

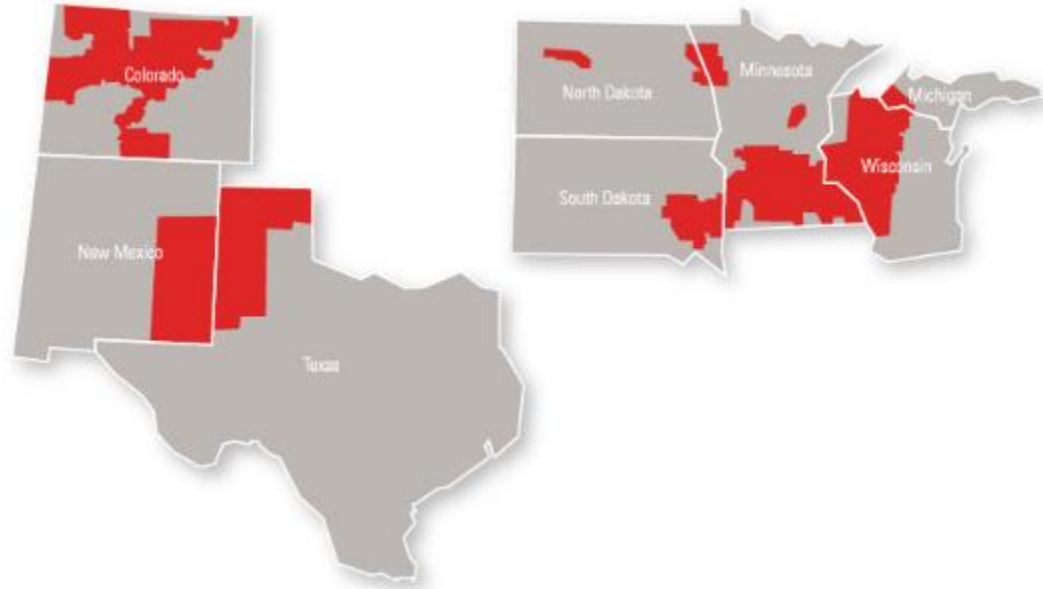
SPS / XCEL ENERGY: WATER AND NATURAL RESOURCES COMMITTEE

11/29/2024 Ruidoso, NM

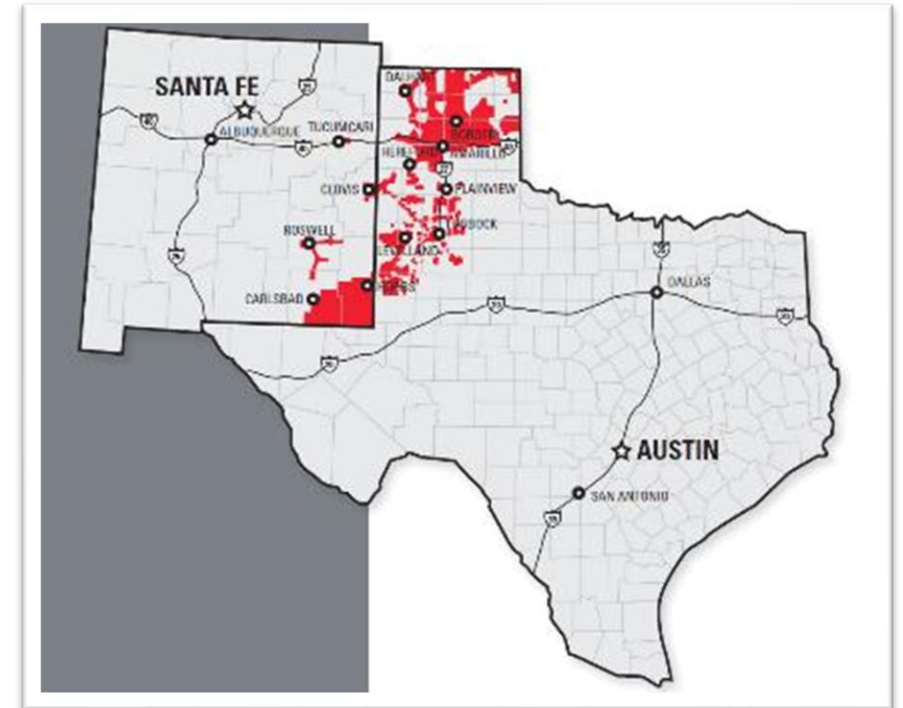
Zoe Lees - Regional Vice President, Regulatory Policy



Who is Xcel Energy & Southwestern Public Service Company



Xcel Energy is a major U.S. regulated electric and natural gas delivery company that serves approximately 3.8 million electricity and 2.2 million natural gas customers across parts of eight Midwestern and Western states.

