



PUBLIC SERVICE COMPANY OF NEW MEXICO

**2029-2032 GENERATION
RESOURCES RFP**

FOR BID

**Revision 0
December 30, 2024**

INSTRUCTIONS TO BIDDERS

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PART 1 – INTRODUCTION

1.1 COMPANY BACKGROUND

Public Service Company of New Mexico (“PNM”) is a wholly owned subsidiary of TXNM Energy (NYSE: TXNM) based in Albuquerque, N.M. PNM is an electric utility that provides generation, transmission, and distribution service. In total, PNM serves more than 550,000 New Mexico residential and business customers in greater Albuquerque, Rio Rancho, Los Lunas and Belen, Santa Fe, Las Vegas, Alamogordo, Ruidoso, Silver City, Deming, Bayard, Lordsburg and Clayton. PNM also serves the New Mexico tribal communities of the Tesuque, Cochiti, Santo Domingo, San Felipe, Santa Ana, Sandia, Isleta and Laguna Pueblos. As shown in Figure 1, PNM’s electric service territory covers geographically diverse areas. Electric demand and energy usage varies based upon geography, customer mix, and climate.

PNM strives to create enduring value for customers, communities and shareholders built on a foundation of environmental, social and governance principles. PNM currently serves retail customers through supply-side resources and demand side management programs reliably, safely, and cost-effectively and currently produces over 50 percent carbon free energy. PNM has committed to being in compliance with the Renewable Energy Act, New Mexico Statutes Annotated 1978 (“NMSA 1978”), §§ 62-16-1 to -10 (“REA”) involving PNM’s implementation of a combination of energy generation, storage, demand-side and energy efficiency resources over the next 20 years.

Figure 1. PNM’s Electric Service Territory Map



1.2 PURPOSE OF RFP

In accordance with New Mexico Administrative Code (“NMAC”) Title 17, Chapter 7, Part 3 (“17.7.3 NMAC” or “IRP Rule”) PNM is progressing with the pursuit of new energy resources and programs identified within the statement of need resulting from the acceptance of the 2023 Integrated Resource Plan (“2023 IRP”). The 2023 IRP can be found at the following link:

<https://www.pnm.com/2023-IRP>

PNM’s resource plan is focused on balancing three primary objectives, namely: maintaining affordability, ensuring reliability, and mitigating impacts upon the environment. This focus is consistent with the IRP Rule’s objectives of prioritizing cost-effective resources that reduce greenhouse gas emissions, foster equitable clean energy development, and facilitate grid modernization.

PNM is taking significant measures with plans to satisfy these objectives and we are issuing this request for proposals (“RFP”) to solicit proposals (each a “Bid” or “Proposal”) from capable providers to deliver energy and capacity resources in support of these objectives.

This RFP is part of a solicitation process for the purpose of acquiring bulk transmission level and distribution level capacity resources to serve PNM’s forecasted system needs between 2029 and 2032. Specifically, this RFP is requesting resources that are guaranteed by the Respondent to achieve commercial operation and delivery of new, incremental capacity to PNM’s system by or before January 1, 2029, January 1, 2030, January 1, 2031 or January 1, 2032 (each a “Guaranteed Start Date”). The requested resources are required to serve forecast load growth and plant retirements while also acquiring reliable, cost-effective, long-term resources consistent with the direction set forth in PNM’s 2023 IRP to serve known, existing, and future customers. Long-term resources with a minimum duration of ten (10) years will be considered in response to this RFP.

The evaluation of Proposals received in response to this RFP will be utilized to inform PNM’s planning decisions regarding the continued operation or retirement after 2030 of the nominal 154 MW, natural gas-fired Reeves Generating Station located in Albuquerque, New Mexico.

Respondents to this RFP (each a “Respondent” or “Bidder”) are required to propose resource options capable of achieving commercial operation and delivery of new, incremental capacity to PNM’s system by one or more of the Guaranteed Start Dates identified above. Respondents must identify the date for which their Proposal is valid and may offer Proposals for multiple Guaranteed Start Dates; however, a separate Proposal submittal will be required in each case. As will be further discussed in subsequent sections of this RFP, **all resources proposed in response to this RFP must satisfy the RFP Minimum Requirements included in Section 1.4 of this Instructions to Bidders or be excluded from further consideration.** Compliance with these Minimum Requirements (as verified by the Respondent in the Minimum Requirements Checklist included as Attachment B or BT Attachment B) is a firm and non-negotiable requirement and is required to facilitate the RFP evaluation process within a timeline established by the IRP Rule and as represented in the RFP schedule identified in Section 5.2 of this Instructions to Bidders.

1.3 RESOURCES SOUGHT THROUGH THIS RFP

PNM’s 2023 IRP has identified the need for the types of resources identified in Table 1 for its New Mexico portfolio over the RFP time span, as further detailed in the 2023 IRP Supplemental Analysis.

Table 1. PNM Resource Needs

	Resource Needs By 2030 (MW)	Total Resource Needs by 2032 (MW)
Wind resources	200 – 400	400 – 800
Non-Wind carbon-free energy resources	0	100 – 500
Dynamic balancing resources	200 – 700	300 – 900
Firm generating resources	100 - 400	100 - 700

Resources offered for a January 1, 2029 and January 1, 2030 Guaranteed Start Date, or earlier, will contribute to satisfying the Resource Needs by 2030. All resources offered under this RFP with a Guaranteed Start Date by or before January 1, 2032 will contribute to satisfying the Resource Needs by 2032.

Resource additions to meet the system requirements in 2028 that are currently under development through an active solicitation or to serve Rate 36B customer needs are included in the ranges above. If all or some of the resources proposed under these future filings are approved by the NMPRC, the ranges above will be reduced by the appropriate technology types.

Non-wind carbon free energy resources produce clean energy to meet a majority of customers’ energy needs throughout the year. Example resources include solar PV and energy efficiency.

Dynamic balancing resources provide PNM with tools to balance the supply and demand for electricity on an instantaneous basis, recognizing that the generation profiles of many of the carbon-free resources will not coincide naturally with electricity demand. Examples include shorter-duration energy storage and demand response.

