

San Juan Generating Station Update & PNM Sustainability

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NOVEMBER 16, 2023

AGENDA

- San Juan Generating Station (SJGS) Decommissioning
- Environment, Social, Governance (ESG) Sustainability Efforts
- Transition of Generation Portfolio
- Grid Modernization
- Highlight of Team Green and Pollinators
- Wrap up

SJGS



- 1683 MW, four-unit, coal-fired steam-electric power generating station
 - Unit 1, 340 MW (1976)
 - Unit 2, 340 MW (1973)
 - Unit 3, 496 MW (1979)
 - Unit 4, 507 MW (1982)
- 2017: Units 2 and 3 retired
- 2022: Units 1 and 4 retired
- Nine original owners
- Current status: active decommissioning

COUNTY AND STATE ENGAGEMENT ON CLOSURE



- San Juan County Ordinance 121 - Coal-Fired Electricity Generating Facility Remediation Ordinance
 - Enacted November 9, 2021
 - Required County approval of SJGS Decommissioning Plan
 - County approved plan March 7, 2023
- HB 142 – SJGS Facility and Mine Remediation & Restoration Study Act
 - Enacted April 5, 2023
 - Applies to NM Energy Minerals and Natural Resources Department & Environment Department
 - Contract for remediation & restoration study
 - Complete by July 1, 2025

SJGS DECOMMISSIONING TIMELINE



May 2023, prior to start of demolition

Date	Activity
2/2023	Auction of removal assets complete
7/7/23	San Juan County approves decommissioning plan
6/9/23	Transfer of river station and lake to Bureau of Reclamation for Navajo-Gallup Water Supply Project
7/10/23	Site demo initiated
8/9/23	Update to NM Water & Natural Resources Committee
Q2 2024	Stacks demolished
Q4 2025	Majority of demolition complete

NAVAJO GALLUP WATER PIPELINE ASSETS

- River intake structure/weir
- Fish ladder
- Raw water reservoir
- ~~15~~-mile pipeline



SJGS DEMO



Sep 9, 2023 at 8:20:39 AM
+36.802345, -108.436291
61° NE
Fruitland NM 87416
PH

*Salt River
Materials Group
Fly Ash Handling*



Sep 18, 2023 at 1:31:29 PM
+36.803552, -108.436582
149° SE
Fruitland NM 87416
PH

*Dewatering
Bin*

SJGS DEMO



Grizzlies (coal conveyors)

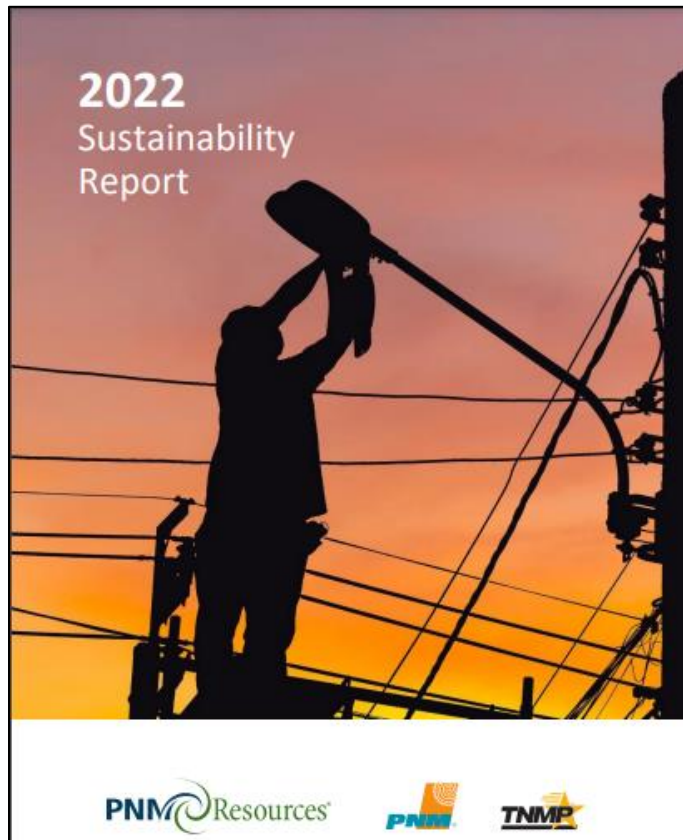
SJGS DEMO

To date demo crews are continuing to removing regulated materials, sludge from the cooling towers, and warehouses. Demolition is moving east to west to facilitate stack falling in Q2 2024.