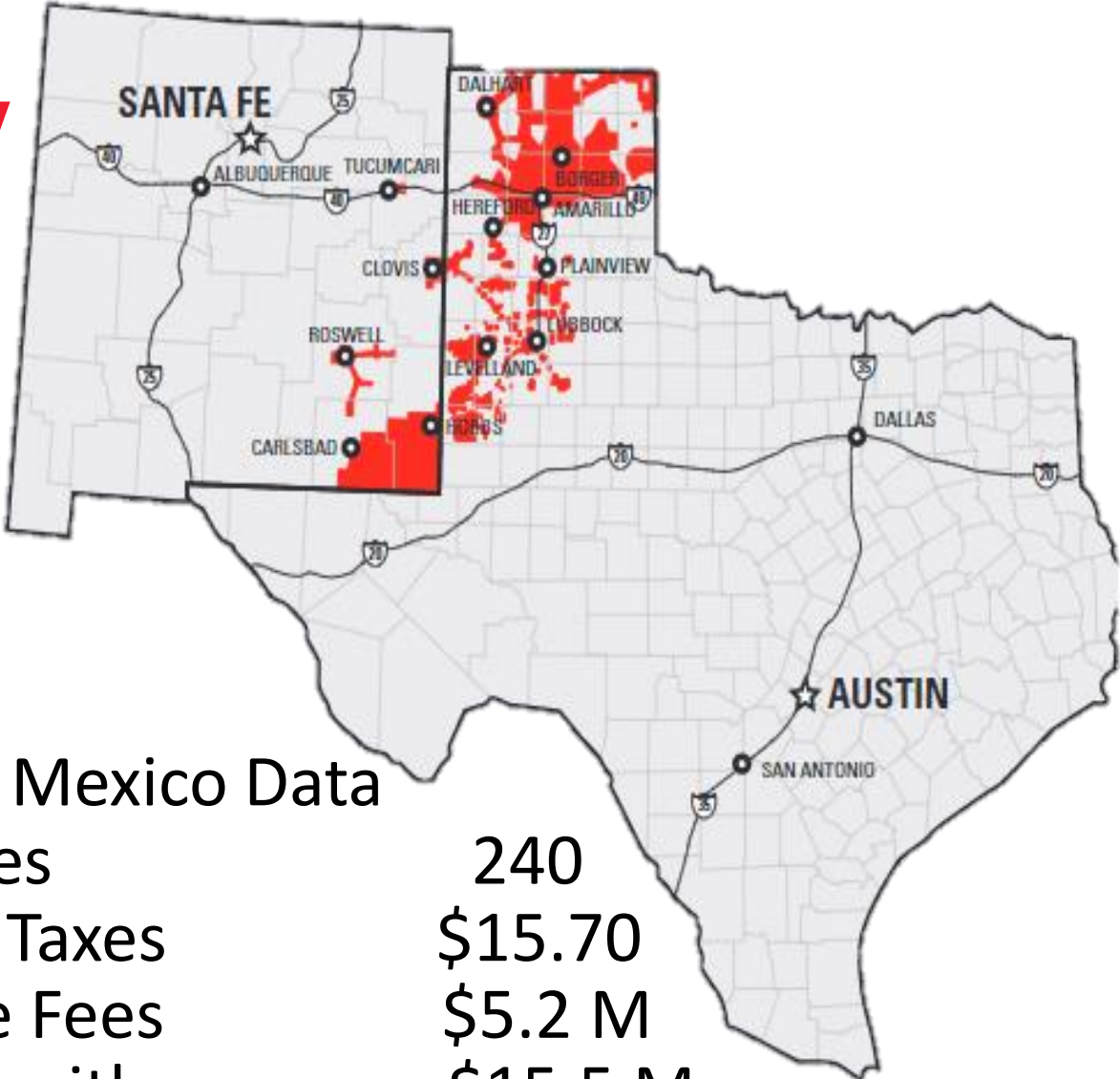


403,000 Customers
99.96% Electric Reliability
5,100MW Generation Capacity
41,000 Miles of Transmission Lines
24,000 Miles of Distribution Line

SPS New Mexico service territory

SPS serves approx. 126,000 customers in the following 16 towns in New Mexico:

- Artesia
- Clovis
- Eunice
- Hobbs
- Lake Arthur
- Malaga
- Portales
- Texico
- Carlsbad
- Dexter
- Hagerman
- Jal
- Loving
- Otis
- Roswell
- Tucumcari



New Mexico Data	
Employees	240
Property Taxes	\$15.70
Franchise Fees	\$5.2 M
Spending with Local Vendors	\$15.5 M

Customer's Service in New Mexico

2024 SPS C&I Sales

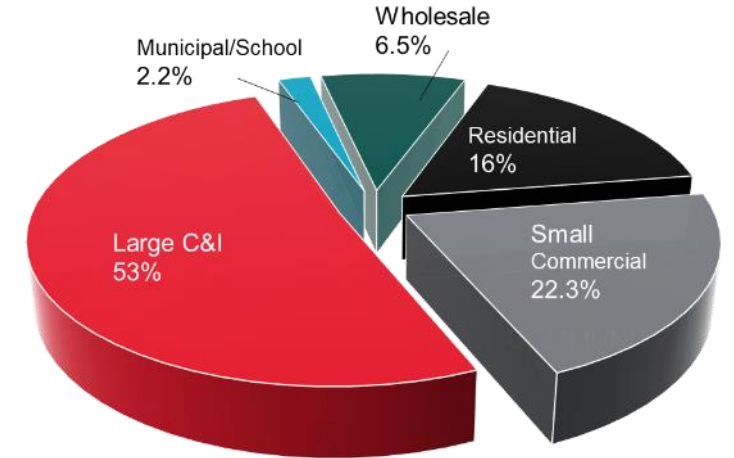
- SPS serves a predominately Commercial & Industrial load
 - >50% of sales are to the oil and gas industry
- 2023 Sales are strong with 4.5% increase over 2022
- New Mexico MWh Sales continue to grow with development in Lea and Eddy County – 700MW+ over 10 years
 - 1300MW+ of new load requested by 2027



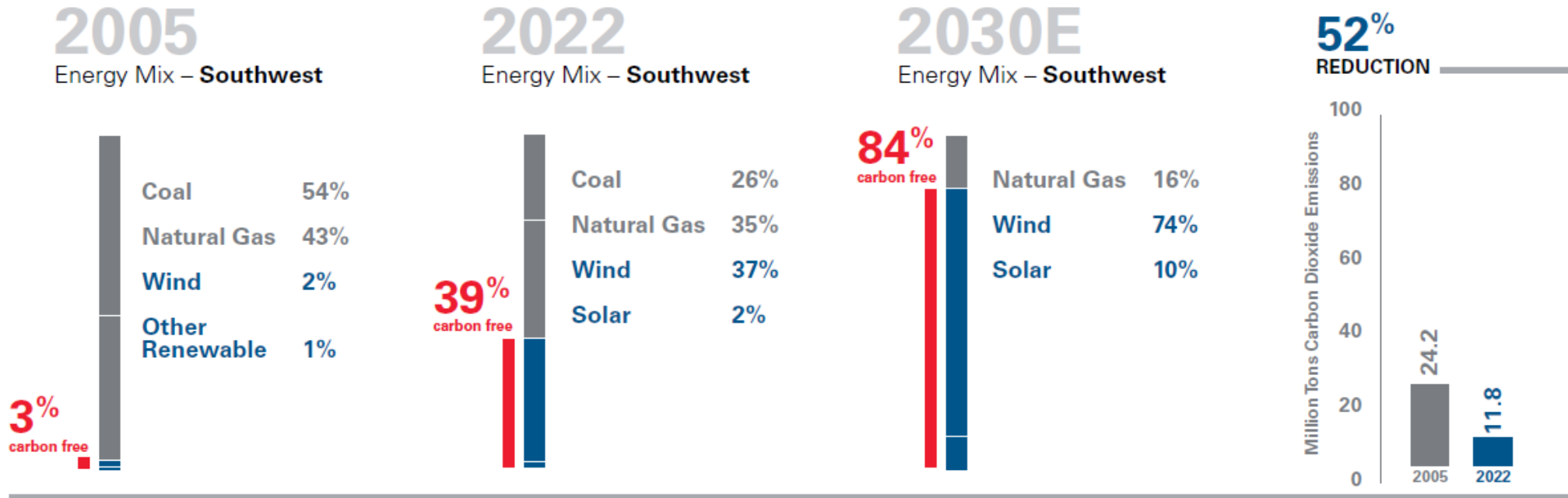
Oil and Gas production rates are paralleling load growth on the Southeastern New Mexico Electrical Grid