Firm generating resources operate at or near full capacity for extended periods of time that will allow PNM to maintain reliability even under the most constrained conditions in the system, which may include both periods of high demand as well as periods of low output from renewable resources. Today, these needs are met with nuclear and fossil resources; in the future, various emerging technologies including hydrogen and long-duration storage would also be options.

For dynamic balancing and firm generating resources, the amount in each category affects the accredited capacity provided to the system which impacts expected system costs and benefits. The best combination of these categories of resources will be determined in the Phase Three evaluation using industry proven capacity expansion planning software and production cost simulations. Using such software allows for the optimization of a vast amount of resource combinations.

The exact quantity of resources selected and the timing of implementation of the resources will be dependent upon resource characteristics, resource modeling, regional economic development load growth, and PNM’s most recent load and planning forecasts. Increased procurement of resources in the earlier years may reduce needs in the later years.

For Respondents’ use in the selection of resources and determination of capacities to be offered, Appendix A – Resource Capacity Accreditation to this RFP includes a summary of the accredited capacity, or effective load carrying capability (“ELCC”), of resource technologies as presented in Appendix M of the 2020 IRP.

Respondents shall propose resources consistent with the requirements outlined in the Public Utility Act, §§ 62-13-1 to -16 NMSA 1978 (“PUA”) and the REA, including but not limited to those that maximize the use of New Mexico work force including minority and woman-owned New Mexico businesses, employ apprentices for the construction of the facilities, and advance a zero-carbon future.

This RFP is structured as an all-source RFP. Other than as excluded within this RFP, any resource type or project ownership structure that guarantees the ability to contribute new, incremental capacity to PNM’s system prior to one of the Guaranteed Start Dates identified above will be considered and evaluated under this RFP. For clarity, per the form Agreements included in Appendices H through K of this RFP, the new, incremental capacity will be expected

to be available for delivery to PNM by an Expected Commercial Operation Date (or Substantial Completion Guaranteed Date in the case of a Build-Transfer ("BT") offer) that falls prior to September 30 of the year prior to the year of the Guaranteed Start Date. Failure to place such capacity into service by the Expected Commercial Operation Date will result in liquidated damages for delay and failure to place such capacity into service by the Guaranteed Start Date (or within 160 days of the Substantial Completion Guaranteed Date in the case of a BT offer) will represent a contractual default condition. For the purpose of this RFP, the term "Guaranteed Start Date" will have the same meaning as the day that falls 160 days after the Substantial Completion Guaranteed Date for BT Proposals.

The following types of resources are of specific interest to PNM under this RFP:

- Stand-alone short-duration and long-duration energy storage and hybrid renewable-storage projects that maximize benefits to PNM ratepayers by capitalizing upon the Inflation Reduction Act ("IRA") provisions for extension and expansion of renewable energy Investment Tax Credits and Production Tax Credits, maximization of domestically sourced materials, compliance with prevailing wage and apprenticeship requirement thresholds, project placement in an "energy community," and other provisions all as defined in the IRA;
- PNM requests proposals that are located within the Navajo Nation ("NN") or Central Consolidated School District ("CCSD"). Projects with this locational preference will be evaluated separately through Phase Two of the evaluation process. Consistent with previous RFP practices, PNM will perform a "best-in-class" bid evaluation separately for these projects of which a shortlist will be created for both locations. Shortlisted projects for NN and CCSD will be evaluated in Phase Three modeling to determine the best mix of resources that include resources within NN or CCSD. PNM will identify portfolios including projects within NN and CCSD targeting up to 150 MW of the total RFP needs. The targeted amount will be contingent upon PNM's potential prior satisfaction of this objective, including consideration of projects that will be proposed as procurements from PNM's 2026-2028 Generation Resources RFP. Therefore, the targeted amount may be less than 150 MW. PNM will include this targeted amount in the resource filing PNM intends to make to meet the RFP needs that align with the revised 2023 IRP Statement of Need and Action Plan. Notwithstanding the above, to the extent that projects within the NN or CCSD represent the most cost competitive resources evaluated in response to the RFP, more resources within the NN and CCSD may be pursued;
- Wind generation projects for which the energy generation can be reliably delivered to PNM's load center with reasonable deliverability and curtailment risk;
- Resources located near PNM's load center or load-side resources that avoid transmission curtailment risks and/or the need for significant transmission upgrades;
- Proposals that have committed financing partners and a willingness to post contractual development security upon execution of the contract; and
- Proposals that afford increased assurance and oversight over the development and implementation of the Project via early commitments for the provision of the form agreement Development Security, agreement with the form agreement schedule and performance damages and penalties, frequent reporting, compliance with the applicable form agreement commissioning and testing requirements, and accessibility to the project to allow PNM proper diligence to ensure a successful and timely implementation schedule for PNM's customers.

Additional resource characteristics that will be evaluated within this RFP are presented in Appendix B – Resource Characteristics.

PNM participates in the California Independent System Operator (“CAISO”) Energy Imbalance Market (“EIM”) and is committing to join the Western Resource Adequacy Program (“WRAP”) in the Summer of 2027. While PNM cannot lean on potentially speculative wholesale market transactions, PNM does recognize the potential benefits of all available resource participation in these markets. As identified in Appendix C – Bid Evaluation Process, PNM will factor its ability to offer proposed projects in any regional market that PNM participates in into the evaluation as appropriate based upon the suitability of proposed generation unit performance parameters and proposed operational costs being within typical ranges that are reimbursable through market participation. Consideration and evaluation of Proposals with respect to these markets is further discussed in Appendix C – Bid Evaluation Process.

1.4 RFP MINIMUM REQUIREMENTS

In order for a Proposal to pass the initial screening phase (“Phase One”) of the RFP evaluation, the Respondent and Proposal must satisfy the following requirements (“Minimum Requirements”). Proposals not satisfying or complying with these criteria will be excluded from further consideration.

Respondents are required to complete the Minimum Requirements checklist (RFP Attachment B or BT Attachment B) and submit it with the Proposal to declare and certify compliance with the Minimum Requirements. Respondents will be afforded one opportunity during Phase One of the bid evaluation process to correct any shortfalls in compliance with the Minimum Requirements within five (5) business days of notification of a shortfall in the form of a request for clarification from PNM. Should any Minimum Requirement not be satisfied after the opportunity to address any noted shortfall or if it is subsequently determined that any Proposal falsely claimed to satisfy any Minimum Requirement, such proposal will be excluded from further consideration under this RFP.

