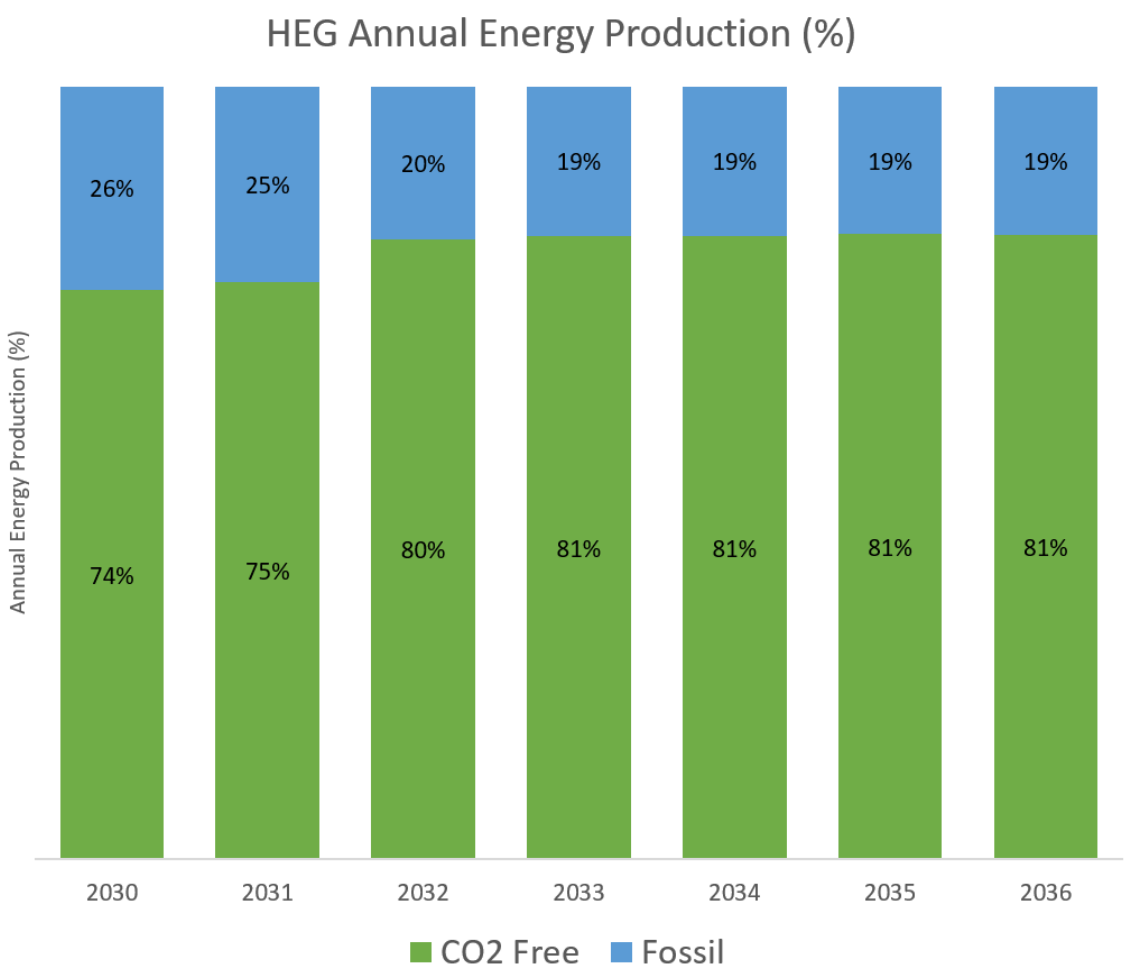


Updated

CO2 Free Energy Production: Updates to HEG