State MWh sales split
65.6% Texas
34.4% New Mexico

ELECTRICITY SALES



Transforming Our Energy Mix



IRP/RFP UPDATE



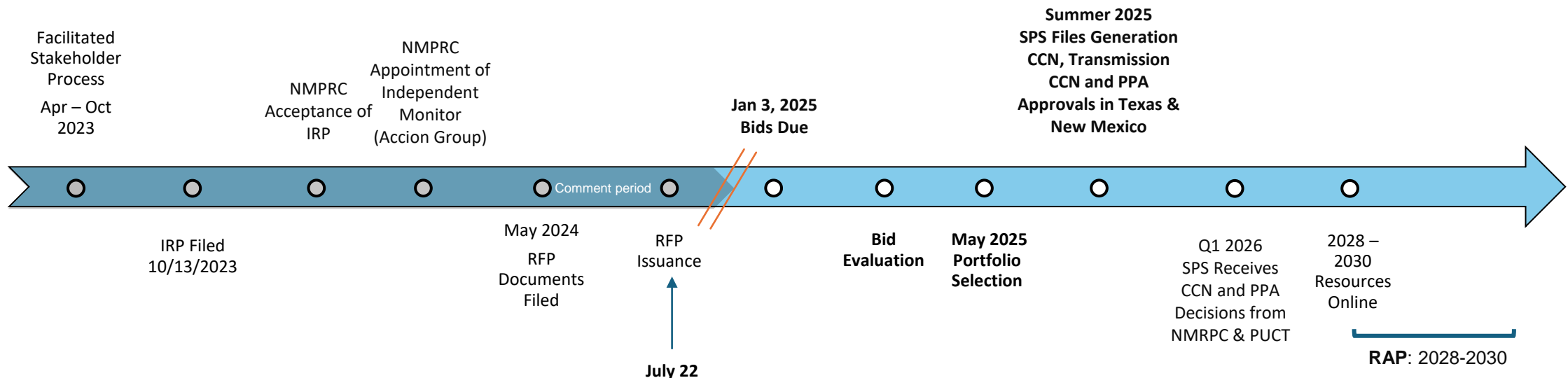


Generation Resources



SPS Integrated Resource Plan (IRP) Timeline and Regulatory Process

- 2024 All-Source Competitive Resource Solicitation will select resources to meet SPS’s system (TX & NM) capacity need through 2030. SPS’s RAP – resource acquisition period – is 2028 through 2030.
- The NMPRC accepted SPS’s IRP, and SPS issued a Request for Proposals (RFP) in July 2024 seeking approximately 3,200 MW of accredited capacity by 2030. Depending on the composition of the ultimate portfolio, this could represent 5 – 10 GWs of additional nameplate generation on SPS’s system.
- Bids are due by Jan 3, with portfolio selection occurring in Q2 2025. CCN and PPA pre-approval filings are anticipated to be made in summer 2025 with decisions anticipated in 2026.



SPS 2023 IRP

Approximately 3,200 MWs of additional accredited capacity needed by 2030

Table 1 - SPS's Accredited Capacity Need¹

	2027	2028	2029	2030
Summer (MWac)²	770	1,596	2,880	3,007
Winter (MWac)	543	1,726	3,049	3,190

RFP Options 1 & 2:
Generator Replacement and/or Candidate Extensions
Approx. 1,600 MW

RFP Option 3:
DISIS Current Status
- 1,831 MW max Winter Capacity
- 2,607 MW max Summer Capacity
- Need minimum 1,600 MW by Winter 2030

¹ SPS's Accredited Capacity Need identified in Table 1 reflects SPS's New Mexico position. SPS's capacity position in Texas is higher than it's New Mexico position given some existing resources have been approved by the NMPRC but not the PUCT.

Process Challenges

Risk Considerations to Economic Development efforts

1. Little flexibility in process to address emergent growth captured in IRP process
2. Statutory resource approval deadlines signal timeline risk to project developers
3. RFP requirement for resources to count towards RPS requirement creates complications when utilities consider renewable resources for emergent economic development resource needs
4. Reliability of system and affordability must be prioritized to attract growth to the state.