Wide Angle Showing Location of 3 Previous Pictures

ESG COMMITMENT



Transition generation portfolio



Invest in the critical
transmission and distribution
infrastructure needed to support
reliable growth

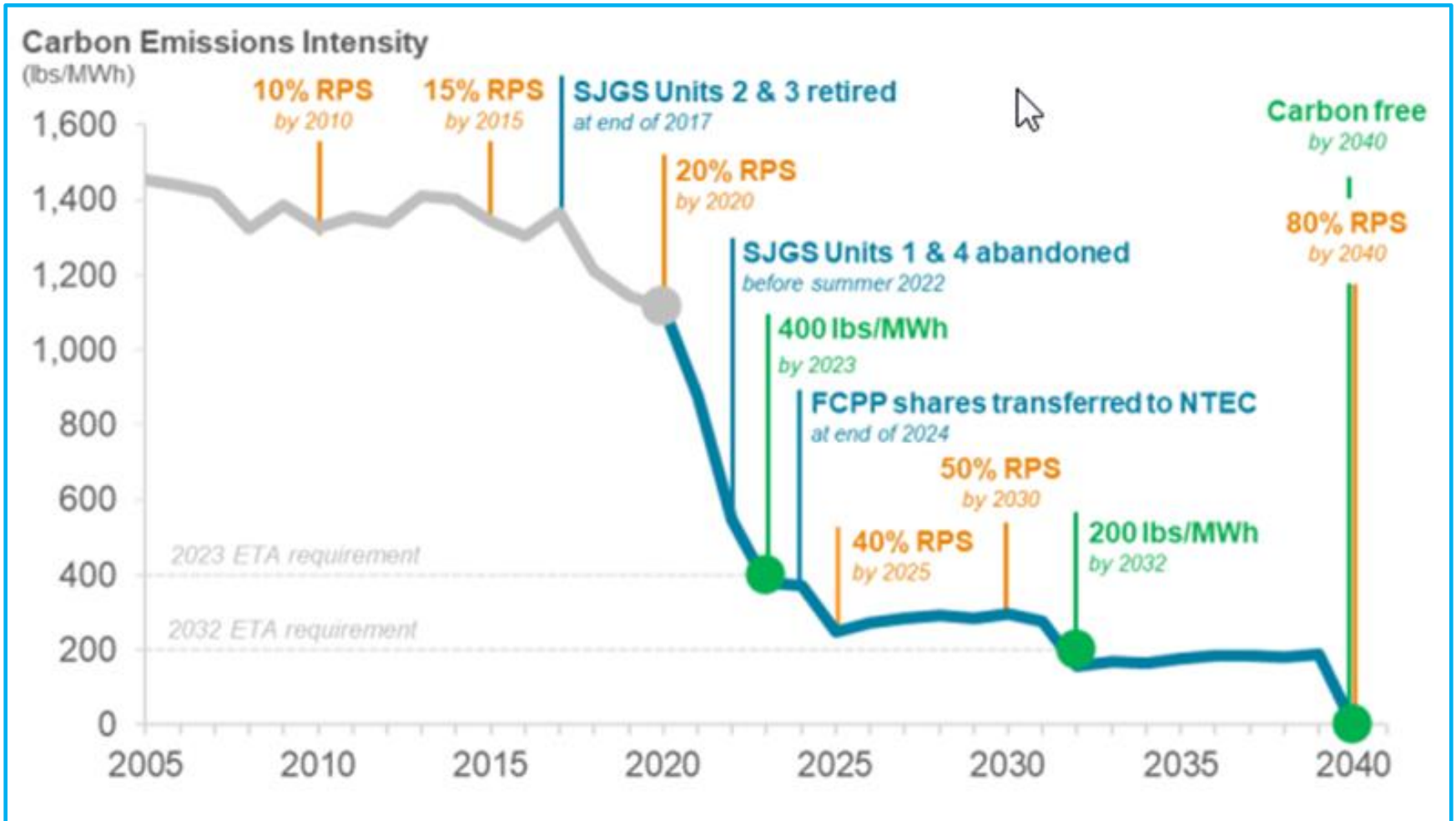


Carbon-free generation by 2040



In 2022, PNM Resources established a new role in the company of Chief Sustainability Officer – Maureen Gannon –demonstrating our leadership and commitment to the environment and sustainability.