The RFP Minimum Requirements are identified as follows:

1.4.1 Minimum Requirements Applicable to all Proposals

- 1) Proposal Due Date: Proposals shall be submitted by the RFP proposal due date or otherwise be excluded;
- 2) Fully Functional Resource: Proposals must offer a complete and fully functional electric generation, storage, or demand-side resource that provides new, incremental capacity that is additional to resources currently available within PNM's resource portfolio or that is an extension to an existing and expiring PNM supply contract. Proposals for supply of equipment or services only will not be considered;
- 3) Supplier Code of Conduct: Respondents must read and acknowledge the Supplier Code of Conduct via the mandatory “Pre-requisites” section of the applicable RFP module;
- 4) Non-Disclosure Agreement: Respondents must acknowledge and electronically execute a non-negotiable, non-disclosure agreement (“NDA”) with PNM via the mandatory “Pre-requisites” section of the applicable RFP module, as further detailed in Section 1.5.1 of this Instructions to Bidders;

- 5) Supplier Risk Security: Respondents shall satisfactorily comply with the Supplier Risk Security Screening Questions included in the mandatory "Questions" section of the applicable RFP module;
- 6) Guaranteed Start Date: Proposals must comply with one or more of the requested Guaranteed Start Dates;
- 7) New Mexico Apprenticeship: Proposals must identify compliance with the hiring of apprentices per Section 62-13-16 of the PUA;
- 8) Bid Certification: Proposals must include a completed Bid Certification Bid Form (Attachment C or BT Attachment C) stating that Respondent has obtained all necessary internal approvals and is authorized to submit the Proposal;
- 9) Applicable Law: Proposals must comply with all applicable federal, state and local laws;
- 10) Bid Currency: All prices in the Proposal and pricing forms must be quoted in nominal U.S. dollars in the year to be incurred;
- 11) Commercially Proven Technology: Technologies proposed must be commercially available and commercially operating at the size and scale proposed;
- 12) New Mexico Contractor's License: Respondents offering projects under a Build-Transfer contracting structure must have and must include in the proposal, a valid New Mexico Construction Industries Division contractor's license, in the name of the Respondent submitting the proposal. The license must be valid as of the time that the Proposal was submitted in response to this RFP;
- 13) Investment Grade Qualification: Respondents must either have an investment grade rating (S&P BBB- or above; Moody's Baa3 or above) or have sufficient equity security to cover Respondent's anticipated delivery obligations under any agreement entered into as a result of this RFP process. Respondents that are unable to balance sheet finance the proposed project must provide evidence of a good faith commitment from a credit support provider or guarantor in the form of a financial institution or lender;
- 14) Complete Proposal: Proposals shall include completed (or reasonably completed) bid forms and supplemental information that allow the RFP evaluation team to fully evaluate the Proposal;
- 15) Fixed Priced Bids / Bid Validity: Proposals must be firm, fixed price and not subject to escalation or change for a period of 24 months after submittal (through May 14, 2027). Should the price change within this time period, the Proposal will be excluded from further consideration within this RFP. Within the 24 month time period, for the Proposals selected, it is expected that a contract would be executed within 10 months after Proposal submittal and a full notice to proceed would be expected within 24 months after Proposal submittal. The firm, fixed pricing shall remain valid if the full notice to proceed is received within 24 months after Proposal submittal. To the extent that a contract is executed and a full notice to proceed is not received within this time period, the validity of the Proposal pricing will be addressed in accordance with the terms of the applicable form agreement. Respondents must provide a confirmation that the Respondent is willing to guarantee that the resource will be able to achieve the quoted Guaranteed Start Date assuming the receipt of both a full notice to proceed

from PNM and a final, non-appealable, approval of the Project from the New Mexico Public Regulation Commission ("Commission" or "NMPRC") within the 24 month period previously identified. For clarity, a full notice to proceed from PNM will require that the Commission has issued a final, non-appealable approval of the Project. If a later date is possible with the same firm, fixed price, Respondent shall identify the latest date by which the Respondent must have a full notice to proceed from PNM and a final, non-appealable approval from the NMPRC to initiate project procurement, project construction, and ongoing electrical interconnection activities;

16) Commercial Terms: Proposals must include a completed version of the Commercial Term Summary Bid Form (included for applicable Proposals in Attachments D-1, D-2, and D-4 or BT Attachment J), Minimum Requirements Checklist (Attachment B or BT Attachment B), and redline to the applicable form agreement(s) included with the RFP (Appendices H through K, as applicable);

17) LGIA Status

- *PNM Interconnect*: Projects interconnecting directly to PNM's transmission system must be active within PNM's Generator Interconnection Queue in or before Cluster 17¹. Projects in any interconnection cluster after Cluster 17 will be subject to an assessment by PNM of the viability of the quoted Guaranteed Start Date on a case-by-case basis. Respondents may propose resources constructed behind an existing transmission interconnection such that new interconnection facilities are not required and the existing interconnection capacity can be more fully utilized and firmed;
- *Third Party Interconnect*: Projects interconnecting to transmission systems external to PNM's transmission system shall provide justification or documentation from the entity owning, controlling, or operating the facilities used by the proposed project for the transmission of electric energy and providing transmission service under the Open Access Transmission Tariff ("Transmission Provider") validating that all required work to incorporate resources, such as required outages, can be completed in time to support the identified Guaranteed Start Date on a firm transmission basis;

18) Transmission Deliverability: To the extent applicable to the Proposal offered, provide proof that the quoted capacity can be delivered via the electric transmission system to PNM's load (including documentation demonstrating that either (i) firm transmission service is available or (ii) a viable plan for firm transmission service to enable the delivery of energy to PNM's load is in place) with a copy of any associated agreements included in the Proposal. Proposals must account for delivery to PNM's system at one of the following locations:

- Albuquerque and Rio Rancho Load Center;
- South of the Albuquerque Load Center (Los Lunas/Belen);
- San Juan;
- Four Corners;
- West Mesa;

¹ FERC Docket ER24-1393 was filed by PNM to incorporate changes required by FERC Order 2023 into PNM's OATT. The filing addresses interconnection request processing and timing and is pending FERC approval.