SPS / Xcel Energy: Water and natural resources Committee

11/29/2024 Ruidoso, NM

Zoe Lees - Regional Vice President, Regulatory Policy







SPS southern Transmission network




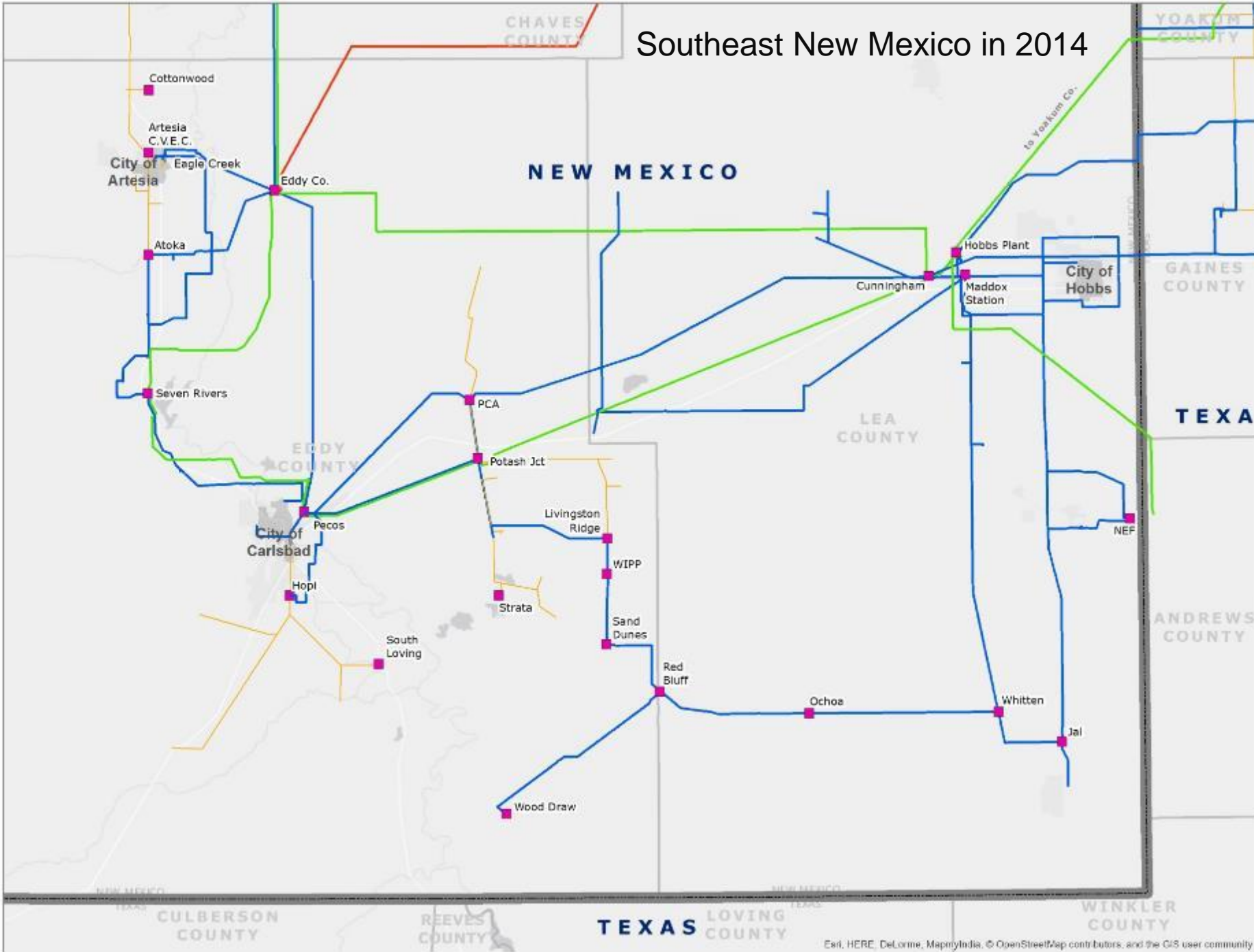
Southeast New Mexico in 2014

Power for the Plains SE New Mexico

Xcel Energy Transmission

-  345kV
-  230kV
-  115kV
-  69 kV

 Xcel Energy Substation



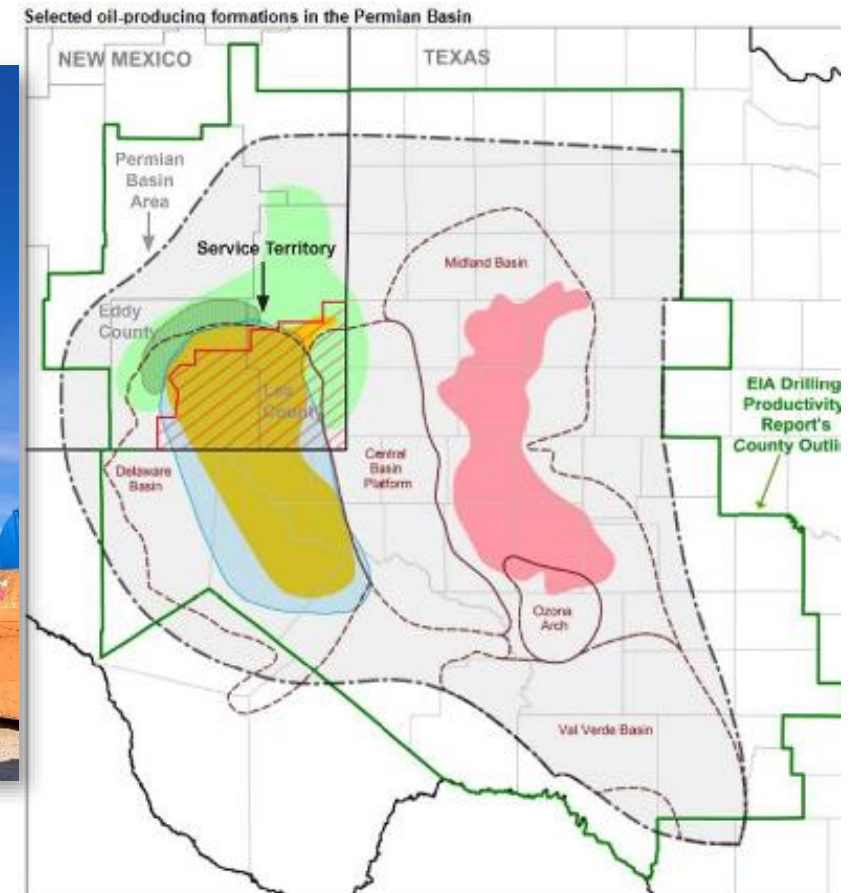
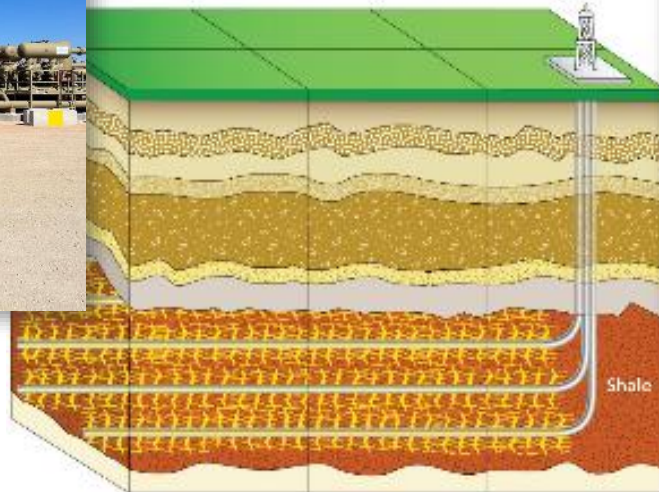
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SPS is in a Position to Facilitate the Growth

