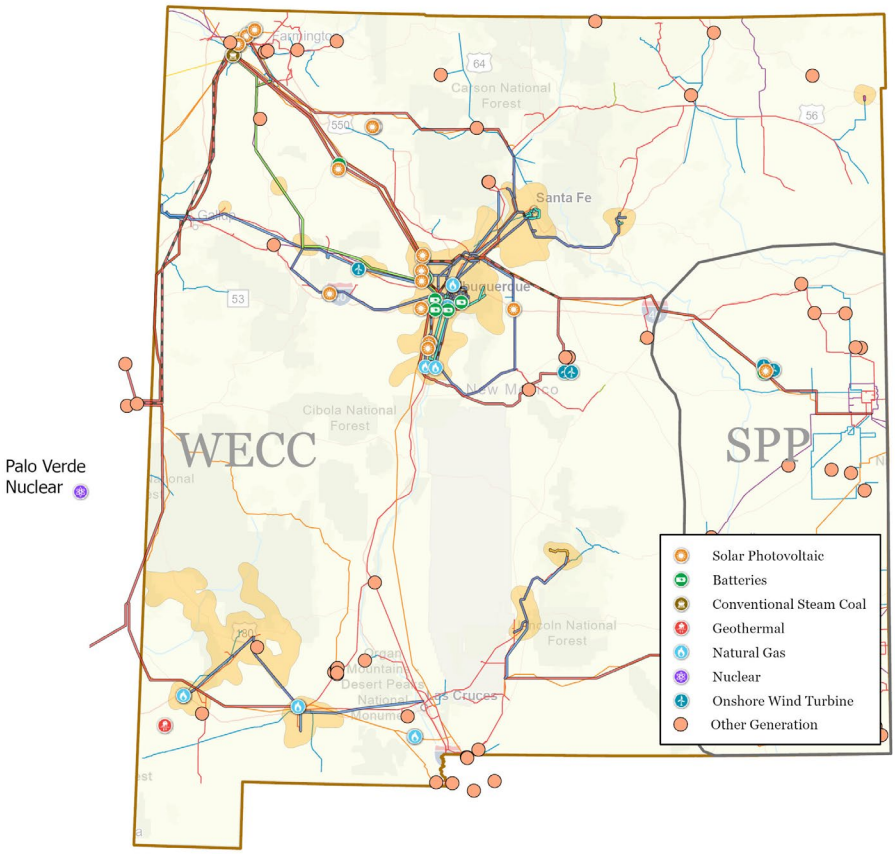
Topic – Transmission and Markets



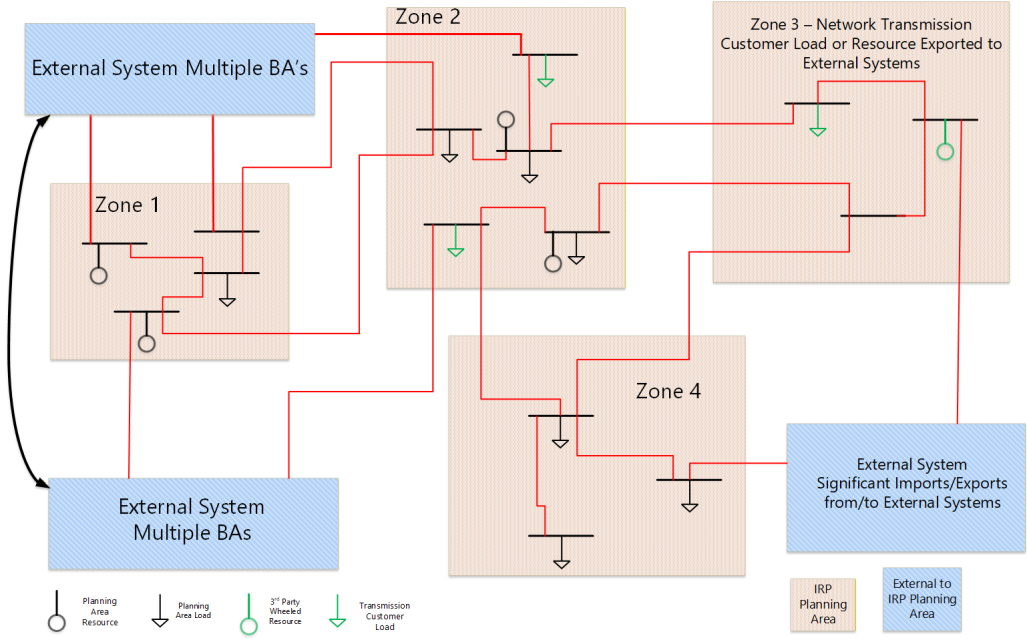
What is PNM's existing transmission system ?