- Clines Corners;
- Zia; or
- Norton.

For example,

- Options in eastern New Mexico and in SPP shall be deliverable to one of the above;
- Options in southern New Mexico shall be deliverable to West Mesa, San Juan, or Four Corners; and
- Options in northeastern New Mexico shall be deliverable to Zia or Norton.

Wheeling capacity for power on other transmission provider(s) system shall be demonstrated as available and wheeling costs shall be the responsibility of the Respondent. Costs for wheeling shall be included in the Proposal;

19) Inclusion of Interconnection / Network Upgrade Costs:

- Proposals for resources by the Respondent must identify all costs PNM will incur as a Transmission Provider for Network Upgrades to interconnect or transfer the output of the resources beyond the point of interconnection to load. The Network Upgrade costs PNM will incur should separately identify Station Network Upgrades for interconnection from all other Network Upgrade costs. These costs must be identified regardless of whether these are initially funded by the Interconnection Customer (likely the Respondent) and later reimbursed by PNM.
- Proposals must include a clear statement that all Interconnection Facility costs whether owned by the Interconnection Customer or PNM are embedded in the proposal pricing. This is to ensure that the Respondent clearly understands the difference between Network Upgrade costs borne by PNM and Interconnection Facility Costs borne by the Interconnection Customer. PNM Large Generator Interconnection Agreements define Interconnection Facility costs as Interconnection Customer Interconnection Facilities ("ICIF") and Transmission Provider Interconnection Facilities ("TPIF"). The portion of Interconnection Costs owned by PNM (TPIF) must be specified.
- If Respondent is interconnecting to PNM's system and does not have an interconnection study that identifies the required Network Upgrade costs, this must be clearly stated in the Proposal. Any Interconnection Facility costs or Network Upgrade costs on a non-PNM transmission system must include a clear statement that such costs are accounted for in the Proposal pricing and a description of the improvements must be provided.
- Respondent's Proposal must include an estimate of capital costs for Network Upgrade costs incurred by PNM. Respondents offering Purchase Power Agreement ("PPA"), Energy Storage Agreement ("ESA"), or Asset Purchase Agreement ("APA") offers will be responsible for identifying and obtaining all transmission arrangements, the implementation schedule, and all costs to deliver to PNM's system at the locations specified by Item 18 of this Section 1.4.1 and shall assume that PNM has no available long-term, firm transmission rights that may be re-directed or used for delivery of this project to load. Costs

proposed for all PPA and ESA resources must include electrical interconnection costs, third-party wheeling fees, fuel, and other utility costs if applicable. Interconnection Facility and Network Upgrade costs must be identified as indicated in the previous paragraph. Respondent's Proposal must include estimated costs.

- 20) No Stand-alone Solar or Coal-Fired Generation: Stand-alone solar projects and projects fueled with coal will not be considered. Solar generation must be offered with a capacity-firming component;
- 21) United States Experience: Respondents must have successful and completed experience within the United States with projects of the same technology at a total installed capacity of all projects of at least twice the capacity proposed in response to the RFP. If the Respondent is a special purpose entity established solely for the proposed resource, this requirement may be satisfied by the special purpose entity's parent company and its subsidiaries;
- 22) Respondent Technology Experience: Respondents must have completed at least one successful project with the technology and in the project structure/role proposed under this RFP at a scale that is at least 75% of the size and scale proposed;
- 23) Prior Contract Default: Respondent shall not have defaulted on an executed contract with PNM within the past 5 years;
- 24) Timeline for Posting of Development Security: Respondents must be willing to post Development Security, at the amount identified in the applicable form agreement (See Section 4.3 and Appendices H through K), within 90 days of execution of a final definitive agreement resulting from the RFP process ("Agreement") or within 10 business days of an LNTP for the LNTP value and upon FNTF for the Contract Value for BT Proposals;
- 25) Project Schedule: Proposals must include a credible critical path, Gantt chart, implementation schedule with a minimum of 25 activities (including permitting, electrical interconnection, and land control measures) fully representing the sequence of events and key project implementation milestones required to deliver new capacity by the Guaranteed Start Date proposed;
- 26) Identification of Tax Incentive Reliance: Proposals must identify all federal, state, tribal, and local tax incentives (PTCs, ITCs, PILOT, IRBs, etc.) relied upon for the firm price Proposal and Proposals shall not be based upon assumptions of potential future tax incentives, financing approaches, tariffs, or other cost or schedule influencing factors not defined or in-place at the time of submitting the Proposal unless the Respondent is willing to accept the risk of not receiving these incentives. Proposals considering PPA and ESA structures must be based on the Respondent retaining all risk associated with federal tax credit qualification including any associated price and schedule impacts;
- 27) Technology Tariff Considerations: Proposals must identify the applicable governmental tariffs and duties accounted for in the proposed pricing. Proposals shall also identify any known and pending tariffs and duties that are not accounted for in the proposed pricing. If such tariffs and duties are not accounted for, the Respondent shall identify

alternative pricing that addresses these extra costs or shall identify the proposed methodology for accounting for these costs within this RFP process;

