

Update on the Energy Transition

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SAFE HARBOR STATEMENT

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Statements made in this presentation for PNM Resources, Inc. (“PNMR”), Public Service Company of New Mexico (“PNM”), or Texas-New Mexico Power Company (“TNMP”) (collectively, the “Company”) that relate to future events or expectations, projections, estimates, intentions, goals, targets, and strategies, including the preliminary unaudited financial results and earnings guidance, are made pursuant to the Private Securities Litigation Reform Act of 1995. Readers are cautioned that all forward-looking statements are based upon current expectations and estimates and apply only as of the date of this report. PNMR, PNM, and TNMP assume no obligation to update this information. Because actual results may differ materially from those expressed or implied by these forward-looking statements, PNMR, PNM, and TNMP caution readers not to place undue reliance on these statements. PNMR's, PNM's, and TNMP's business, financial condition, cash flow, and operating results are influenced by many factors, which are often beyond their control, that can cause actual results to differ from those expressed or implied by the forward-looking statements. Additionally, there are risks and uncertainties in connection with the proposed acquisition of us by AVANGRID which may adversely affect our business, future opportunities, employees and common stock, including without limitation, (i) the expected timing and likelihood of completion of the pending Merger, including the timing, receipt and terms and conditions of any remaining required governmental and regulatory approvals of the pending Merger that could reduce anticipated benefits or cause the parties to abandon the transaction, (ii) the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement, (iii) the risk that the parties may not be able to satisfy the conditions to the proposed Merger in a timely manner or at all, and (iv) the risk that the proposed transaction could have an adverse effect on the ability of PNMR to retain and hire key personnel and maintain relationships with its customers and suppliers, and on its operating results and businesses generally. For a discussion of risk factors and other important factors affecting forward-looking statements, please see the Company's Form 10-K, Form 10-Q filings and the information included in the Company's Forms 8-K with the Securities and Exchange Commission, which factors are specifically incorporated by reference herein.

Non-GAAP Financial Measures

For an explanation of the non-GAAP financial measures that appear on certain slides in this presentation (ongoing earnings, ongoing earnings per diluted share and ongoing earnings guidance measures), as well as a reconciliation to GAAP measures, please refer to the Company's website at <http://www.pnmresources.com/investors/results.cfm>. Since the future differences between GAAP and ongoing earnings are frequently outside the control of the Company, management is generally not able to estimate the impact of the reconciling items between forecasted GAAP net earnings and ongoing earnings guidance, nor their probable impact on GAAP net earnings without unreasonable effort, therefore, management is generally not able to provide a corresponding GAAP equivalent for ongoing earnings guidance.

PNM RESOURCES OVERVIEW



- Vertically integrated utility in New Mexico focused on clean energy transformation
- \$3.5B rate base
- 540k retail customers
- 2.6 GW resource portfolio
- 15k miles transmission and distribution lines

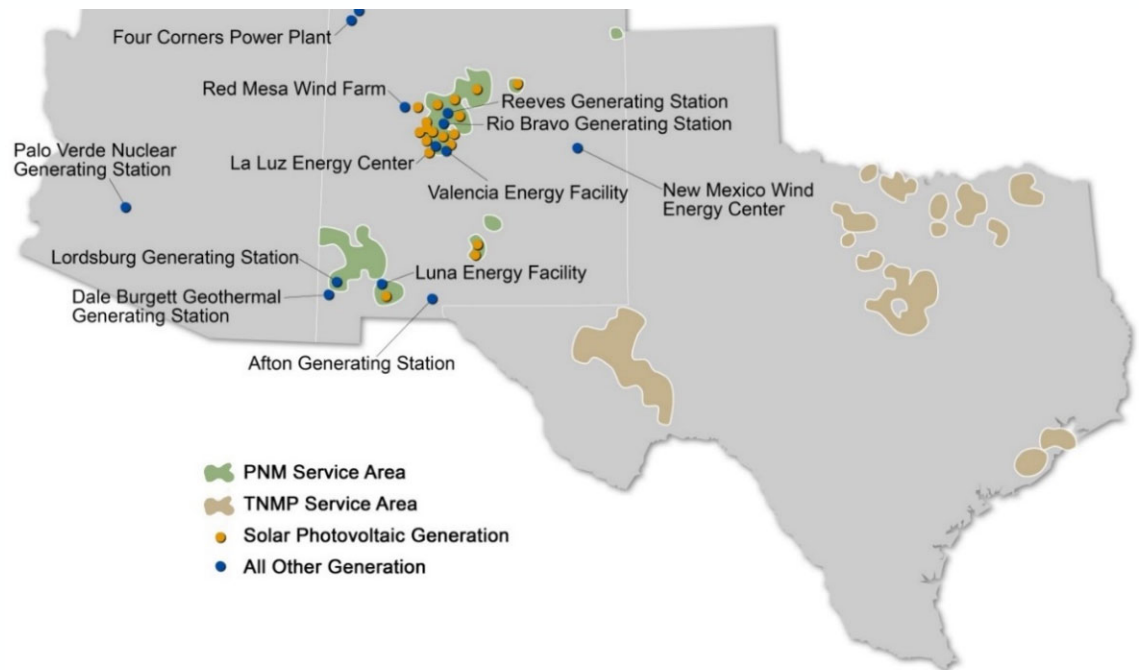


- T&D utility operating within the ERCOT market in Texas
- \$1.8B rate base
- 265k consumers
- 10k miles transmission and distribution lines