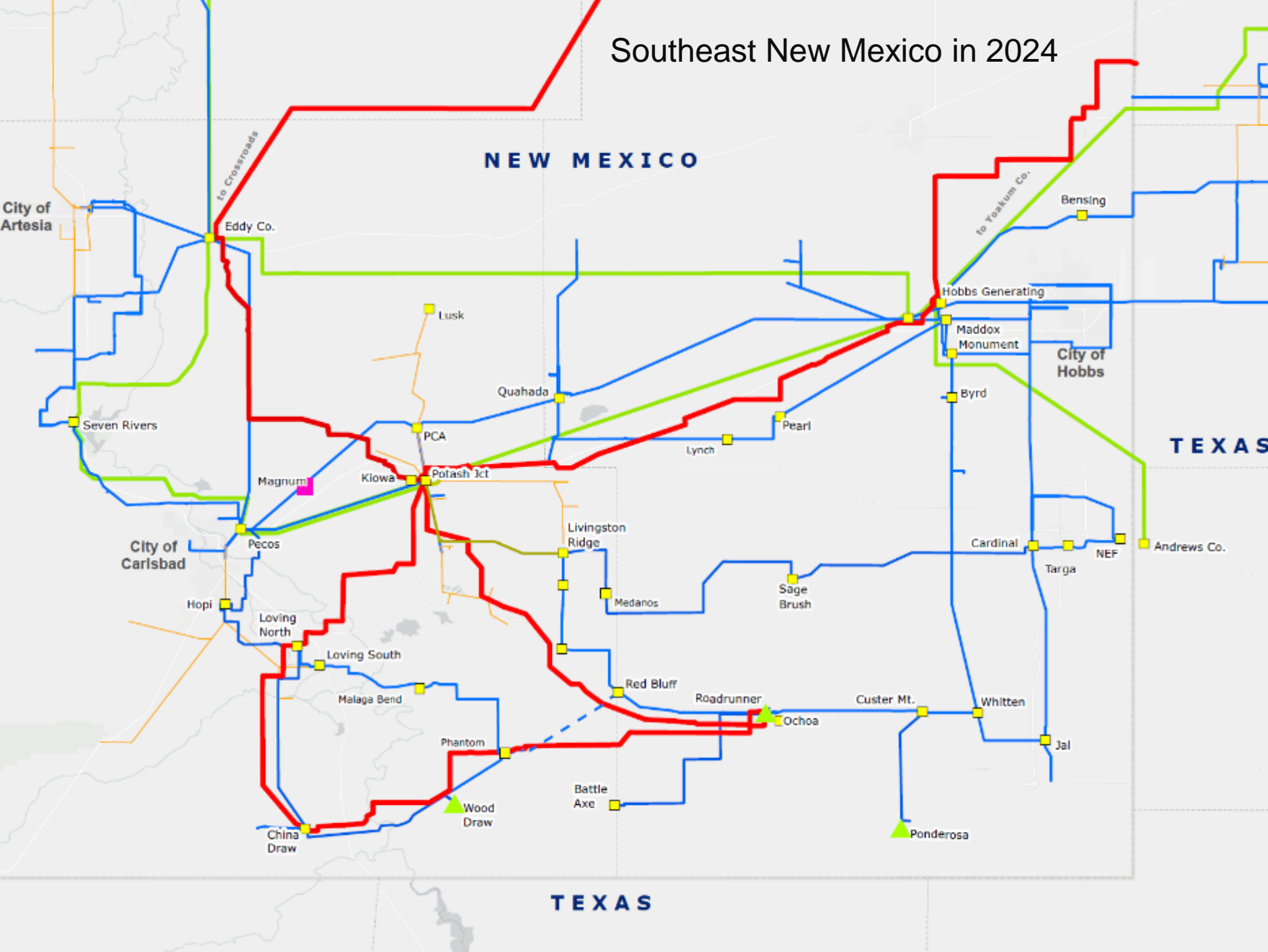
Southeast New Mexico Oil and Gas Growth

New Mexico is second largest U.S. producer behind Texas

- 16% of U.S. production
- 5% of U.S. daily consumption



Southeast New Mexico in 2024

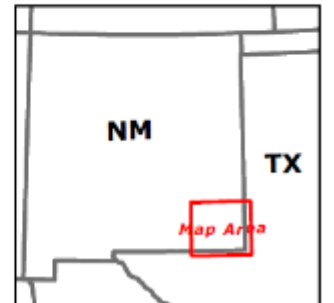


Vicinity Map for SE New Mexico

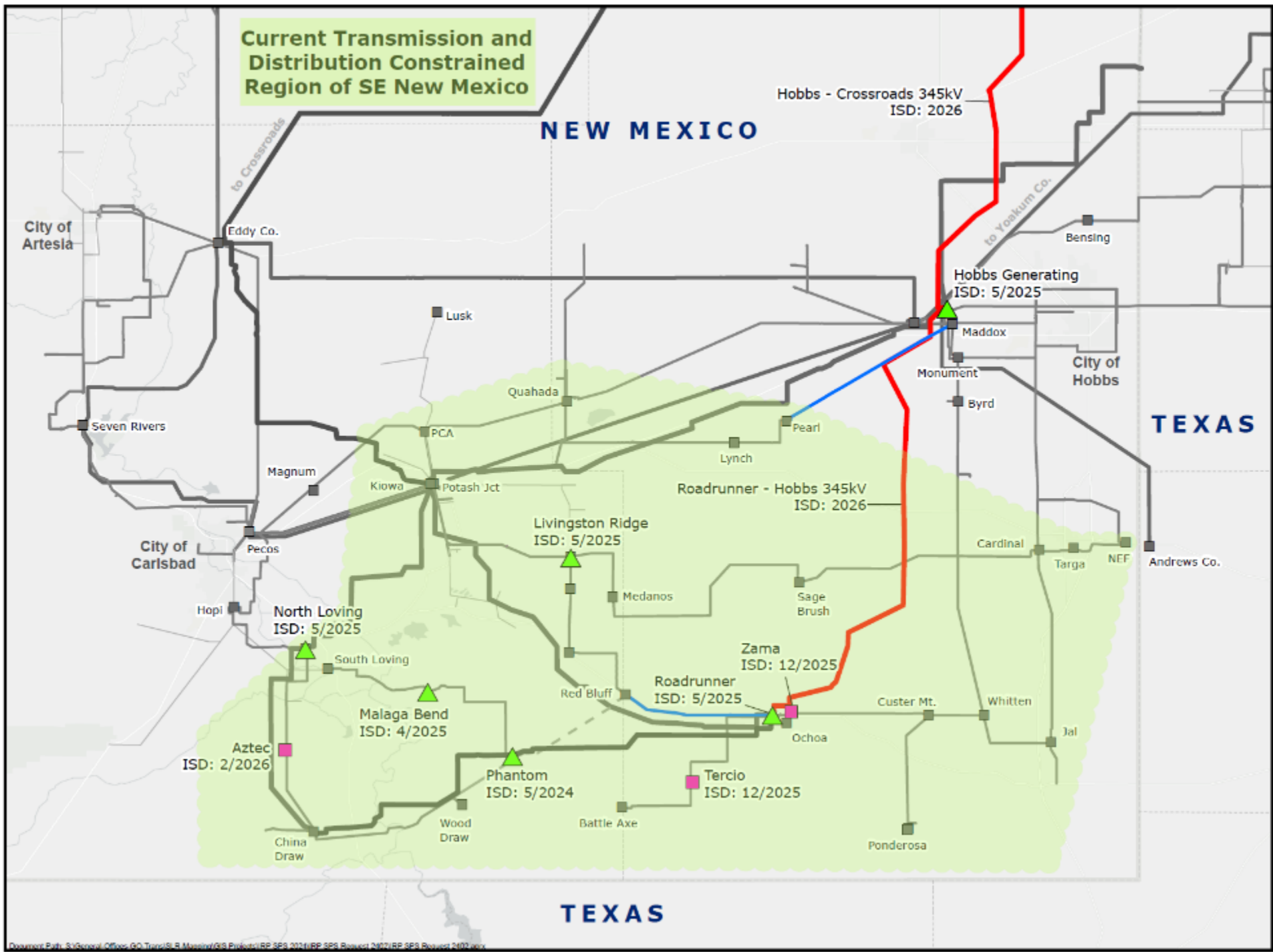
- Existing Transmission Infrastructure**
- 345kV
 - 230kV
 - 115kV
 - - - 115kV reconductor
 - 69kV
- New SE New Mexico Transmission Infrastructure 2012 - Q4 2023**
- Xcel Energy Substation or Tap
 - ▲ Transformer Addition
 - New Substation

DISCLAIMER: This information is believed to be correct but is subject to change and is not warranted.

Date: 3/7/2024



Current Transmission and Distribution Constrained Region of SE New Mexico



Existing Transmission Infrastructure

- 345kV
- 230kV
- 115kV
- 115kV reconductor
- 69kV

Xcel Energy Substation or Tap

Future Additions

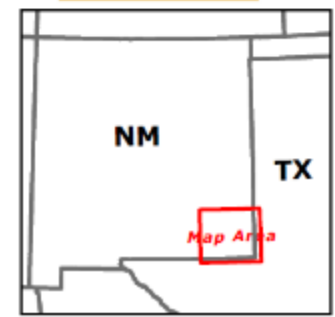
- 345kV Line Upgrades
- 115kV Line Upgrades

Existing Substation (upgraded/expanded)