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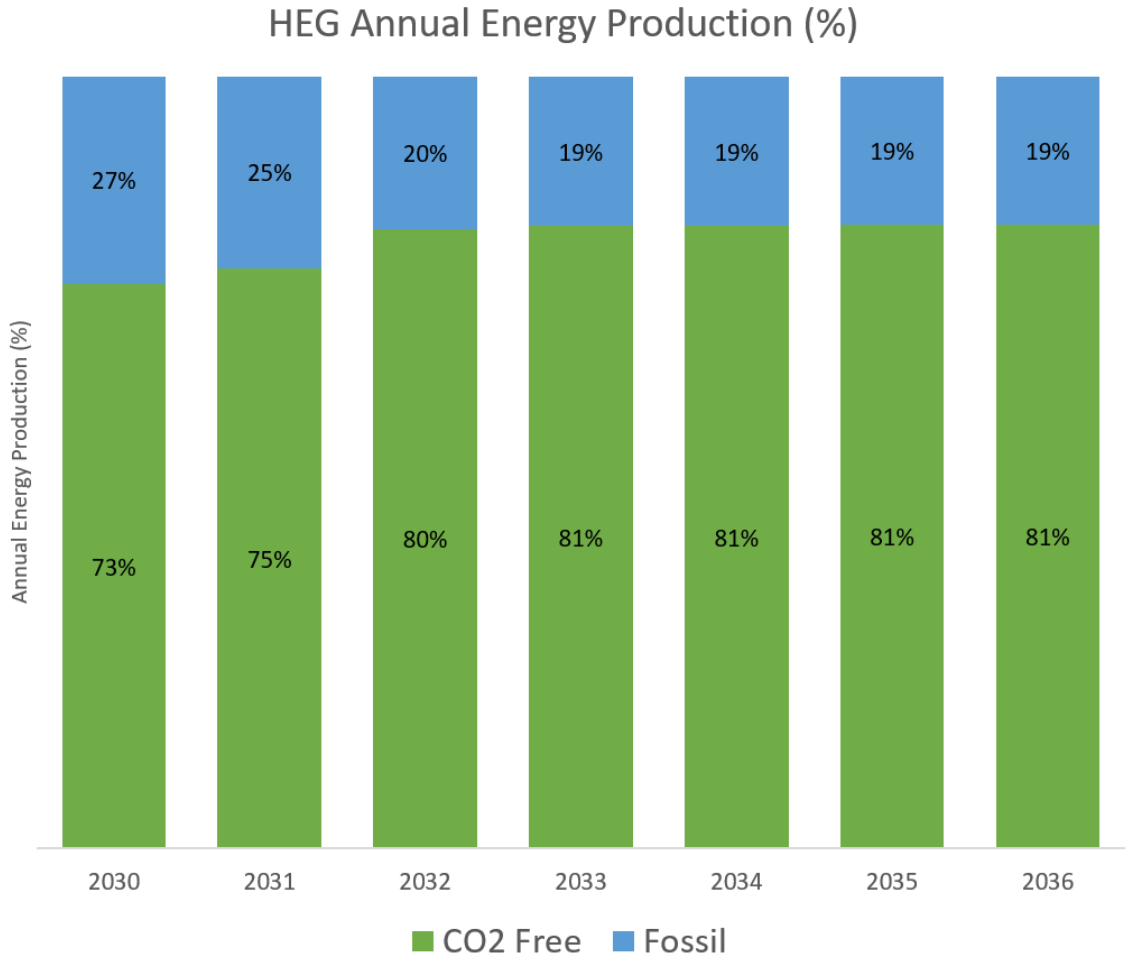
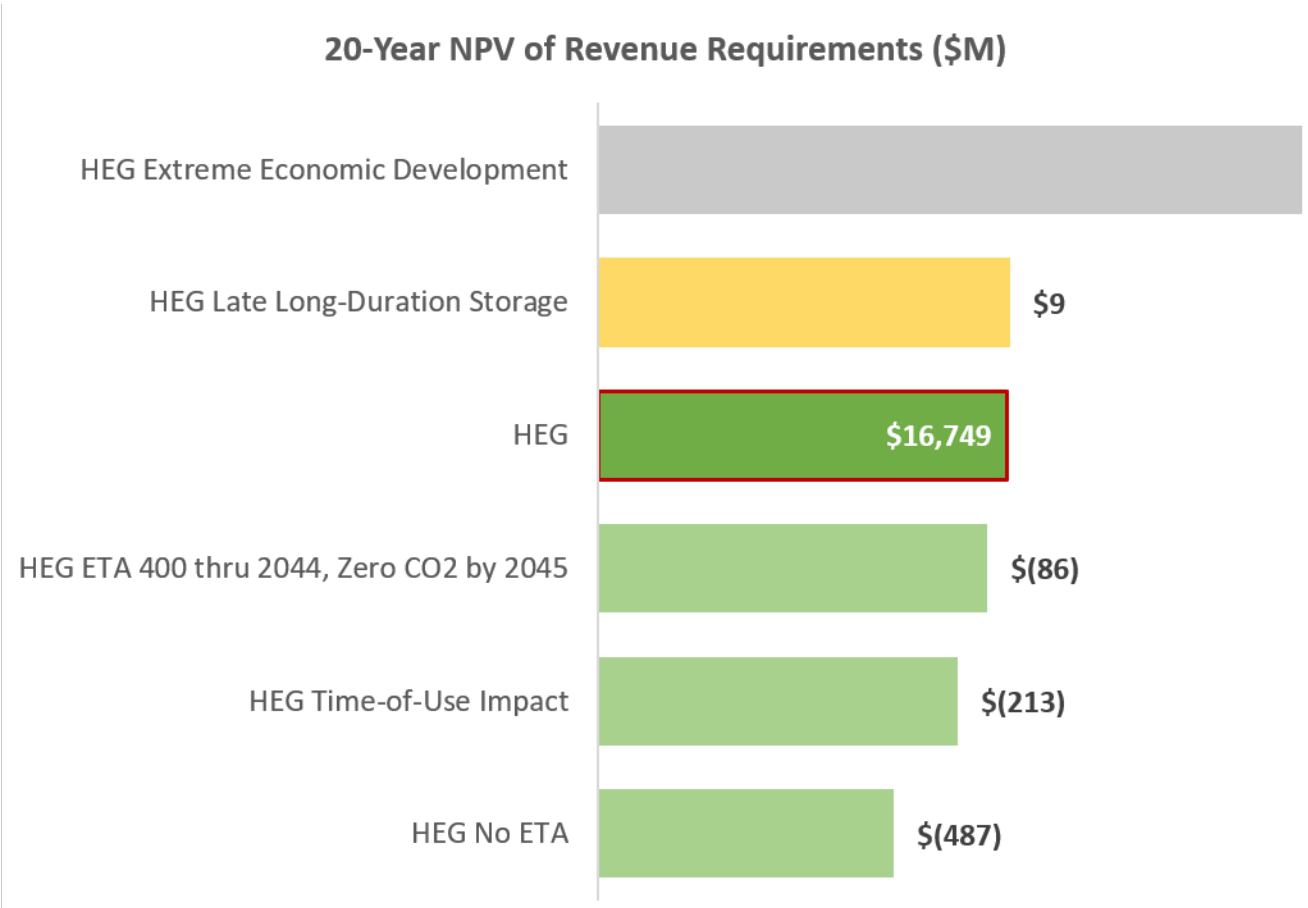