Energy holding company based in Albuquerque, New Mexico with two fully regulated electric utility subsidiaries

Service Territories and Generation Resources



OUR VISION: CREATE A CLEAN AND BRIGHT ENERGY FUTURE

**Clean Energy
Portfolio**



PNM progress toward industry-leading goal of 100% emissions-free energy by 2040

**Critical Electric
Infrastructure**



T&D investments reliably support growth and integration of clean energy

**Strong Corporate
Profile**



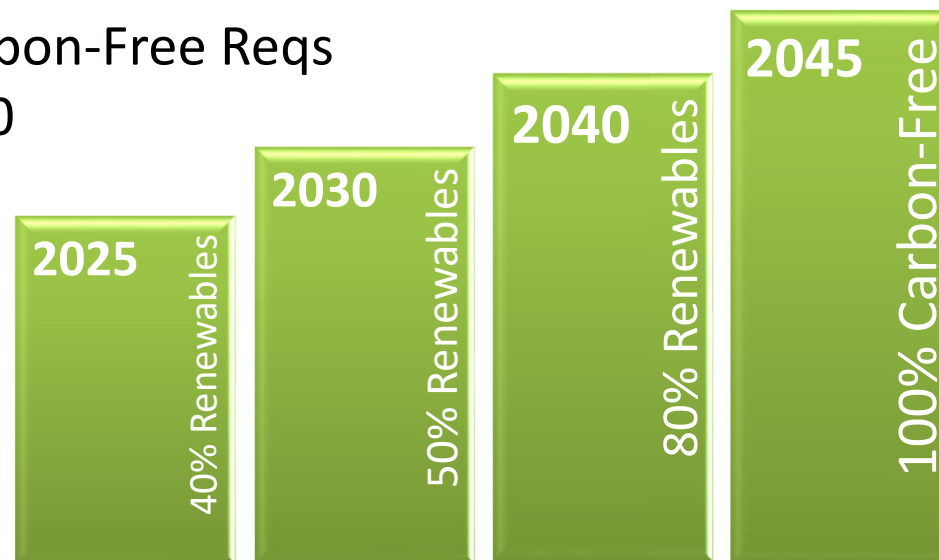
Delivering financial results, trusted community partner

Customer Reliability, Affordability, Satisfaction

NEW MEXICO ENERGY POLICY: ENERGY TRANSITION ACT

Energy Transition Act enacted in 2019 by New Mexico Legislature and Governor Lujan Grisham

- Renewable Portfolio Standard and Carbon-Free Reqs
 - Previous: 20% renewables by 2020
 - Current:
 - 40% renewables by 2025
 - 50% renewables by 2030
 - 80% renewables by 2040
 - 100% carbon-free by 2045



- Securitization measure for abandonment of coal-fired generating facilities reduces customer bills
- Economic development funds provide financial assistance to workers and the communities impacted by retirement of coal-fired generating facilities