CARBON EMISSION INTENSITY 2005 - 2040

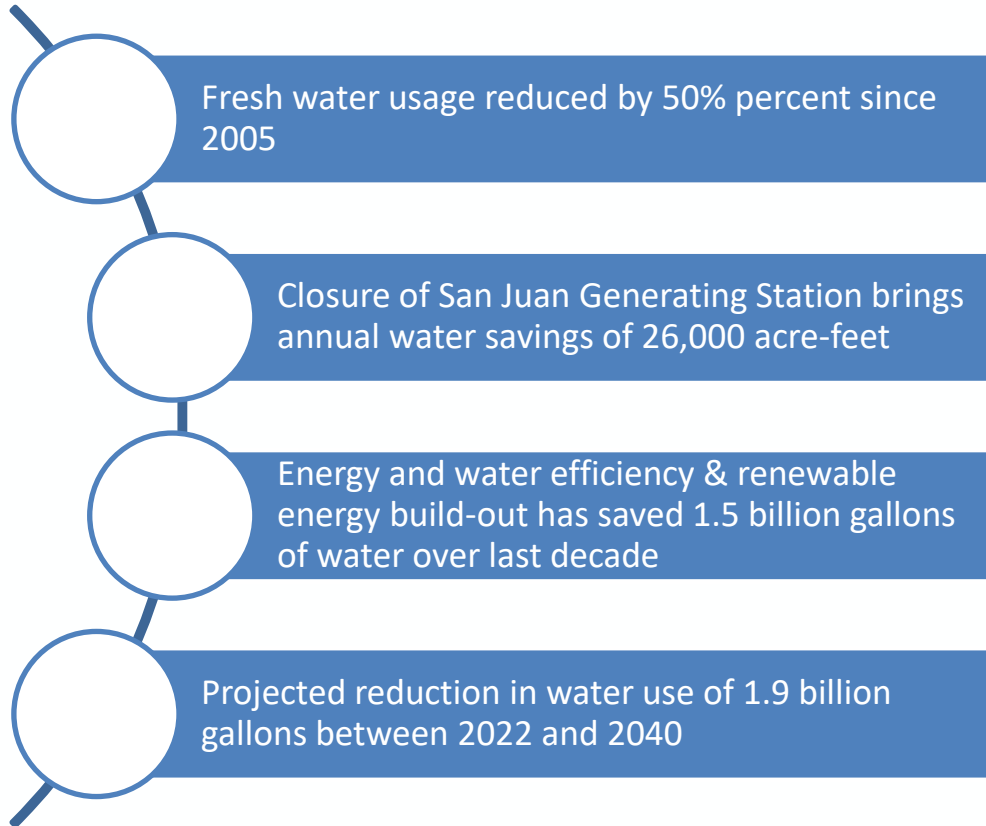


NEW CAPACITY NEEDS 2021-2040

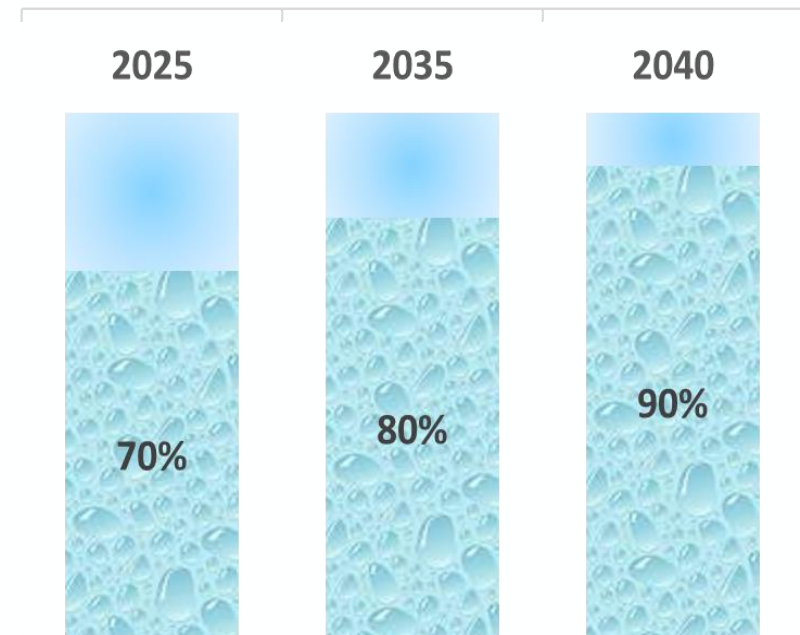
Figure 3. Summary of PNM's cumulative new capacity needs over time.