Updated

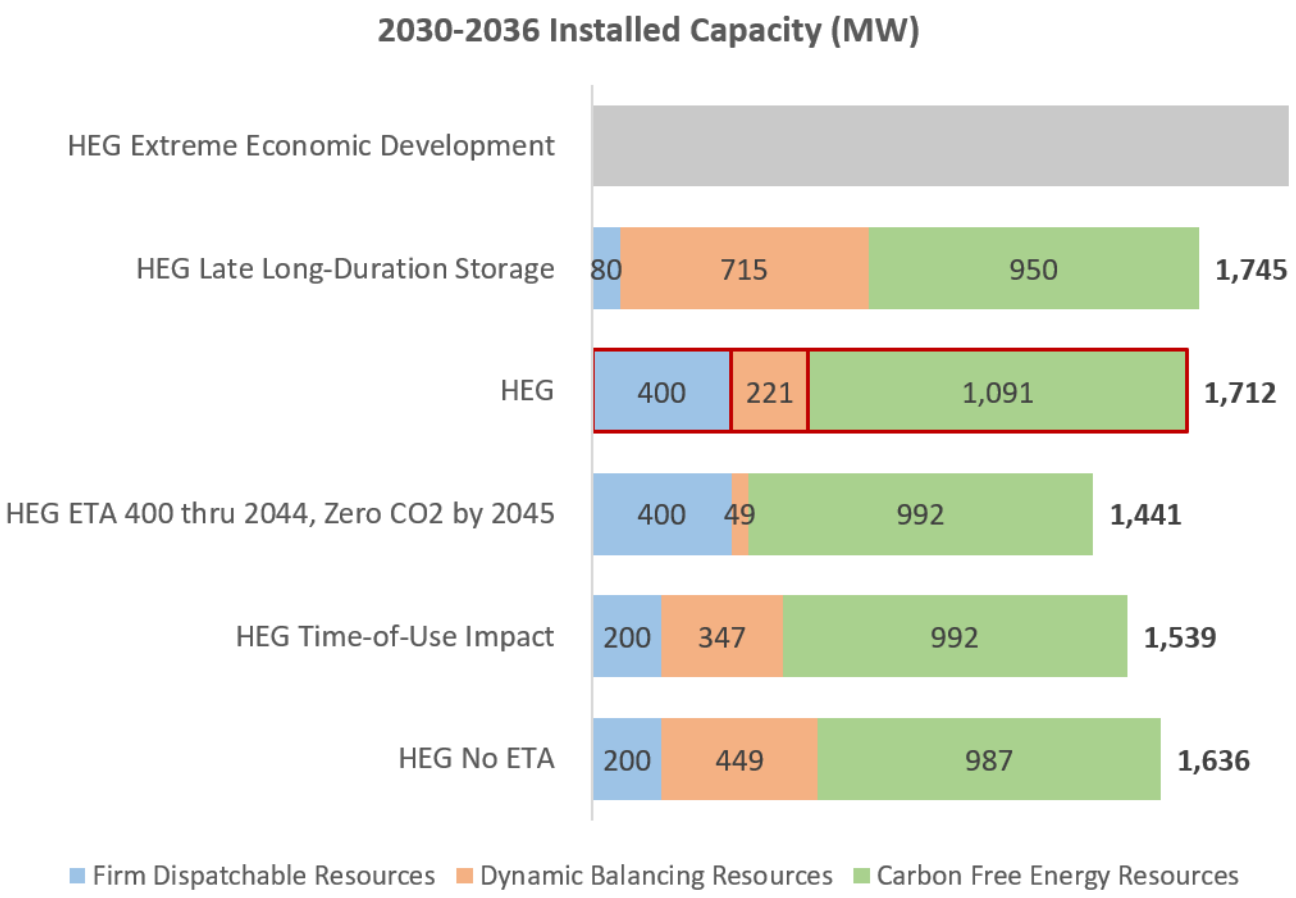
HEG Sensitivities Comparison - NPV



Key Observations (similar to the previous results)

- Delays in long-duration storage viability will result in higher costs
- No ETA and ETA @ 400 lbs/MWh show lower portfolio cost over 20-years
- Implementing TOU shows significant cost decrease under the HEG future