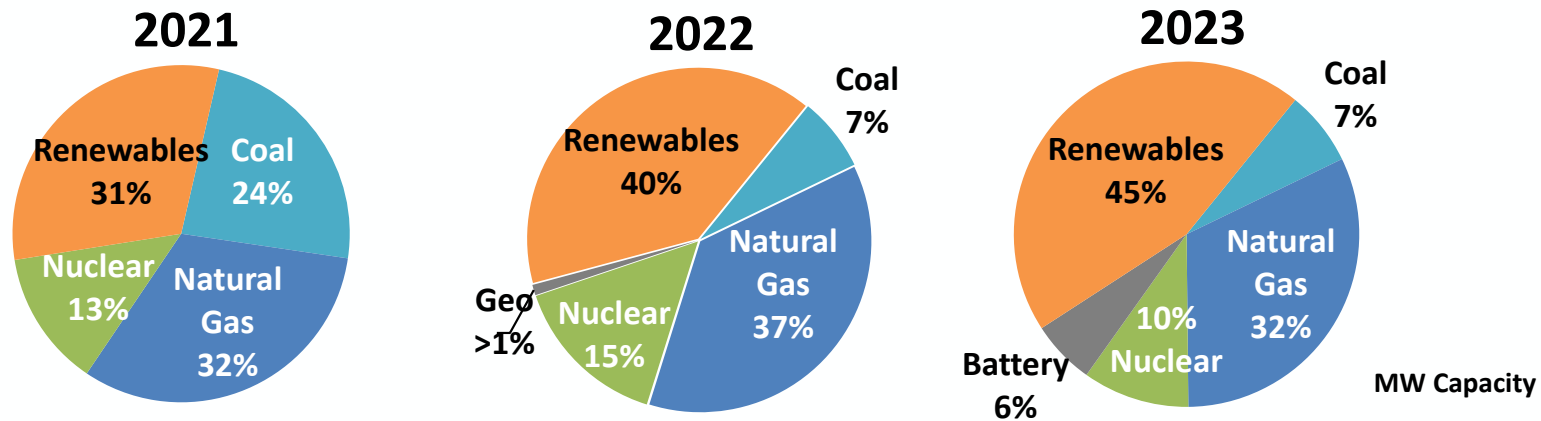
GETTING TO 100% CARBON-FREE ELECTRICITY

Our Goal: Carbon-Free by 2040 (5 years earlier)

Step 1: Exit coal generation

- **Retire San Juan Generating Station:**

Retired two units in 2017 and final two units in 2022



- **Exit Four Corners Coal Plant:** PRC denied application to abandon 13% (200MW) of FCPP, and sell to Navajo Transitional Energy Company. PNM appealed to Supreme Court, PRC's decision upheld.

Step 2: Eliminate natural gas generation emissions by 2040

- Transform existing and transitional gas plants to carbon-free capacity

Step 3: Actively pursue carbon-free replacement alternatives to reach 100%

SAN JUAN GENERATING STATION DECOMMISSIONING

- 7/13/23 held a Q2 update with San Juan County on progress
- Demolition of plant is just starting with selection of demolition contractor

Major activities completed:

- ❑ Demolition contract award to Integrated Demolition and Remediation, Inc. (IDR)
- ❑ Coal removal from coal yards ongoing
- ❑ Gathered residual coal and ash and transported to the San Juan Mine for disposal
- ❑ Transformer demolition work completed on 18 larger transformers
- ❑ Sale of Lake and River completed June 2023

- Civil work (pond closure) is still in the engineering design and evaluation process

SAN JUAN GENERATING STATION DECOMMISSIONING



- February 2023 - Auction of removal assets completed
- March 7, 2023 – San Juan County approval of site demolition plan
- June 2023 – Transfer of Lake and River Station to Bureau of Reclamation Gallup Drinking Water Project
- July 10, 2023 Building demolition Contractor initiated site demo activities
- Q4 2023 Anticipate pond closure Contractor selection and start of pond closure activities
- Q2 2024 anticipate site stacks demo'd
- Q4 2025 Majority of site demo complete

SAN JUAN GENERATING STATION REPLACEMENT RESOURCES

PNM has seen delayed commercial operation date (“COD”) timelines for the San Juan Generating Station (“SJGS”) replacement resources:

Project	Size	Original COD	Current COD	Comments
Arroyo	300 MW Solar 150 MW Battery	June 30, 2022	July 21, 2023 – 150 MW Battery July 21, 2023 – 1 st 70 MW Solar August 15 – 2 nd 70 MW Solar Dec 31, 2023 – Full 300 MW Solar	Battery currently testing per PNM direction providing customer benefits
Jicarilla	50 MW Solar 20 MW Battery	Nov 30, 2021	August 1, 2023 – 20 MW Battery August 1, 2023 – 25 MW Solar August 14, 2023 – Full 50 MW Solar	Delays due to issues identified in testing
San Juan Solar 1	200 MW Solar 100 MW Battery	June 10, 2022	May 31, 2024	Construction began July 2023
Rockmont	100 MW Solar 30 MW Battery	June 20, 2022	NA – Defaulted	

GRID MODERNIZATION

- Grid modernization statute passed in 2020 Session
- On October 3, 2022, PNM filed its comprehensive grid modernization application with the Public Regulation Commission (PRC)
 - \$344 million in investments including advanced meter infrastructure and distribution system upgrades
- Hearing was held on March 20-24, 2023
- Post-hearing briefing was completed on April 20, 2023
- PRC issued an order on May 31, 2023 directing PNM to conduct a Cost Benefit Analysis (CBA) and file related testimony
- Hearing Examiner issued an order on July 10, 2023 staying proceedings and stating PNM should take whatever time is needed to complete CBA
- PNM anticipates filing its CBA and related testimony by November 3, 2023

Infrastructure Investment & Jobs Act

- PNM has filed 3 applications for IJJA grants; received word in May that one was granted – re: data on inverter-based resources
- PNM is available to assist local governments and tribal entities with technical assistance on grant application preparation