WATER

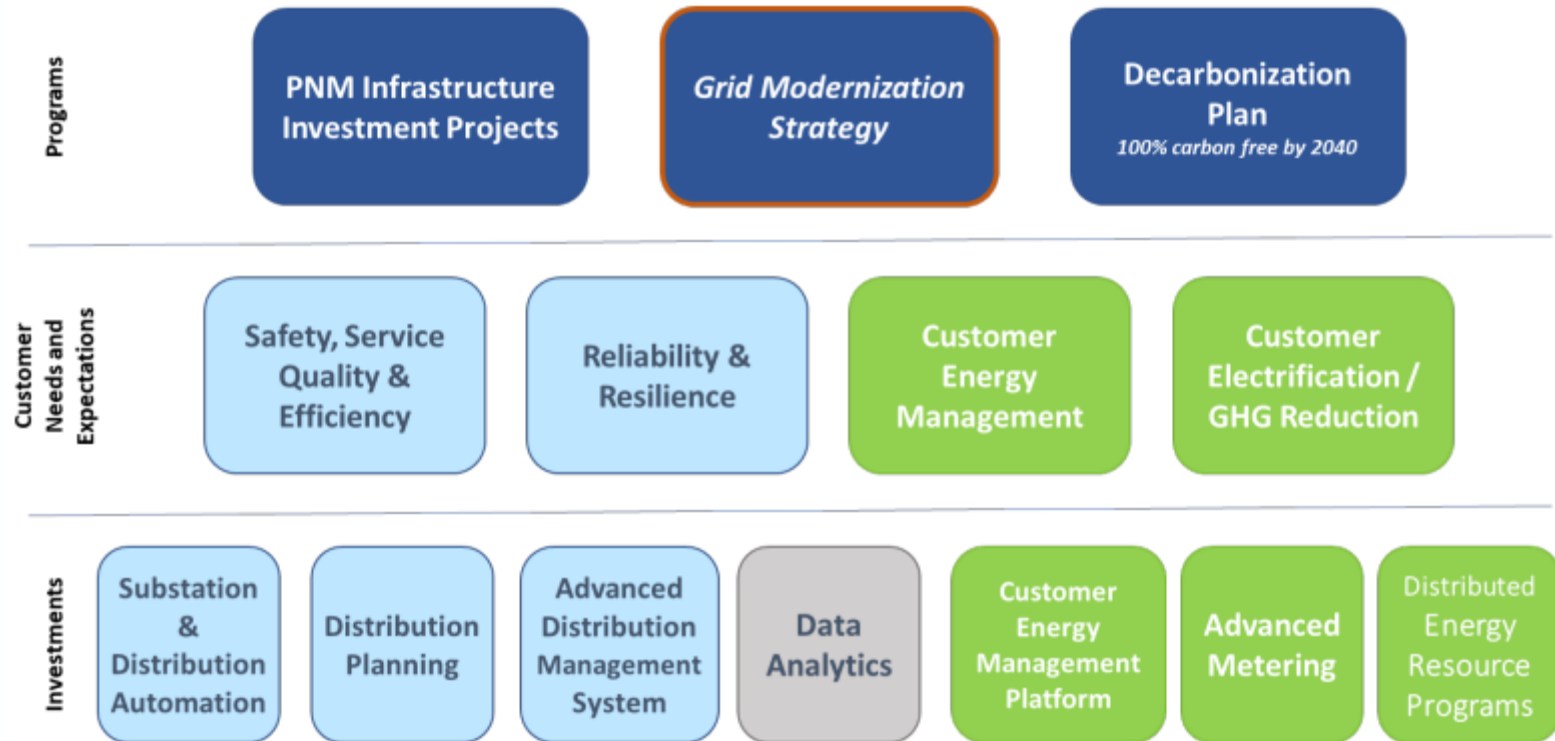


Fresh Water Reduction Goals From 2005 levels



GRID MODERNIZATION

Figure 3: Grid Modernization in the Context of Decarbonization and Infrastructure Investment Projects



ELECTRIC POWER RESEARCH INSTITUTE COLLABORATION



The graphic features the EPRI logo at the top. Below it is a shield icon with the text "CLIMATE