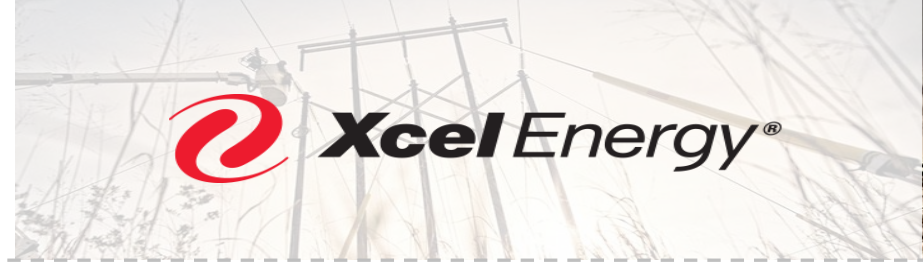
New Substation

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LOAD GROWTH ACROSS SPS

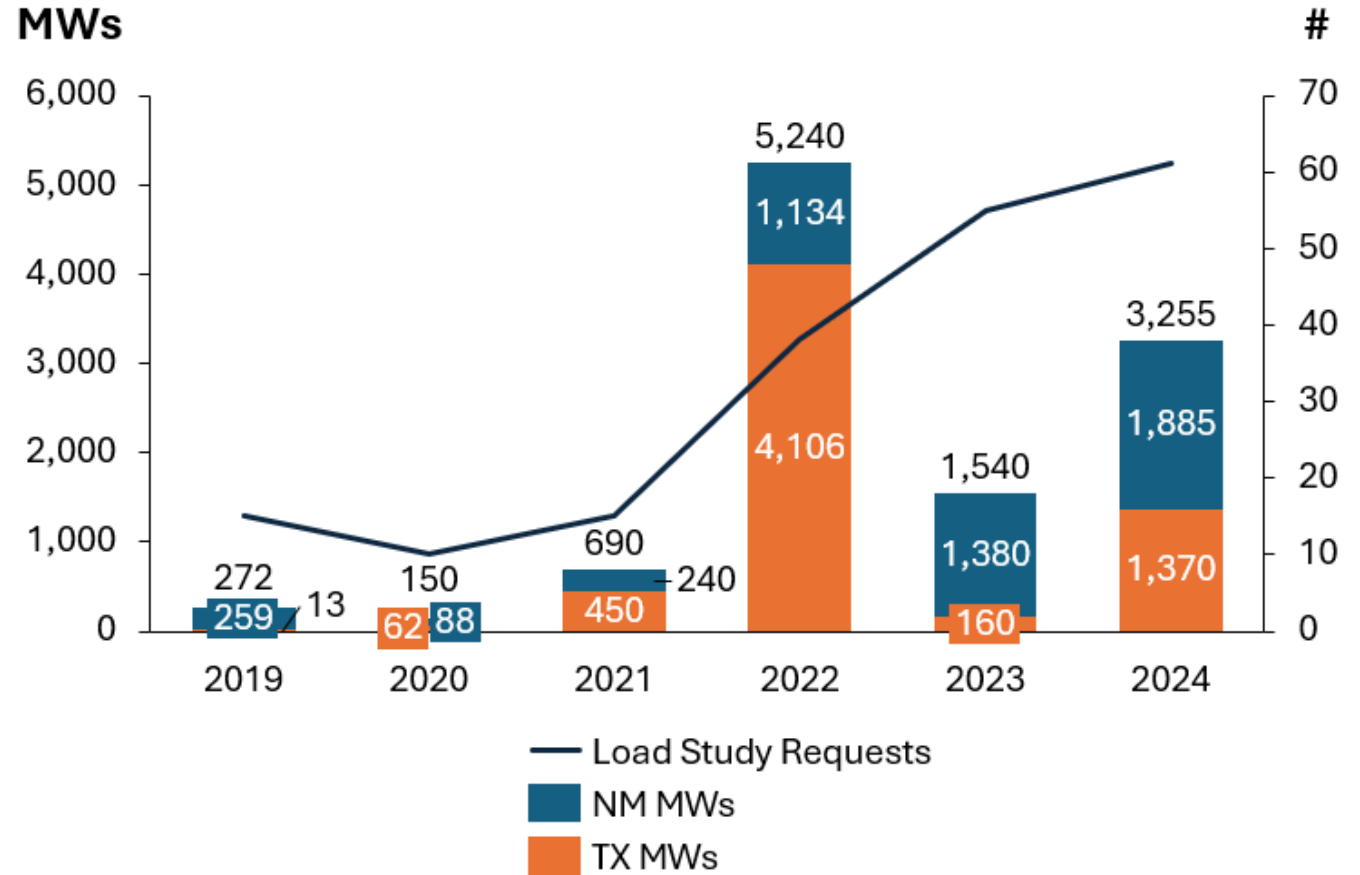


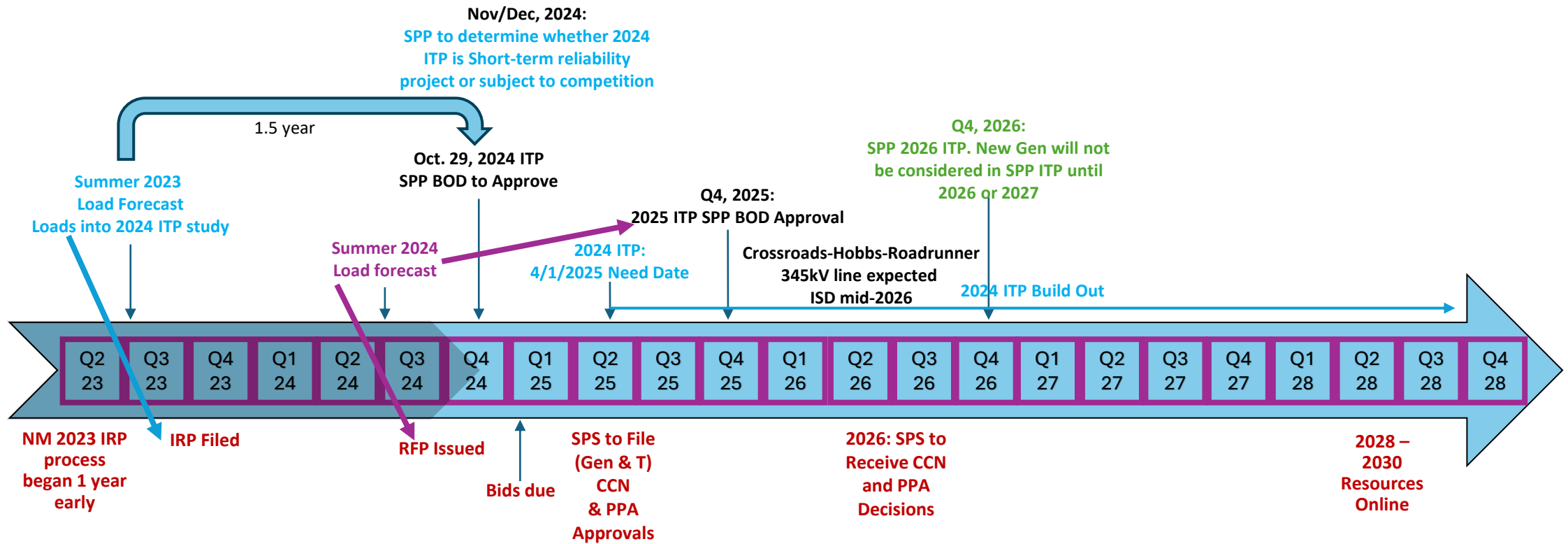
Distribution level requests roll uphill to the Transmission system

Significant growth expectations (submitted via AQ process):

- 2019: 15 retail load study requests for 272 MWs
 - 259 MW in NM
 - 13 MW in TX
- 2020: 10 retail load study requests for 150 MWs
 - 88 MWs in NM
 - 62 MWs in TX
- 2021: 15 retail load study requests for 690 MWs
 - 240 MWs in NM
 - 450 MWs in TX
- 2022: 38 retail load study requests for 5240 MWs
 - 1134 MWs in NM
 - 4106 MWs in TX
- 2023: 55 retail load study requests for 1540 MWs
 - 1380 MWs in NM
 - 160 MWs in TX
- 2024 (to date): 61 retail load study requests for 3255 MWs
 - 1885 MWs in NM
 - 1370 MWs in TX

Load growth at these levels – significant impact the Distribution, Transmission, and Generation systems