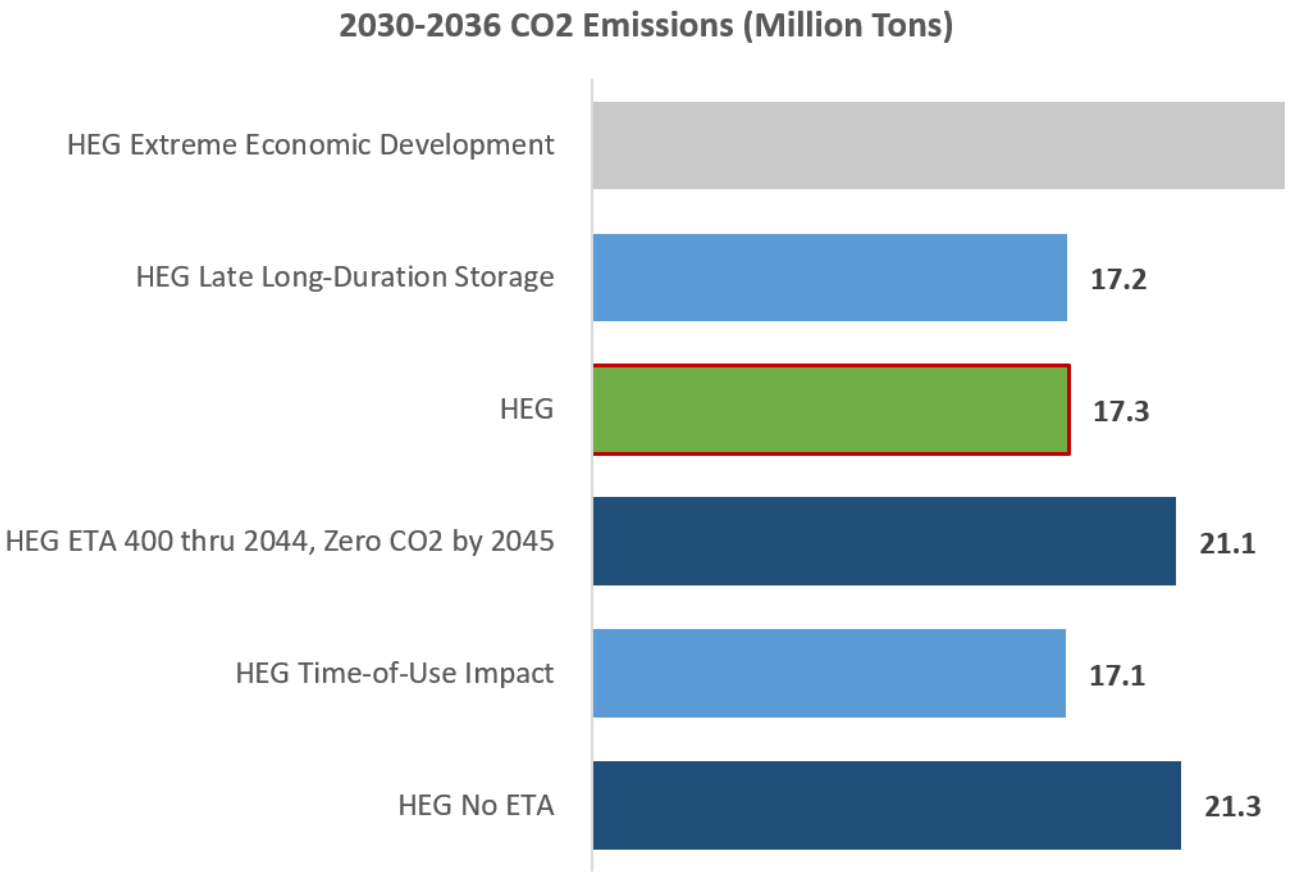
HEG Sensitivities Comparison – Installed Capacity by Type



Key Observations (similar to the previous results)

- Delays in long-duration storage viability results in significantly more Dynamic Balancing Resources, and less Firm Dispatchable Resources between 2030-2036
- ETA @ 400 lbs/MWh requires less Dynamic Balancing Resources
- Implementing a TOU rate structure reduces Firm Dispatchable Resources compared to HEG
- No ETA requires less Firm Generating Resources & Carbon Free Energy Resources, and more Dynamic Balancing Resources

HEG Sensitivities Comparison – CO2 Emissions



Key Observations (similar to the previous results)

- Late Long-Duration Storage and TOU sensitivities result in similar CO2 emissions 2030-2036
- No ETA and ETA @ 400 lbs/MWh sensitivities emit more CO2 than HEG but not significantly more than similar CTP sensitivities

**All modeled sensitivities (except No ETA and ETA @ 400 lbs/MWh) meet current and future ETA CO2 emission rate requirements*

HEG– Key Trends and Takeaways

New takeaways

- Less Long-Duration Storage needed in the updated results
- No significant changes to key trends with updated modeling assumptions

Same as the previous takeaways

- All portfolios meet projected RPS requirements and CO2 emission standards
  - HEG result in significant progress to CO2 free by early 2030's
- Energy efficiency bundles are consistently included in expansion plan results in all years
- Demand response programs (Peak Saver Extension, EV TOD, TOD) added in 2030 as part of least-cost plans
- New solar PV resources are consistently added early in the study window (2030-2036)