READi:POWER" and "RESILIENCE AND ADAPTATION INITIATIVE". The background is a dark blue with a lightning bolt and a globe.

EPRI

**CLIMATE
READi:POWER**
RESILIENCE AND ADAPTATION INITIATIVE

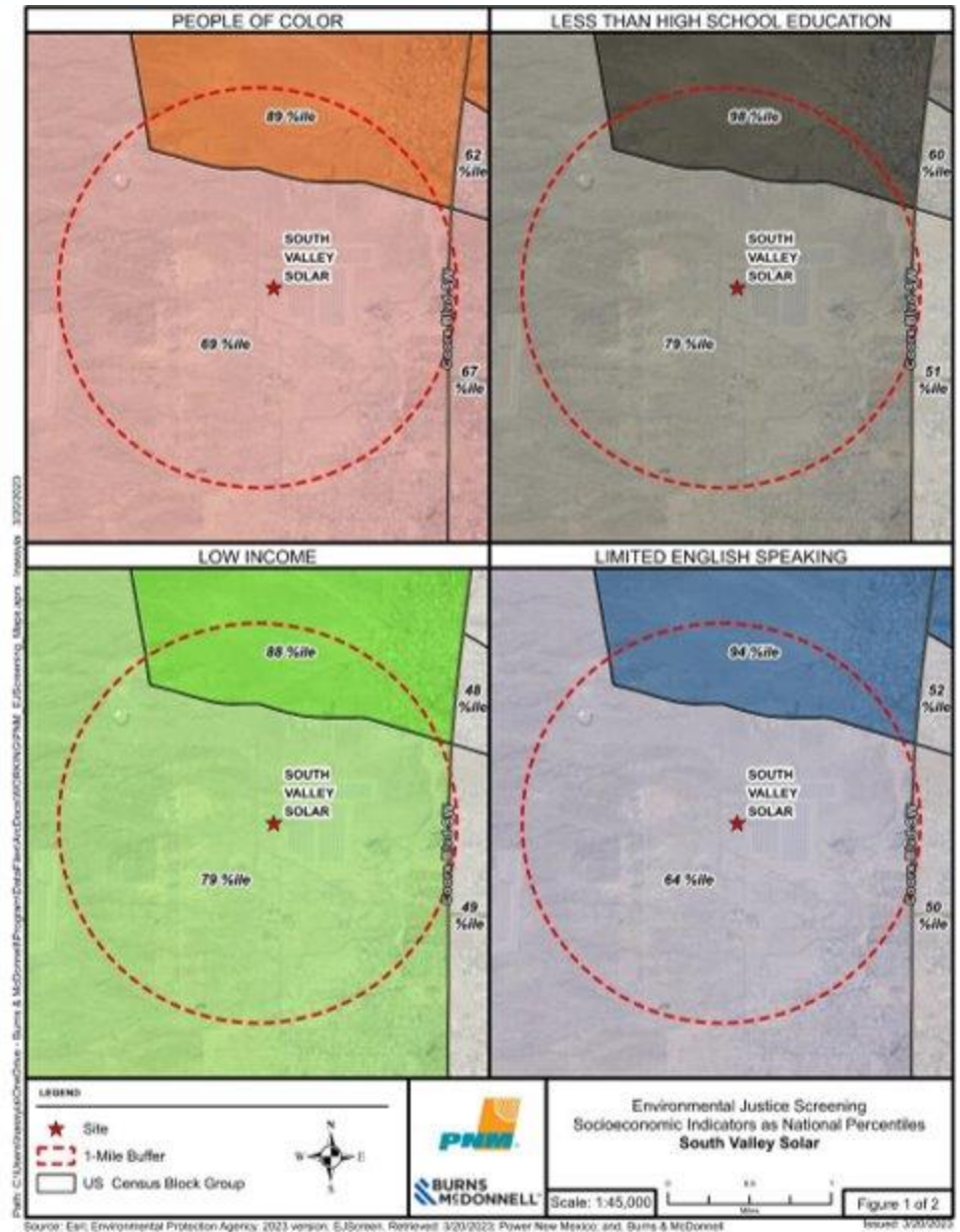
*A broadly accepted Common Framework will
embody one of the most comprehensive
approaches to physical climate risk assessment.*