SPP Process: Transmission constraints extend beyond generation additions



Load growth significantly outpacing SPP ITP and build process



SPP ITP 10-year reliability models will only consider approved Generation

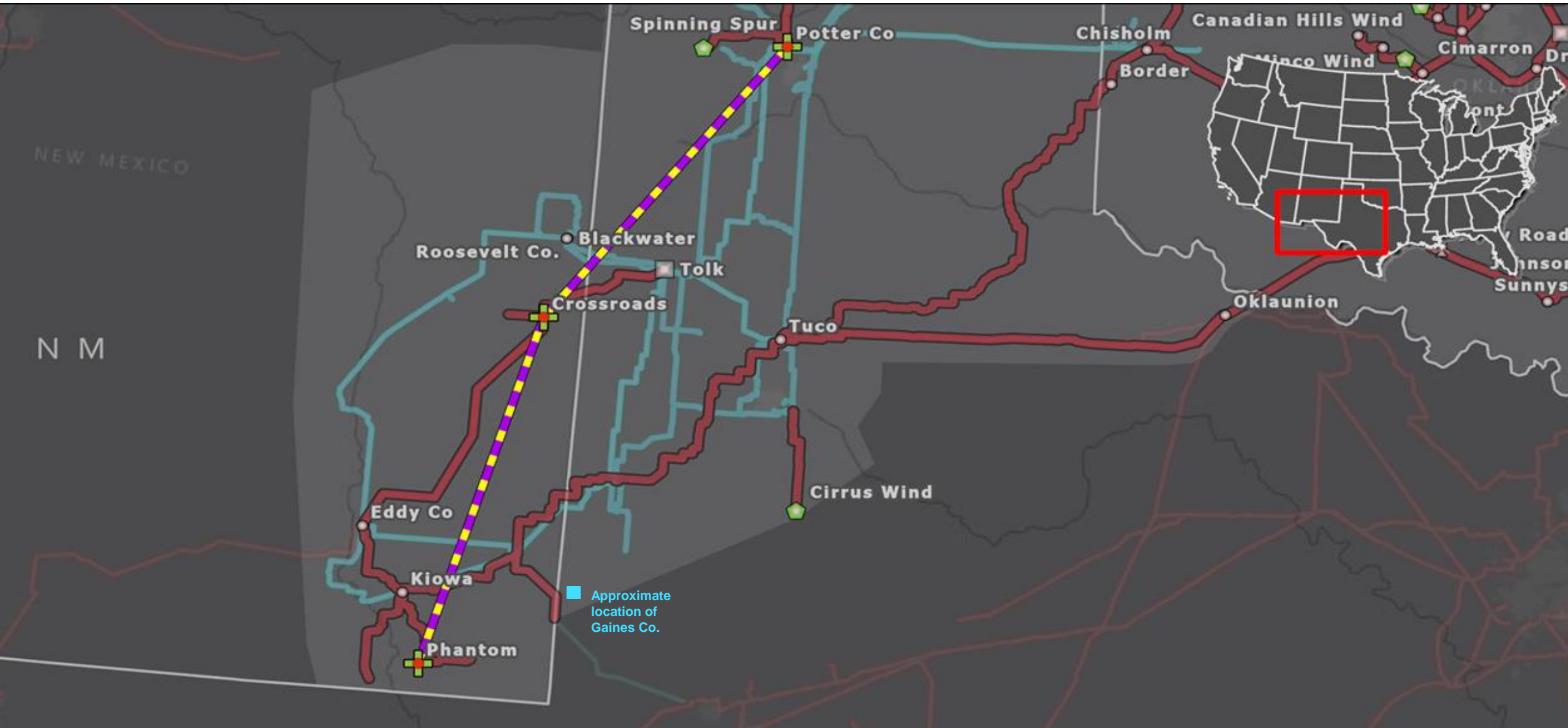


LOCATION MATTERS for the portfolio selected in the 2024 RFP



Unprecedented supply chain & workforce competition

Potter – Crossroads – Phantom 765 kV Line



SPP 2024 ITP Projects

Expected NTCs to SPS

Project Description	Area	State	Need Date	Type	Project Cost	Miles	CCN Required
Buckeye – Texaco 115 kV Ckt 1 New Line	SPS	NM	6/1/2025	Reliability	\$5,703,176	23	No
Channing 230 kV Capacitor	SPS	TX	6/1/2025	Reliability	\$4,467,052		No
Denver – Mid American 69 kV San Andreas – Seminole 115 kV Tap Intersection	SPS	TX	6/1/2025	Reliability	\$11,115,323		No
Frankford – Quaker 115 kV Rebuild	SPS	TX	6/1/2025	Reliability	\$2,753,972	2	No
Gaines – Riley – Mid America – Mid-Denver Tap 69 kV Rebuild	SPS	TX	11/12/2026	Reliability	\$7,339,941	6	No
Grapevine – Kingsmill 115 kV New Line	SPS	TX	6/1/2025	Reliability	\$14,337,209	10.7	TX only
Lubbock East – Lubbock South 115 kV Terminal Equipment	SPS	TX	6/1/2025	Reliability	\$956,448		No
Lynch – Medanos 115 kV Ckt 1 New Line	SPS	NM	12/1/2028	Reliability	\$50,631,694	17	No
Maddox – Perale 115 kV Rebuild	SPS	NM	12/1/2028	Reliability	\$15,972,706	15.3	No
Moore County – XIT 230 kV Ckt 1 New Line	SPS	TX	6/1/2025	Reliability	\$52,830,105	46.2	TX only
Moore County 230 / 115 kV Ckt 2 Transformer	SPS	TX	5/12/2028	Reliability	\$13,022,086		No
Roadrunner 345/115 kV Ckt 2 Transformer	SPS	TX	6/1/2025	Reliability	\$19,997,839		No
Phantom – Crossroads – Potter 765 kV Ckt 1 New Line	SPS	TX/NM	1/1/2025	Reliability	\$1,690,874,827	293	TX & NM
Roadrunner 345 / 115 kV Ckt 3 Transformer	SPS	NM	1/1/2025	Reliability / Economic	\$19,997,839		No
Beckham Co – Potter 345 kV New Line	OGE / SPS	TX / OK	11/12/2029	Economic	\$428,620,878	149.6	TX only ³⁰

What is SPS doing to serve load in SE NM?

Pushing SPP to complete studies

Provide load ramps to completed study participants

Prioritize Distribution upgrades/additions required post Transmission constraints

2024 Generation RFP

Advocating changes to SPP's AQ study process

Investigating other solutions

