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PNM contact: Raymond G. Sandoval • 505-241-2782 • Raymond.Sandoval@pnm.com

Navajo Transitional Energy Company contact: Catie Kerns • 541-519-8806 • ckerns@stewardshipsolutions.com



WORDS TURNED INTO ACTION.
PNM WILL BE COAL-FREE BY 2024,
SEVEN YEARS EARLY.

PNM Accelerates Substantial Customer Savings and Economic Aid to the Navajo Nation with Early Exit from the Four Corners Power Plant

Agreement for Early Exit from Four Corners Power Plant Benefits Customers, Communities and Clean Energy Transition

(Albuquerque, NM) – Today PNM and the Navajo Transitional Energy Company (NTEC), announced the signing of an agreement for PNM to exit from the Four Corners Power Plant seven years early. The agreement unlocks an approximate \$100 million in customer savings and provides approximately \$16 million in economic aid funds to the Navajo Nation if approved by regulators.

PNM hosted a virtual press conference to officially announce that, together with NTEC, we reached a solution to responsibly exit our 13% share of the Four Corners Power Plant in 2024. Under the agreement, PNM shareholders will make a \$75 million payment for relief from its obligations under the coal supply agreement with NTEC. This shareholders' payment, along with forgone profits and a reinvestment of existing debt, provides for significant cost savings of approximately \$100 million to customers and accelerates the path for PNM to achieve our plans to exit coal seven years earlier.

“Our accelerated exit means significant savings on PNM customer bills, and timely financial support for the Navajo Nation while it continues to navigate its transition to a renewable energy economy. As we manage the challenges of today and focus on solutions for the clean energy future, we continue to do what’s right for our customers, communities and our tribal neighbors.” said Pat Vincent-Collawn, PNM Resources chairman, president and CEO. “PNM has made great strides to set a standard as an affordable sustainable energy leader.”

“We appreciate PNM and NTEC working together to maintain jobs and revenues for the near future, but we also recognize the need to continue the Nation’s efforts to transition our energy portfolio. We are optimistic that the Nation will continue to use our resources and the expertise of our enterprises to move in that direction, and we welcome NTEC and PNM to be a part of that process. It is very important that we continue to work with our partners in the Four Corners region to ensure that our

economy continues to grow in light of the changes in energy development that we are seeing throughout the country and internationally,” said Navajo Nation President Jonathan Nez.

“NTEC stepped up to protect the interests of the Navajo Nation for the benefit of our people. While we continue to move towards a transition to clean energy, the Nation must do so at a careful and deliberate pace so no harm is caused to the Navajo people and we don’t handicap the progress in job creation and economic development we’ve made the past few years,” said Speaker Seth Damon, 24th Navajo Nation Council.

“As a representative from chapter communities that are directly impacted by the operations of Four Corners Power Plant, we understand its significance. The plant operations have provided many benefits to the local community including being a neighboring contributor and partner, providing revenue annually to the Navajo Nation, and most importantly, providing skilled jobs and long-standing careers to Navajo people. It is understood there is a move for transition in the industry, but we must do it in a thorough and timely way where there is consideration of realistic opportunities that minimizes any negative impact to the skilled Navajo workforce and local Navajo communities.” Said Rickie Nez, Navajo Nation Council Delegate representing T’iistoh Sikaad, Nenahnezad, Upper Fruitland, Tse’ Daa’ Kaan, Newcomb and San Juan Chapter communities.

PNM currently has a 13 percent ownership stake in the 1,540-megawatt of Units 4 and 5 at the Four Corners Power Plant. These 200 megawatts comprise less than 10 percent of PNM’s total energy portfolio and reflect the last of PNM’s remaining coal-fired generation capacity. The retirement of the coal-fired San Juan Generating Station in mid-2022 was approved earlier this year.

About PNM

With headquarters in Albuquerque, PNM is the largest electricity provider in New Mexico, serving over 530,000 customers in dozens of communities across the state. PNM is a subsidiary of PNM Resources, an energy holding company also headquartered in Albuquerque. For more information, visit www.PNM.com.

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

Statements made in this news release 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 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. 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 required governmental and regulatory approvals of the pending Merger that could reduce anticipated benefits or cause the parties to abandon the transaction, (ii) the failure by AVANGRID to obtain the necessary financing arrangement set forth in commitment letter received in connection with the Merger, (iii) the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement, (iv) the possibility that PNMR’s shareholders may not approve the Merger Agreement, (v) the risk that the parties may not be able to satisfy the conditions to the proposed Merger in a timely manner or at all, (vi) risks related to disruption of management time from ongoing business operations due to the proposed Merger, and (vii) the risk that the proposed transaction and its announcement 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.

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