Statement of Need Revisions for HEG Future

High Economic Growth – Resource Additions

Resources	2029 - 2032 System Resources	2029 - 2032 Supplement Procurements	2032		2036		2040		2045	
			Min	Max	Min	Max	Min	Max	Min	Max
Solar	240	0	517	653	716	1199	770	1529	1185	2333
Wind	800	0	0	0	0	199	0	207	0	207
EE	0	0	93	93	196	196	298	298	420	420
Carbon Free	**1,040**	**0**	**610**	**746**	**912**	**1595**	**1067**	**2034**	**1605**	**2959**
Short-Duration Battery	610	0	1	182	1	674	1	678	201	1482
DR	0	0	10	40	15	46	19	50	21	53
Dynamic Balancing	**610**	**0**	**11**	**223**	**16**	**720**	**20**	**728**	**222**	**1535**
Natural Gas	0	0	0	0	0	0	0	179	0	358
Advanced Generator	0	0	0	0	0	80	0	400	0	720
Nuclear	0	0	0	0	0	0	0	292	584	1314
Geothermal	0	0	0	0	0	0	0	0	0	0
Pumped Hydro Storage	0	0	0	0	0	200	0	300	0	300
Long-Duration Storage	0	100	0	100	0	400	0	400	0	400
Firm Dispatchable	**186**	**172**	**0**	**100**	**0**	**680**	**0**	**1571**	**584**	**3092**

Updated results

Extreme Economic Development Sensitivity – Resource Additions

Resources	2029 - 2032 System Resources	2029 - 2032 Supplement Procurements	2032	2036	2040	2045
Solar	240	0	4279	4737	5004	5522
Wind	800	0	0	462	462	462
EE	0	0	93	196	298	420
Carbon Free	**1,040**	**0**	**4372**	**5396**	**5765**	**6405**
Short-Duration Battery	610	0	2328	2328	2328	2328
DR	0	0	40	45	49	52
Dynamic Balancing	**610**	**0**	**2367**	**2373**	**2377**	**2379**
Natural Gas	186	172	0	0	0	0
Advanced Generator	0	0	680	760	1120	2000
Nuclear	0	0	0	0	292	1022
Geothermal	0	0	0	0	0	0
Pumped Hydro Storage	0	0	0	100	100	100
Long-Duration Storage	0	0	300	500	500	500
Firm Dispatchable	**186**	**172**	**980**	**1360**	**2012**	**3622**

Updated results

Statement of Need

Category	2032		2036		2040		2045	
	Low	High	Low	High	Low	High	Low	High
Baseline Resources (MW)								
Carbon Free	1,040		1,040		1,040		1,040	
Dynamic Balancing	610		610		610		610	
Firm Dispatchable	358		358		358		358	
CTP Incremental Generic Resource Need (MW)								
Carbon Free	194	327	493	804	636	1,303	1,178	2,187
Dynamic Balancing	10	40	15	125	16	164	536	935
Firm Dispatchable	0	0	0	200	0	865	584	2,208
HEG Incremental Generic Resource Need (MW) - Above the CTP Case								
Carbon Free	416	419	419	791	431	731	427	772
Dynamic Balancing	1	183	1	595	4	564	0	600
Firm Dispatchable	0	100	0	480	0	706	0	885
HEG Incremental Generic Resource Need (MW) - Above the Baseline Resources								
Carbon Free	610	746	912	1595	1067	2034	1605	2959
Dynamic Balancing	11	223	16	720	20	728	222	1535
Firm Dispatchable	0	100	0	680	0	1571	584	3092
XEG Generic Resource Need (MW) - Above the Baseline Resources								
Carbon Free	4,372		5,396		5,765		6,405	
Dynamic Balancing	2,367		2,373		2,377		2,379	
Firm Dispatchable	980		1,360		2,012		3,622	

Updated results

Comparison Between Results of June 17th and Updated

June 17th

Category	2032		2036		2040		2045	
	Low	High	Low	High	Low	High	Low	High
HEG Incremental Generic Resource Need (MW) - Above the CTP Case								
Carbon Free	458	460	604	817	610	719	532	781
Dynamic Balancing	35	218	35	582	35	569	0	591
Firm Dispatchable	0	420	0	1,099	0	1,259	146	1,658
XEG Generic Resource Need (MW) - Above the Baseline Resources								
Carbon Free	4,451		5,539		6,035		6,698	
Dynamic Balancing	2,163		2,168		2,171		2,194	
Firm Dispatchable	1,280		1,780		2,472		4,122	