- 28) Taxes: Proposals must include all taxes and contributions for unemployment insurance, old age retirement benefits, pensions, annuities, and similar benefits, which may now or hereafter be imposed on Respondent by law or collective bargaining agreements with respect to persons employed by Respondent for performance of the Services. Respondent is responsible for all New Mexico Gross Receipts taxes incurred in the performance of the project. If performance of services by Respondent takes place on tribal land, Respondent will comply with applicable state and tribal laws governing the reporting and payment of New Mexico Gross Receipts Tax on those transactions. Respondent must provide a clear description and break-out of these taxes in the Proposal. See Section 4.3 for PNM's interpretation of the applicability of New Mexico Gross Receipts Tax (NMGRT) to proposed projects;
- 29) Automatic Generation Control: Except when maximum dispatch may be limited by the availability of a renewable energy source, Projects shall be fully dispatchable by PNM, including intra-hour dispatch changes, and be able to operate under automatic generation control (AGC) with the ability to respond to dispatch and disconnection signals that originate remotely from PNM operations centers;
- 30) Use of PNM Sites: Due to the associated risk of liabilities (e.g. health, safety, environmental), North American Electric Reliability Corporation ("NERC") and Western Electricity Coordinating Council ("WECC") security requirements, and the associated complications with having a third-party owner/operator on a PNM-controlled site, Respondents shall not offer PPA or ESA Proposals on existing PNM controlled locations;
- 31) Proof of Site Control: The Proposal must provide proof of site control of the required land for the project and off-site infrastructure via (i) a title to the site, (ii) an executed lease agreement, (iii) an executed easement, or (iv) an executed option agreement applicable to at least 75 percent of the necessary land;
- 32) NEPA Permitting: If applicable, the Proposal must provide proof that all National Environmental Policy Act ("NEPA") permitting, approval from the applicable federal agency, or approval from a tribal authority is completed and in-hand or must provide documentation regarding the current status and ability to complete these activities per the proposed project schedule;
- 33) Ambient Conditions: Proposed projects must be designed for and capable of both full load and idle operation over an ambient temperature range of -20°F to 110°F with the full range of relative humidity; and
- 34) Technical Specifications: All Respondents must provide a comprehensive Proposal that complies with the Technical Specifications included in Appendix L as applicable to the technology proposed. No alterations to these Technical Specifications will be accepted.

1.4.2 Minimum Requirements Applicable to APA Proposals

- 1) Tax Treatment: All APA Proposals must provide a description of the proposed transaction from a tax perspective, including whether the Respondent plans to sell a

limited liability company ("LLC") or assets, which could have tax implications for PNM;
and

- 2) Interconnection Costs: Costs proposed for all APA resources must include all electrical interconnection, fuel, and other utility costs, as applicable. Respondent's Proposal must include firm, not to exceed, interconnection costs.

1.5 RFP PROCESS OVERVIEW

1.5.1 Announcement and Release

The RFP was released on December 30, 2024, followed by a press release. This Instructions to Bidders document is provided as a non-confidential document on the PNM websites identified below:

- <https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=PNMResources>
- <https://www.pnm.com/rfp>

Interested parties are required to execute a non-negotiable, non-disclosure agreement ("NDA") in order to receive additional Bid Documents. As used in this RFP, "Bid Documents" include all documents comprising this RFP, including but not limited to all design documents, technical specifications, and other appended or related data, all as may be amended or supplemented from time-to-time.

In order to efficiently administer this RFP for 2029 to 2032 Resources, the RFP is structured within the on-line Jaggaer procurement platform which can be accessed at the PNM websites identified above. By logging in and clicking the "Accept" button in the NDA section of the applicable Jaggaer RFP module, Respondent understands, acknowledges, and agrees to be bound by the NDA. Access to the Bid Documents will be granted upon acceptance of the NDA. All non-public and proprietary information communicated by PNM, including but not limited to information related to existing PNM site infrastructure and system security shall be considered as confidential information under the NDA unless it is specifically designated as non-proprietary and non-confidential.

1.5.2 Supplier Code of Conduct

PNM seeks to engage suppliers that conduct their business in compliance with all laws, rules and regulations and share like-minded core values. PNM recognizes and understands that suppliers are independent entities; however, the business practices and actions of a vendor may impact or reflect upon PNM. To help you understand the expectations for our business relationship, the Supplier Code of Conduct ("Code") has been established to provide guidance on what is expected from your team. Respondents are required to acknowledge and must agree to comply with PNM's Supplier Code of Conduct. Suppliers are expected to fully review this code via our website² prior to responding to this RFP.

By logging in and clicking the "Accept" button in the Code of Conduct Pre-requisites section of the applicable Jaggaer RFP module, Respondent understands, acknowledges, and agrees to be bound by the Supplier Code of Conduct and is acknowledging that it is Respondent's responsibility to ensure that your workforce, agents, and subcontractors understand and

² <https://www.pnmresources.com/esg-commitment/esg-reporting-and-disclosures/data-and-policy-download.aspx>

comply with the standards established in this code. Access to the Bid Documents will be withheld until the Respondent's acceptance of the Code of Conduct.

1.5.3 RFP Sourcing Platform

The RFP event is structured as two different modules within the on-line Jaggaer procurement platform including the "2029-2032 Generation Resources RFP-Market" module for market Proposals and the "2029-2032 Generation Resources RFP-BT" module for BT Proposals. For the purpose of this RFP, "Market" Proposals are considered to be Proposals for resources offered under PPA, ESA, Asset Purchase, or Demand-Side program structures. The RFP event includes a description of the request, an outline of the solicitation process, relevant dates, contact information, and Proposal submission requirements. All Proposals submitted in response to this RFP must be submitted by accessing the pertinent RFP module.

Respondent interface with the Jaggaer system is briefly summarized as follows:

- Respondent must access the RFP module that it is interested in providing a response for and acknowledge the NDA and the Supplier Code of Conduct prior to obtaining access to all of the Bid Documents.
 - All Respondents offering market Proposals must request access to and communicate via the "2029-2032 Generation Resources RFP-Market" module.
 - BT Respondents must request access to and communicate via the "2029-2032 Generation Resources RFP-BT" module.
- Once access is granted to the RFP event, all Bid Documents provided by PNM can be found under "Settings and Content" in the "Buyer Attachments" folder.
- All Respondent communications and notifications must be submitted to PNM as a private message utilizing the option "Ask a Question" under "Submit Question" of the applicable RFP module's Q&A Board unless otherwise indicated by PNM's Supply Chain Sourcing Team.
- PNM will respond to all Respondent questions and notifications in accordance with Section 5.1.2.
- Respondents must submit their full Proposal by the Proposal Due Date (defined in Section 5.2) under "Settings and Content" and in the "Vendor Attachments" folder. Respondent must click on "Submit" to fully transfer the Proposal's documents and make them retrievable by PNM. **Not being in "Submitted status" on or prior to the event closure date (Proposal Due Date), will prevent PNM from communicating via the Q&A Board.** If Respondent is mistakenly in submitted status, Respondent can withdraw their status and resubmit when ready to proceed prior to the event closure date.

Respondents must comply with the above and follow the additional instructions provided herein in the preparation and submittal of their Proposals.

1.5.4 Proposal Development

The Proposal development cycle ("Proposal Development Cycle") is the one-hundred thirty-five (135) day time-period from when the RFP is released until the Proposal Due Date.