- Majority of Long-Distance Transmission was built to Import Base Load Coal and Nuclear Resources
- Strengths:
  - Multiple Interconnected Systems
- Weaknesses:
  - Provides limited connectivity to certain technologies – Wind, Geothermal, CAES
- Announced Additions
  - Rio Puerco –Pajarito-Prosperity
- Utilization
  - Retail – 45%, 2100 MW
  - Transmission Service – 55%
    - Network Customers
    - Point-Point Wheeling
    - Other
- Interconnected Systems
  - Arizona
    - APS, SRP, TEP, WAPA
  - Colorado
    - Xcel, WAPA
  - Texas
    - EPE
    - SPP (RTO)

Why consider transmission in IRP ?

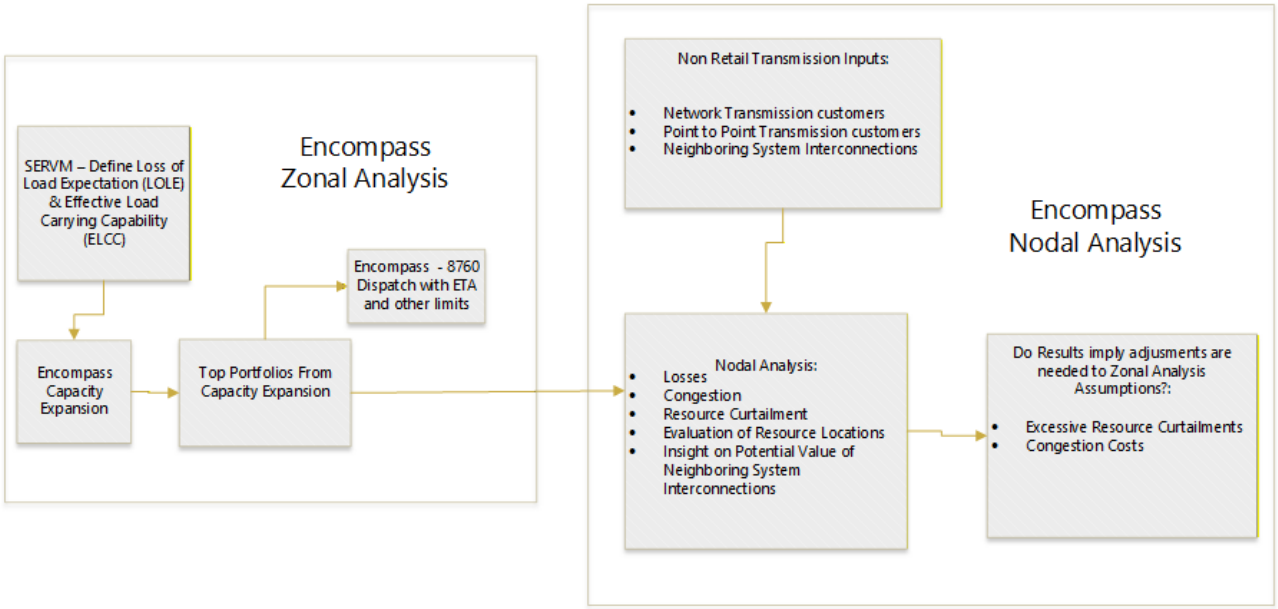
- Understand transmission system operations in the context of resource planning
- Evaluate system congestion for potential future resource additions
- Potentially provide insight to neighboring systems and new transmission facilities

Zonal vs Nodal Modeling Representation



How is transmission incorporated in PNM's 2026 IRP ?

Modeling: Zonal vs Nodal Representation



What is the role of regional markets ?

- EIM – Energy Imbalance Market
  - Real-Time Optimization – since 2021.
- EDAM – Extended Day-Ahead Market
  - Day-Ahead Scheduling Optimization – starting 2027
    - California ISO - Extended day-ahead market stakeholder link (https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market)
- Resource Adequacy Programs
- Market Benefits of Expanded Transmission Interconnection
  - CAISO
    - Explore Interconnection with Sunzia NM Collector System located in CAISO
  - SPP
    - Explore expanded HVDC tie expansion between PNM and SPP
  - Four Corners
    - Additional Transmission with Arizona