Difference from June 17th results

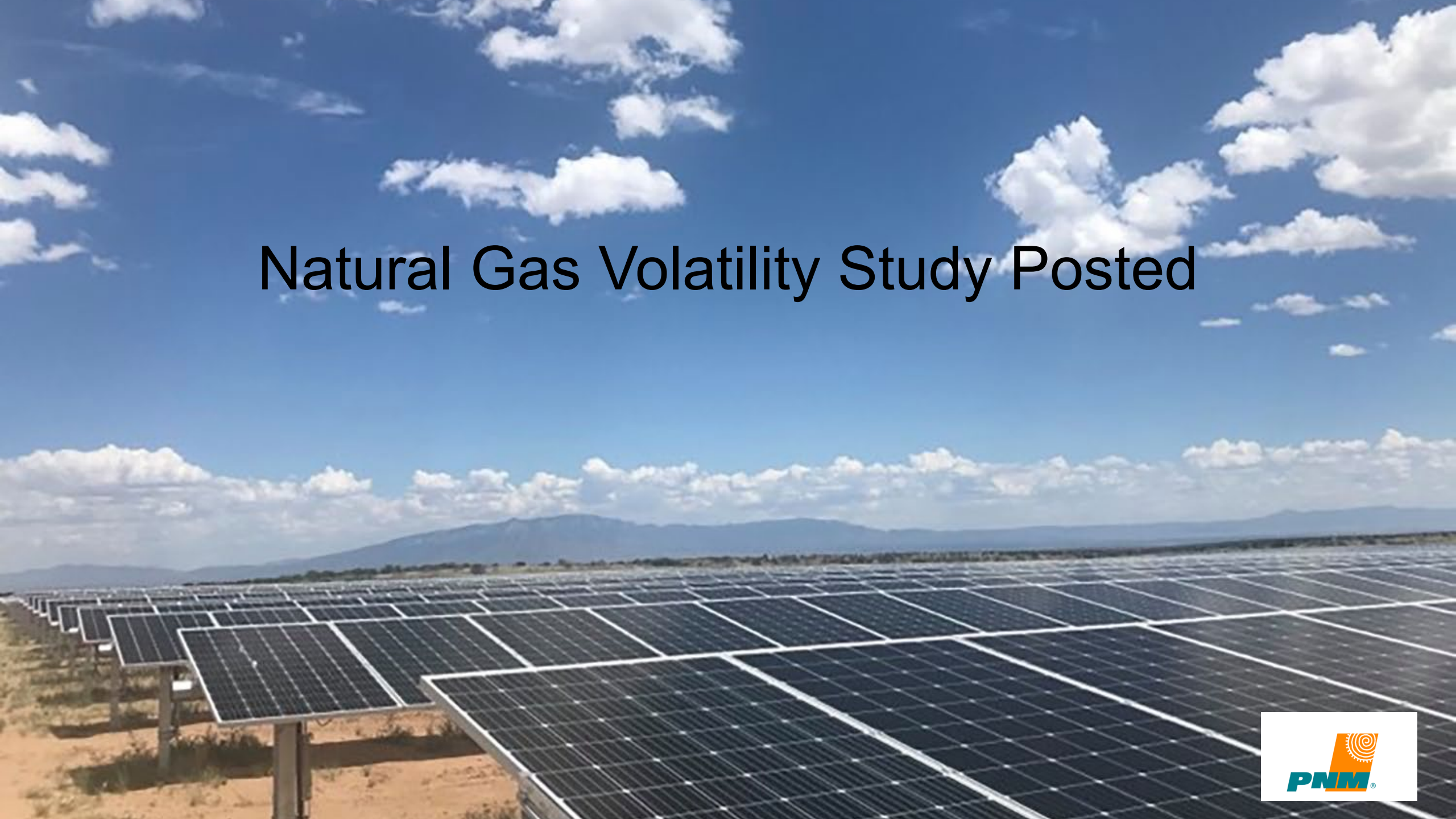
HEG: difference								
Carbon Free	(42)	(41)	(185)	(26)	(179)	12	(105)	(9)
Dynamic Balancing	(34)	(35)	(34)	13	(31)	(5)	0	9
Firm Dispatchable	0	(320)	0	(619)	0	(553)	(146)	(773)
XEG: difference								
Carbon Free	(79)		(143)		(270)		(293)	
Dynamic Balancing	204		205		206		185	
Firm Dispatchable	(300)		(420)		(460)		(500)	

HEG Takeaways

Compared to the previous results

- Less Firm Dispatchable resources are needed
- Less Carbon-free resources are needed
- In XEG sensitivity, more Dynamic Balancing resources are needed

Natural Gas Volatility Study Posted



Natural Gas Price Volatility Study

Source: Siemens, Natural Gas Price Volatility Study, [2026].

- Study Scope Office Hours Held January 27 with Siemens
- Two-part approach:
  - Qualitative assessment of factors that could influence the regional gas market
  - Quantitative assessment of the impact of price volatility on PNM's gas requirements.
- The study considered the potential commodity and basis pricing impacts from the following factors:
  - Gas production and supply
  - Pipeline capacity and infrastructure changes
  - Liquified Natural Gas (LNG) exports
  - Weather
  - Inflation