Respondents are invited to submit Proposals for multiple Guaranteed Start Dates. A separate Proposal document with pricing specific to each quoted Guaranteed Start Date will be required to be submitted. Note that Proposals submitted for an early Guaranteed Start Date will not automatically be considered for a later Guaranteed Start Date unless a Proposal document is separately submitted for such later date.

While assembling Proposals, Respondents are allowed to ask questions in accordance with the communications protocols in Section 5.1 and participate in a virtual pre-bid conference.

1.5.5 Regulatory Compliance

This RFP is being conducted in compliance with New Mexico statutory and regulatory supply resource procurement requirements and guidelines, including compliance with the IRP Rule, PUA, and REA.

Furthermore, PNM has established a Governance for Competitive Bid Processes document to which PNM employees and consultants involved with the RFP process are signatory. This governance document included in Appendix M establishes strict guidelines under which communications and access to information are restricted. As further discussed in Appendix D – RFP Roles and Responsibilities, there is a strict division in PNM’s RFP team in that the technical evaluation team will be separated into one team supporting the assessment and evaluation of the BT Proposals and the other team being dedicated to all other Proposals submitted under the RFP “Market” event module. These teams will not be involved in or be aware of any other Proposals not submitted under their respective RFP event module.

Additional regulatory considerations are discussed throughout this RFP.

PART 2 – COMPLIANCE WITH LAW

PNM will only evaluate resources that meet applicable local, state, and federal rules and regulations. PNM’s selection of resources will specifically consider the ability of those resources to allow PNM to comply with the provisions of the PUA and the REA in a reliable and cost-effective manner. Amongst other requirements identified herein, selection of resources from this RFP will consider the following, as outlined below.

2.1 IRP RULE

In 2022, the NMPRC adopted an updated version of Rule 17.7.3 NMAC, the IRP Rule, that establishes requirements for the resource planning process of investor-owned utilities in New Mexico. This amended rule has resulted in several material changes to the IRP planning process and the subsequent RFP procurement process. This RFP is being implemented in compliance with the IRP Rule as well as the NMPRC monitoring provisions and the timelines set forth therein. The IRP Rule can be found at the following link:

<https://www.srca.nm.gov/parts/title17/17.007.0003.html>

2.2 LICENSING

Each Respondent must ensure that its Proposal is in full compliance with all applicable Federal, State and local laws, rules, regulations or other requirements. It is the obligation of Respondent to determine whether a contractor’s license is required to submit a Proposal and/or to complete any part of the work in connection with the project (“Work”). If a license is required to submit a Proposal, Respondent must ensure that the license is issued in Respondent’s name and that Respondent is in possession of such license at the time it submits its Proposal. Proposals for build-transfer (“BT”) projects must include copies of required license(s) in the Proposal submittal. Additional information regarding contractor’s licensing requirements for construction of the project may be obtained from the New Mexico Construction Industries Division - <http://www.rld.state.nm.us/construction/>.

It is the obligation of Respondent to determine whether a professional engineering license in one or more disciplines is required to perform the Work and to ensure that Respondent is in

possession of such license at the time it submits its Proposal. See NMAC Rule 16.39.3.12. See also, generally, NMSA 1978, Sections 61-23-1 through 61-23-24 and NMAC Title 16, Chapter 39, Part 3. Additional information may be obtained directly from the New Mexico Board of Licensure for Professional Engineers and Professional Surveyors - <http://www.sblpes.state.nm.us>.

2.3 HIRING OF APPRENTICES

Section 62-13-16 of the PUA requires that, subject to the availability of qualified applicants, the construction of facilities that generate electricity for New Mexico retail customers shall employ apprentices from an apprenticeship program during the construction phase of the project. Successful Respondents must comply with this requirement at a minimum level of seventeen and one-half percent (17.5%) for projects for which on-site construction commences between January 1, 2024 and January 1, 2026 and twenty-five percent (25%) for projects for which on-site construction commences on or after January 1, 2026. Any apprenticeship program relied upon for sourcing the apprentices shall be registered pursuant to the Apprenticeship Assistance Act. Respondents shall identify in Attachment J or BT Attachment G, as applicable, the extent to which they advertised or investigated the availability of qualified apprentices and the extent to which they shall be employed.

2.4 PREFERENCE FOR NEW MEXICO WORKERS

PNM promotes and encourages the use of workers residing in New Mexico to the greatest extent practicable and PNM will take the use of New Mexico workers into consideration in evaluating Proposals. Respondents shall identify the extent to which they anticipate use of New Mexico workers, shall submit with their Proposal the percentage of New Mexico workers anticipated to be used, and shall identify what assurances are being provided to maximize this percentage during the actual construction period. Respondents shall identify the extent to which they advertised or investigated the availability of qualified local labor resources and services as well as the extent to which they shall be applied to the proposed project in Attachment J or BT Attachment G, as applicable.

2.5 PREFERENCE FOR NEW MEXICO MINORITY AND WOMAN-OWNED BUSINESSES

To the greatest extent practicable, PNM promotes and encourages the use of minority and woman-owned businesses located in New Mexico in all efforts to procure goods and services. PNM will take the use of minority and woman-owned New Mexico businesses into consideration in evaluating Proposals. Respondents shall identify in Attachment J or BT Attachment G, as applicable, the extent to which they anticipate use of minority and woman-owned New Mexico businesses and shall submit with their Proposal the percentage of the contract value that will be contracted to minority and woman-owned New Mexico businesses.

2.6 SUPPLIER RISK SECURITY SCREENING

Respondents are required to ensure that equipment, firmware, software, or any component thereof, including the associated country of origin, quoted or proposed to PNM under this RFP is not prohibited by State or Federal law, regulation, or order. The Supplier Risk Security Screening Questions included in the mandatory "Questions" section of the RFP modules "2029-2032 Generation Resources RFP-Market" and "2029-2032 Generation Resources RFP-BT" will serve to eliminate high risk vendors from consideration in the RFP process. If Respondent answers 'YES' to questions 1 or 2, no further consideration will be given. If Respondent answers 'YES' to question 3, risk will be assessed and may result in disqualification of consideration. If Respondent answers 'NO' to questions 4-9, no further consideration will be given unless Respondent provides evidence or attestation of plans to remediate such deficiencies.

