



OUR ENERGY FUTURE

Southwest



Xcel Energy's commitment to customer value is not just a single pillar in our strategy; it is the foundation that underlies all of our initiatives: Smart investments that benefit customers and ensure safe, reliable and affordable energy well into the future for Texas and New Mexico communities.

Xcel Energy's comprehensive commitment to customers is the framework for keeping energy costs affordable, powering economic development, and making the best, most efficient use of this region's natural resources. Our plan, titled *Our Energy Future*, features three key elements:

Vision: Building practical investments for the future

Value: Delivering affordable and reliable energy

Focus: Dedication to a diverse energy portfolio with environmental foresight

Customers demand all three. Xcel Energy uses a diverse energy mix and investment strategy to deliver them.

In 2017, Xcel Energy will continue to work for our Southwest customers and communities by:

Building practical investments for the future

- Upgrading transmission lines in Texas and New Mexico to improve reliability and promote the development of the region's natural renewable resources. This more than \$3 billion expansion began in 2011 and runs through 2021.
- Since 2011, Xcel Energy has invested in more than 800 miles of new transmission lines and built or upgraded more than 10 new substations in New Mexico and Texas.
- An additional 700 miles of transmission line and 25 additional substation builds or upgrades are planned over the next five years.





Delivering affordable and reliable energy

- We understand customers are primarily concerned with the reliability and affordability of the service we provide. Xcel Energy is transitioning to a more sustainable energy future with a focus on keeping costs as low as possible and doing what's right for customers.
- Modernization is creating fuel-savings, cleaner air and access to the competitive marketplace for electricity. Our traditional generating plants feature advanced emission-reducing equipment and innovative efficiency control systems—all while expanded transmission capacity spurs local renewable development and increases our access to the cheapest electricity available.
- Our resilient, diverse and flexible energy system delivers value to customers.

Dedication to a diverse energy portfolio with environmental foresight

- Xcel Energy is a nationally recognized renewable energy provider, and Texas and New Mexico offer some of the best wind and solar resource zones in the country. We know how to efficiently integrate renewables with a strong base of fossil fuel generation.
- Additional wind on Xcel Energy's Southwest system takes advantage of recent transmission investments, conserves water, and adds to the regional economy with more jobs, lease payments to landowners, and extra money in customers' pockets due to lower energy bills.
- More than 22 percent of the energy we deliver in Texas and New Mexico is carbon-free—that's 11 times the 2005 level.





Keeping electricity prices competitive

Affordable electricity today, and tomorrow, is a priority for Xcel Energy. But competitive prices are only part of the foundation on which New Mexico and Texas economies can thrive. Coupled with reliability, Xcel Energy delivers a stable, predictable and affordable resource to power growth.

Investing in power lines that connect us to the broader energy market is saving New Mexico and Texas customers more than \$60 million a year.



Renewable energy

- Nation's No. 1 utility wind energy provider for 12 years running and top 10 utility for solar capacity.
- Ranked No. 4 nationally for delivering renewable energy.
- 50% of the Southwest region's energy was provided by wind for an entire day this past winter; 28% for an entire month.
- Now providing more than 22 percent carbon-free electricity for New Mexico and Texas customers, keeping costs low.

Environment



- Xcel Energy honored with 2016 Climate Leadership Award for commitment to clean energy and excellence in greenhouse gas management.
- One-hundred percent of fly ash from our two Southwest coal plants is reused beneficially in road base and other construction products.
- Nearly 190 billion gallons of fresh water saved over 36 years by using treated municipal effluent to cool the Nichols-Harrington and Jones generating facilities—enough water to fill Lake Meredith and then some.
- Projected to reduce carbon dioxide emissions 20% by 2020 in New Mexico and Texas from 2005 levels.

Corporate responsibility



- One of Forbes Magazine Most Trustworthy Companies in America.
- Recognized as one of the most valuable employers for military veterans.
- Supported nearly 8,200 New Mexico and Texas jobs with ongoing local investments.
- Bought more than \$416 million in supplies and services last year in local NM and TX communities.
- Continuing to invest in the future of New Mexico and Texas, nearly \$2.6 billion over the next five years.
- Edison Electric Institute "Emergency Recovery Award" for outstanding power restoration after a storm.

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