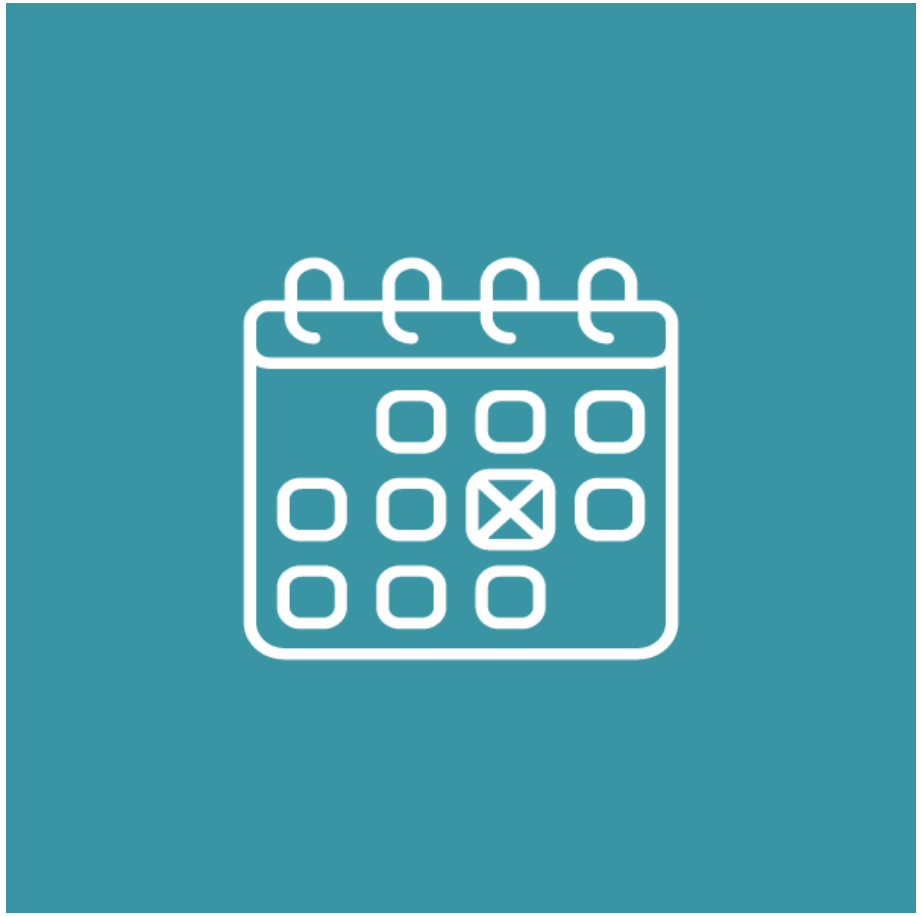
Natural Gas Price Volatility Study

Source: Siemens, Natural Gas Price Volatility Study, [2026].

- **Monte Carlo analysis:** High gas-price scenarios could increase annual gas costs by $26–$46 million, but the risk can be significantly reduced through PNM's existing hedging program.
- **Decarbonization Goal:** As PNM adds more carbon-free resources, its exposure to natural gas price volatility is expected to decline.
- **Regional Landscape:** Despite expected changes in supply, infrastructure, LNG exports, and data-center demand, Siemens concluded that Southwest gas market fundamentals are not expected to significantly alter regional price volatility.
- **Rate-Payer Exposure:** Long term volatility is bounded, short term price spikes are episodic, and existing hedging practices combined with carbon-free resources can effectively mitigate rate-payer exposure.