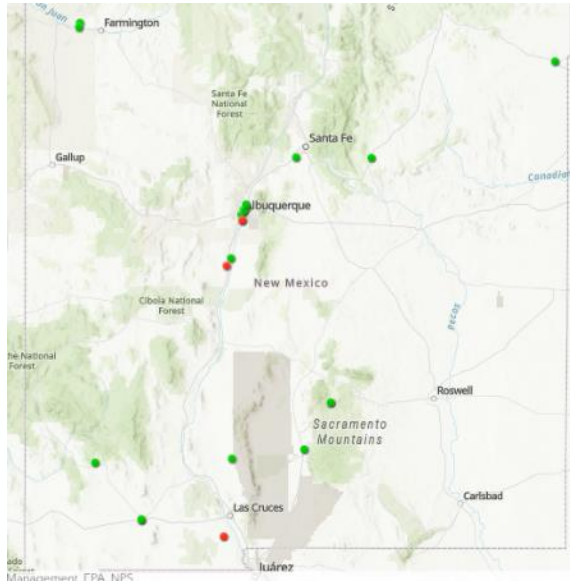
ENVIRONMENTAL JUSTICE REVIEWS

- Programs (i.e. Grid Modernization)
- Siting and Routing
- Construction

COMMUNITY INFORMATION



TEAM GREEN

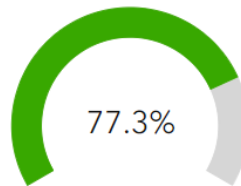


Days since last entry

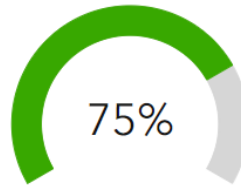
1 days

Goal: 30 days

Current Year Diversion Rate



Past Year Diversion Rate



Reduce, Reuse, Recycle

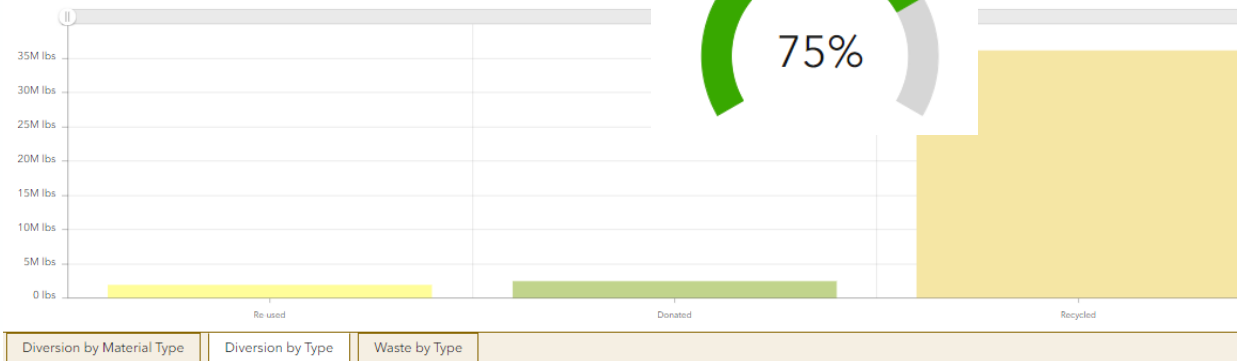
Active for over 10 years

Employee driven

Facility-based

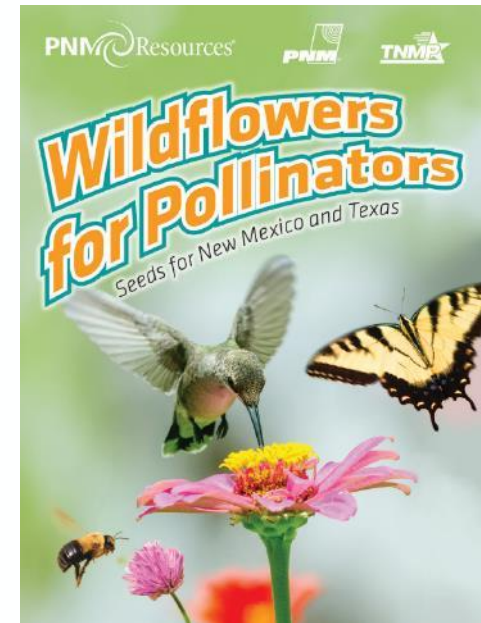
Typical facility diversion rate goal: 65%

Actively expanding Team Green focus to environmental sustainability not just waste. Think pollinators and avian protection.



POLLINATOR PROGRAM

- Launched 2023
- Prep ahead of listing for the monarch butterfly and future listings for pollinator species
- Collaboration with EPRI
- Year 1 Activities
 - Integration into existing activities and programs as applicable
 - Background research and inventory
 - Identify and sponsor external programs



Pollinator Friendly Seed Mixes for Solar Sites			
Before	Species	PLS lbs./acre	After
	Winterfat (<i>Krascheninnikovia lanata</i>)	1.00	
	Indian ricegrass (<i>Achnatherum hymenoides</i>)	2.00	
	Blue grama (<i>Bouteloua gracilis</i>)	2.00	
	Needle and thread (<i>Hesperostipa comata</i> ssp. <i>Comata</i>)	1.00	
	Sand dropseed (<i>Sporobolus cryptandrus</i>)	0.50	
