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JOINT RELEASE

PNM and AVANGRID are All In to Help New Mexico Achieve its Potential *Companies Agree to Additional Safeguards and Benefits to Address Hearing Examiner's Concerns*

(ALBUQUERQUE, NM – November 12, 2021) After discussions with various parties pertaining to the proposed merger, both PNM and AVANGRID, Inc. (NYSE: AGR) have agreed to all conditions outlined by the Hearing Examiner in his November 1st Recommended Decision, with comments on three particular items for the Public Regulation Commission (PRC) to consider.

With 23 of the original 24 intervenors now either fully supporting or not opposing the merger, filing this response is one of the final procedural steps for the merger to go before the five-member PRC.

“We are addressing the concerns outlined in the Hearing Examiner's recommendation and appreciate the opportunity to respond. The recommendation outlined a pathway to approval with additional regulatory commitments to ensure our merger is structured in the best interests of our customers, the communities we serve, and the environment. We all want what's best for the place where we live and love,” said Pat Vincent-Collawn, PNM CEO.

“Because all sides want what is best for New Mexico, we have committed to the Hearing Examiner's recommendations to provide further benefits and safeguards for New Mexicans,” said Robert Kump, AVANGRID's Deputy CEO and President. “We hope our agreement to these additional conditions further illustrates our shared commitment to New Mexico.”

PNM and AVANGRID have made significant commitments that benefit New Mexico as part of the agreement:

- PNM/AVANGRID will be held accountable to the strongest reliability and customer service metrics in the State.
- PNM will maintain high-quality customer service with the same great New Mexicans who have always supported its customers— the same great New Mexicans who will still live and work in our communities post-merger.

- AVANGRID has a track record of showing its commitment to customer service and reliability as well as fixing problems when they arise. AVANGRID does substantially better in power reliability, storm response and customer service than its peers.
- Transition to carbon-free resources – Iberdrola, the parent company of AVANGRID, is a global renewable leader and AVANGRID is a national renewable leader. The merger will make PNM’s transition to clean energy more efficient.

AVANGRID’s and PNM’s additional commitments support our customers and New Mexico:

- Delaying PNM’s next rate case filing until December 1, 2022, a 6-month extension to the original agreement – this provides customers more rate certainty;
- Including an additional \$10 million in economic development benefits beyond the Hearing Examiner’s recommendation, consistent with commitments previously made to other parties;
- Additional commitments to corporate governance and other financial protections for customers;
- Reliability metrics, with enforceable penalties, and a commitment to support consistent rule making on reliability metrics across all of New Mexico.


 **AN ESTIMATED \$300 MILLION** in economic impact


 **\$67 MILLION** in customer bill credits over three years

 **\$10 MILLION** for residential customer bill help

 **\$2 MILLION** for apprenticeships and STEM

 Continued commitment to New Mexico nonprofits

 Additional standards for reliability and customer service

 Enhanced corporate governance and financial protections for customers

“The merger proposal provides New Mexicans more than \$300 million in benefits,” added Kump. “There is substantial agreement and support from almost all of the parties to this proceeding. We are hopeful the PRC will see the many benefits and safeguards in the proposed transaction. We are eager to bring these benefits to customers and the state of New Mexico.”

If the merger is not approved by the Commission, New Mexicans lose:

- More than \$300 million of near-term benefits for PNM customers and New Mexico’s economy, including:
 - \$94 million for customers in the form of rate credits, program funding, and arrearage forgiveness;
 - \$225 million in economic development benefits through the creation of at least 150 long term, high-paying new jobs in New Mexico;
- A tripling of the company’s clean energy electrification plan;
- More than \$12 million for tribal communities;
- Investment in projects meant to enhance education and electric service in New Mexico;

- \$2 million for Apprenticeships and STEM education support.

The agreed upon customer rate benefits are substantial. To provide some comparisons, the \$67 million in customer bill credits is far greater than the rate credits approved in the last three acquisition/merger cases: Emera's acquisition of TECO - \$8 million, TECO merger with New Mexico Gas Company - \$11 million, and El Paso Electric Company merger with J.P. Morgan - \$8.7 million. An analysis of other recent merger proceedings from across the nation confirms the Joint Applicants' proposed rate credits and other benefits in this case are well above the median, exceeding other examples of merger benefits per customer by more than two times.

About PNM:

With headquarters in Albuquerque, PNM is the largest electricity provider in New Mexico, serving more than 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 PNM.com.

About AVANGRID:

AVANGRID, Inc. (NYSE: AGR) aspires to be the leading sustainable energy company in the United States. Headquartered in Orange, CT with approximately \$39 billion in assets and operations in 24 U.S. states, AVANGRID has two primary lines of business: Avangrid Networks and Avangrid Renewables. Avangrid Networks owns eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Avangrid Renewables owns and operates a portfolio of renewable energy generation facilities across the United States. AVANGRID employs approximately 7,000 people and has been recognized by Forbes and Just Capital as one of the 2021 JUST 100 companies - a list of America's best corporate citizens - and was ranked number one within the utility sector for its commitment to the environment and the communities it serves. The company supports the U.N.'s Sustainable Development Goals and was named among the World's Most Ethical Companies in 2021 for the third consecutive year by the Ethisphere Institute. For more information, visit www.avangrid.com.

Forward-Looking Statements

Certain statements made in this press release for AVANGRID that relate to future events or expectations, developments, projections, estimates, intentions, goals, targets, and strategies are made pursuant to the Private Securities Litigation Reform Act of 1995. All statements contained in this Press Release that do not relate to matters of historical fact should be considered forward-looking statements, and are generally identified by words such as "may," "will," "would," "can," "expect(s)," "intend(s)," "anticipate(s)," "estimate(s)," "believe(s)," "future," "could," "should," "plan(s)," "aim(s)," "assume(s)," "project(s)," "target(s)," "forecast(s)," "seek(s)" and or the negative of such terms or other variations on such terms, comparable terminology or similar expressions. These forward-looking statements generally include statements regarding the potential transaction between AVANGRID and PNM Resources, including any statements regarding the expected timetable for completing the potential merger, the ability to complete the potential merger, the expected benefits of the potential merger, projected financial information, future opportunities, and any other statements regarding AVANGRID's and PNM Resources' future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. Readers are cautioned that all forward-looking statements are based upon current reasonable beliefs, expectations and assumptions. AVANGRID assumes any obligation to update this information. Because actual results may differ materially from those expressed or implied by these forward-looking statements, AVANGRID cautions readers not to place undue reliance on these statements.

AVANGRID's business, financial condition, cash flow, and operating results are influenced by many factors, which are often beyond its control, that can cause actual results to differ from those expressed or implied by the forward-looking statements. For a discussion of risk factors and other important factors affecting forward-looking statements, please see AVANGRID's Form 10-K and Form 10-Q filings and the information filed on Avangrid's Forms 8-K with the Securities and Exchange Commission (the "SEC") as well as its subsequent SEC filings, and the risks and uncertainties related to the proposed merger with PNM Resources, including, but not limited to: 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, the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, the risk that the parties may not be able to satisfy the conditions to the proposed Merger in a timely manner or at all, risks related to disruption of management time from ongoing business operations due to the proposed Merger, and the risk that the proposed transaction and its announcement could have an adverse effect on the ability of PNM Resources to retain and hire key personnel and maintain relationships with its customers and suppliers, and on its operating results and businesses generally. Other unpredictable or unknown factors not discussed in this communication could also have material adverse effects on forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

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 the Company (the "Merger") by AVANGRID which may adversely affect the Company's 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 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, (iv) the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company 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.