Pending Activities

1. Customer Impacts for CTP, HEG, LEG
2. IRP Report Draft and Review



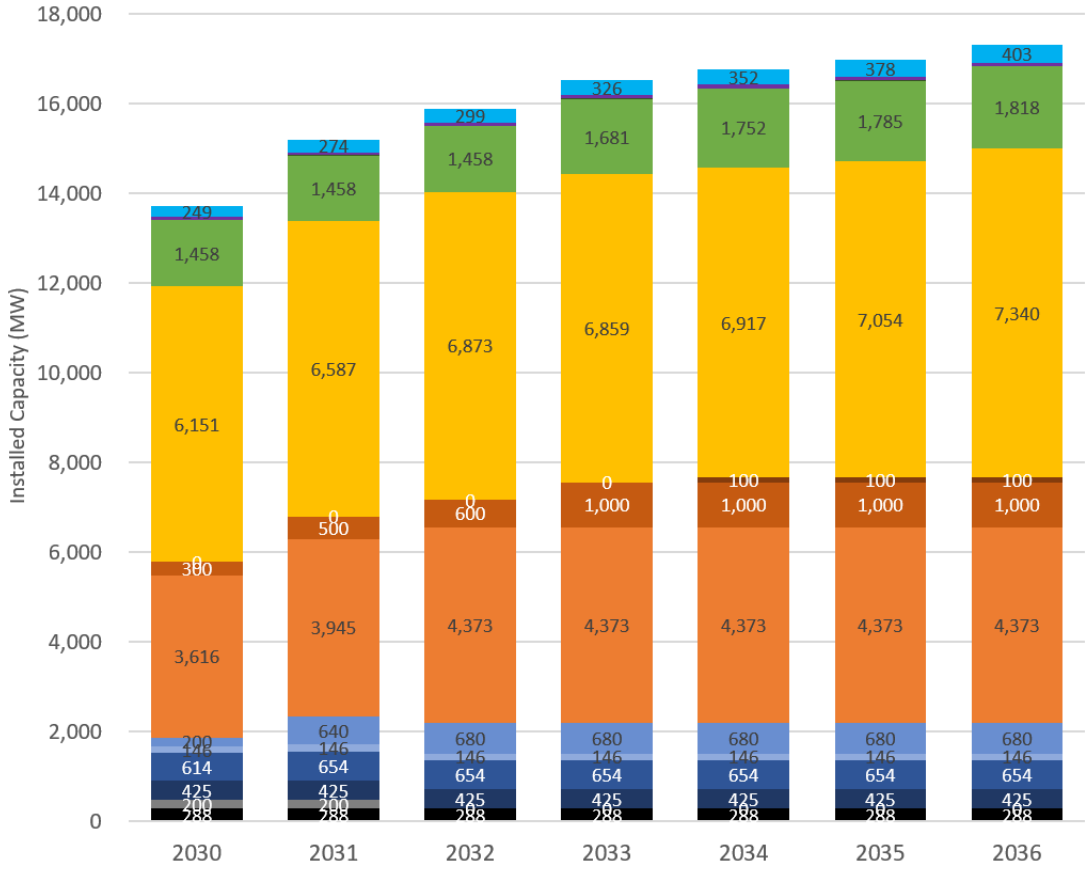

PNM

Appendix

Annual Installed Capacity: Updates to XEG

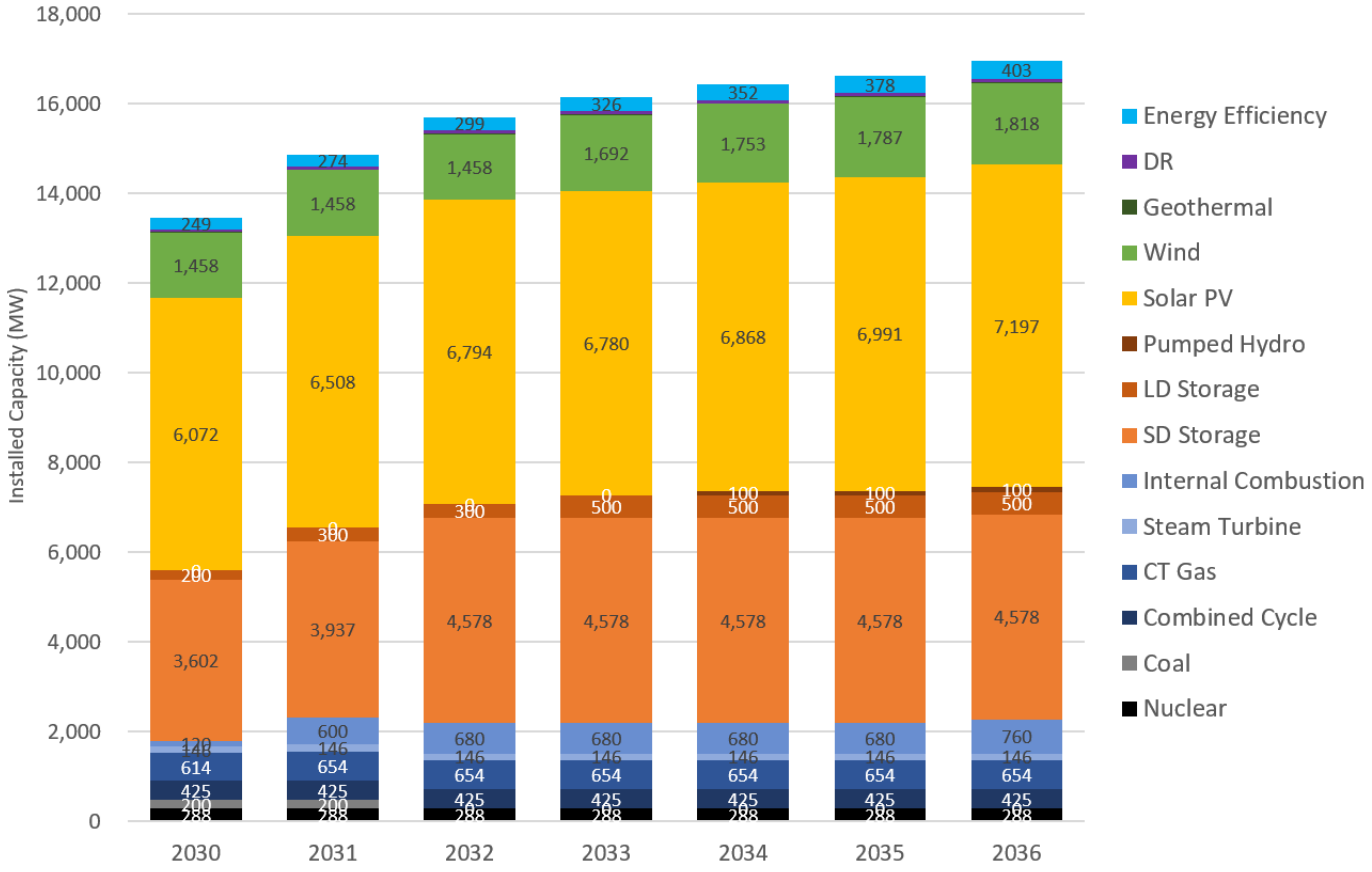
HEG-XED P2 Installed Capacity (MW)

May 13th



HEG-XED P3 Installed Capacity (MW)

Updated



Annual Accredited Capacity: Updates to XEG