	Galleta grass (<i>Pleuraphis jamesii</i>)	2.00	
	Sideoats grama (<i>Bouteloua curtipendula</i>)	3.00	
		11.50	
	Species	PLS lbs./acre	
	Winterfat (<i>Krascheninnikovia lanata</i>)	0.50	
	Indian ricegrass (<i>Achnatherum hymenoides</i>)	2.00	
	Blue grama (<i>Bouteloua gracilis</i>)	2.00	
	Green needlegrass (<i>Nassella viridula</i>)	0.50	
	Sand dropseed (<i>Sporobolus cryptandrus</i>)	0.50	
	Little bluestem (<i>Schizachyrium scoparium</i>)	1.00	
	Sideoats grama (<i>Bouteloua curtipendula</i>)	3.00	
	Gordon bladderpod (<i>Lesquerella gordonii</i>)	0.10	
	Firewheel (<i>Gaillardia pulchella</i>)	0.10	
	QuickGuard Sterile Triticale (<i>Triticum aestivum</i> x <i>Secale cereale</i>)	10.00	
	Desert bluebells (<i>Phacelia crenulate</i>)	0.05	
	Mexican hat (<i>Ratibida columnifera</i> forma <i>pulcherrima</i>)	0.10	
	Plains coreopsis (<i>Coreopsis tinctoria</i>)	0.10	
	Total:	19.95	

- Increasing diversity
- Adding cover crops to trap water
- Adding pollinator friendly species
- Working to keep costs down

WRAP UP



Sustainability journey began in the 1990s with environmental policy.

Early 2000s evolved to the “3-legged stool” of environment, social, economic and annual reports.

Continuous improvement is baked into our DNA.

Well positioned for the changing grid and customer, regulatory, and physical considerations, expectations, and drivers.