PART 3 - ELIGIBLE PROPOSALS

The following types of Proposals are eligible for consideration under this RFP:

- Proposals to sell energy, capacity, and/or ancillary services, under a power purchase agreement ("PPA") or under an energy storage agreement ("ESA") without an option to purchase the facility. PPA and ESA Proposals must utilize facilities located on a site controlled by the Respondent;
- Proposals to sell all or a portion of a generating asset under an asset purchase agreement ("APA") with rights to all capacity, energy, renewable energy certificates ("RECs"), and all other physical, financial, environmental, or other attributes associated with the asset;
- Proposals for build-transfer ("BT") projects on a site controlled by PNM, as described in Section 4.5. For a BT Proposal to be considered, the Respondent must submit proof of having a valid contractor's license in accordance with the New Mexico Construction Industries Division. Such license must be in the name of the Respondent and must be valid as of the time that the Proposal was submitted in response to this RFP (see Section 2.2 Licensing for further detail); and
- Proposals for demand-side resources ("DSR") sourced from PNM retail customer load as long as the offering meets the dispatchability, savings and other requirements identified herein. Appendix F – PNM Customers and DSM Program Participants provides an overview of PNM's customer profile as well as those customers already participating in PNM's existing DSR programs.

PART 4 – PROPOSAL CONTENT REQUIREMENTS AND SUBMISSION PROCEDURE

4.1 GENERAL

All Proposals must satisfy eligibility requirements set forth in the RFP and be submitted in accordance with this Instructions to Bidders to be considered for evaluation.

4.2 "BID DOCUMENTS"

The Bid Documents are complementary, and the Respondent must consider anything specified by one and not by the others as binding as though specified by all. In the case of a conflict between the various specification sections and/or the drawings and any supplemental information, the stricter interpretation as determined by PNM will govern.

4.3 REQUIREMENTS APPLICABLE TO ALL PROPOSALS

The following requirements apply to all Proposals. Additional requirements applicable to Proposals for specific project types are included in subsequent sections of this Part 4.

- Proposals must be submitted in a form consistent with Appendix E – Proposal Format and Contents of this Instructions to Bidders.
- Respondents are requested to identify the earliest achievable Guaranteed Start Date for the project(s) offered.
- Respondents are required to submit a base bid for a contract term duration ranging from a minimum of ten (10) years to a maximum of twenty (20) years at the Respondent's discretion. After submittal of a base bid, Respondents may also offer alternative bid(s) with a contract term of up to thirty (30) years. For hybrid project

Proposals, the quoted contract term for both components of the hybrid resource shall be of an equivalent duration.

- Proposals must include all applicable taxes (i.e. New Mexico Gross Receipts Tax), licenses, fees, etc. Respondent must provide a clear description and break-out of these taxes, licenses, fees, etc. in the Proposal. For clarity, the following is PNM’s interpretation of the applicability of New Mexico Gross Receipts Tax (“NMGRT”) to proposed projects. Respondents should confirm the applicability of NMGRT with their tax counsel prior to submitting a Proposal.
 - (i) NMGRT is generally applicable to the tangible project property as well as the labor and services to construct and operate the project.
 - (ii) If the Respondent is financing the proposed project via an Industrial Revenue Bond (“IRB”) or similar arrangement, the IRB could avoid NMGRT on the procurement of tangible facility assets. However, NMGRT would still be applicable to the labor and services to construct and operate the project.
 - (iii) PNM will pursue a Non-Taxable Transaction Certificate (“NTTC”) for all PPA Proposals offering renewable energy (solar or wind) for re-sale. In this instance, NMGRT will not be applicable to the energy sales from the project but will still apply to the tangible project property as well as the labor and services to construct and operate the project. Note that NTTCs will not be applicable to ESAs or the energy storage component of a hybrid renewable and energy storage project.
 - (iv) PNM will apply NMGRT to the energy sales from all projects except for those renewable projects for which PNM will obtain an NTTC. As PNM will account for these NMGRT costs, Respondents are requested to not include NMGRT on the energy sales in the pricing quoted.
- A Respondent must provide its base Proposal and pricing based upon the applicable contract terms and conditions identified in Appendices H through K. If Respondent identifies any changes to the standard contract that would result in savings for its Proposal, Respondent may issue an alternative Proposal and pricing based upon Respondent’s suggested modifications. For this alternative Proposal, Respondent shall be required to provide its comments to the standard terms and conditions with the RFP response in the form of redlines to the applicable form agreement or term sheet. Table 2 summarizes the form agreement(s) applicable to varying Proposal types:

Table 2. Form Agreement Directory

Proposal Type	Applicable Form Agreement(s)
Wind PPA	Appendix H-2 – Wind PPA Form Agreement
Hybrid Wind and Energy Storage Project PPA/ESA	Appendix H-2 – Wind PPA Form Agreement and Appendix I-2 – Hybrid ESA Form Agreement
Hybrid Solar and Energy Storage Project PPA/ESA	Appendix H-1 – Solar PPA Form Agreement and Appendix I-2 – Hybrid ESA Form Agreement
Stand-Alone Energy Storage Agreement	Appendix I-1 – Stand-Alone ESA Form Agreement
Natural Gas / Thermal PPA	Appendix H-3 – Natural Gas Facility PPA Term Sheet
Hybrid Solar and Energy Storage Build-Transfer Project	Appendix J-1 – Solar / ESS BT Form Agreement

Natural Gas or Thermal Build-Transfer Project	Appendix J-2 – Gas / Thermal BT Form Agreement
Asset Purchase	Appendix K-1 – APA Term Sheet
Demand-Side Resource Program	Appendix K-2 – DSR Form Services Agreement to be supplemented with Respondent’s additional commercial terms

- If a Respondent is offering a Proposal for a technology for which a form agreement or term sheet is not included in Appendices H through K, such Respondent should contact PNM via the applicable RFP module Q&A board to obtain guidance on either (i) which form agreement / contract structure to assume for the Proposal or (ii) how to proceed with the presentation of applicable terms and conditions.
- Respondents offering a DSR Proposal shall submit supplemental terms and conditions (including but not limited to necessary definitions, milestones, deliverables, performance, guarantees, penalties, and conditions of default) as required to supplement PNM’s standard Services Agreement included in Appendix K-2.
- Respondents must identify their willingness to provide the amounts of Development Security and Delivery Term Security for PPA, ESA, and DSR offers, or Performance Bond for BT offers identified within the applicable form agreement from Appendices H through K and as summarized as follows:

PPAs and ESAs:

Development Security: \$100,000 per MW of Guaranteed Capacity

Delivery Term Security: \$125,000 per MW of Guaranteed Capacity

DSR Agreements:

Performance Security: 16% of Contractor’s gross revenue expected over the term of the Agreement

BT Agreements:

Performance Bond: 100% of the Contract Price

Warranty Bond: 10% of the Contract Price

Compliance with these security requirements shall be indicated via submittal of the redline to the applicable form agreement or term sheet as well as indication of such amount of security in the Commercial Terms tab of the applicable Attachment D or BT Attachment J Bid Form. The amount of security requested in the form agreements is consistent with previously executed agreements, is required to ensure the commitment of the Respondent in its intent to deliver the project and is required to protect PNM and its ratepayers in the case that the Respondent fails to deliver or fails to perform under the executed Agreement. It provides a dedicated allocation of funds to cover damages due under the agreement and/or to procure replacement energy or capacity for an interim period of time in the case that the Respondent defaults or is delayed in its performance.

- Proposals must comply with the requirements of Appendix G to this RFP regarding the design of the Supervisory Control and Data Acquisition (“SCADA”) system, with scope adjustments as applicable to the type of resource and contracting structure

proposed. This Appendix will be incorporated as an Exhibit to the executed contract and Respondents must provide proposed redlines to the requirements outlined therein.

- Proposals must include all costs of shipping and related expenses associated with the Respondent's work scope.
- Proposals must identify assumed insurance types and levels.
- Proposals that culminate in a successful project will be required to obtain appropriate registration for all applicable NERC functions and must operate equipment within applicable NERC Standards.
- Proposals must clearly identify the environmental characteristics of the project including emissions rates, land quantities and landowner status (public, private, native, or otherwise protected), right-of-way and site acquisition status, environmental assessments and studies completed or anticipated and potential impacts on biological, geological and archeological resources, environmental permits acquired or anticipated, and other environmental-related factors. For solar and wind proposals: identify how construction and ongoing site/vegetation management will limit impacts to topsoil and native vegetation including any plans to ensure pollinator habitat and biodiversity, and avian protection plans.
- Proposals must include a United States Environmental Protection Agency ("EPA") EJSscreen report with accompanying plan for stakeholder engagement and must identify how the Proposal will address any environmental justice considerations regarding the proposed project, specifically regarding the fair treatment and meaningful involvement of all people, regardless of race, color, national origin or income and with respect to environmental laws, regulations, and policies.

4.4 ADDITIONAL REQUIREMENTS FOR PPA AND ESA PROPOSALS

- Proposals must demonstrate credit support as defined in Section 4.7 or collateral value sufficient to provide surety of contract performance over the full Agreement term. Acceptable methods of surety, in the reasonable discretion of PNM, include (a) cash, (b) a letter of credit in a form reasonably acceptable to PNM issued by a U.S. bank or a U.S. branch of a foreign bank with credit ratings by both Standard & Poor's Ratings Group ("S&P") and Moody's Investor Services, Inc. ("Moody's") of at least A- and A3, respectively and at least Ten Billion Dollars (\$10,000,000,000) in U.S.-based assets, (c) a Respondent guaranty from a Respondent guarantor, (d) a Surety Bond in a form reasonably acceptable to PNM, or (e) other security as may be reasonably acceptable to PNM.
- PNM has a preference for PPA and ESA Proposals that do not subject PNM to any accounting or tax treatment that results from imputed debt, minimum payment commitments, or lease treatment. However, PNM understands that some contracting structures will result in the consideration of the Agreement as a lease under the Financial Accounting Standards Board ("FASB") ASC 842 lease accounting standard, which may result in imputed debt in the calculation of PNM's credit metrics by the rating agencies. As such, Respondents are requested to take the following measures when responding to this RFP:
 - Respondents are requested to provide pricing for renewable energy resources on an energy pricing basis (i.e. \$/MWh) for energy delivered to PNM;

- Respondents offering energy storage projects are requested to offer pricing on a variable, available hour basis. With this structure, PNM will pay a monthly payment determined as the energy storage system capacity (in MW) multiplied by an energy storage payment rate (i.e. \$/MWh) further multiplied by the energy storage system available hours during that month. With this structure, the monthly payment will vary with the actual energy storage system availability in each month. The pricing structure is further detailed in RFP Appendices I-1 and I-2. This variable pricing structure shall not be tied to a “minimum take” or fixed quantity of energy.

4.5 ADDITIONAL REQUIREMENTS FOR BT PROPOSALS

Respondents offering BT Proposals and requesting access via a private Vendor “question” in the Q&A Board in the “2029-2032 Generation Resources RFP-Market” RFP module will be granted access to the “2029-2032 Generation Resources RFP-BT” RFP module and data regarding site characteristics for PNM controlled sites. BT Respondents are encouraged to provide Proposals at these sites for the resource types as noted below in Table 3. BT Respondents shall assume that natural gas interconnection and delivery to the project site, as applicable, electrical interconnection, and other required utilities will be provided by PNM at its cost. Respondents must clearly state natural gas, electrical interconnection, and other utility requirements in their Proposal.

BT Proposal information including site infrastructure information, site electrical and fuel interconnection capabilities, and PNM’s list of Approved Vendors are included in Appendix N to this RFP. All BT Respondent communications, including additional technical clarifications requested prior to Proposal submittal shall be submitted via the Q&A Board in the “2029-2032 Generation Resources RFP-BT” RFP module. All such communications will then be addressed and responded to by the RFP Administration Team within that same RFP module, as required, for details and inquiries regarding available sites and technical requirements.

Proposals received from BT Respondents will be evaluated on equal footing with other Proposals. BT Respondents will be required to provide detailed information regarding the specifics of engineering and constructing an addition to an existing PNM plant or location. For a BT Proposal at a PNM-controlled site, Respondent will be responsible for ensuring that the Proposal will satisfy the existing site permits and electrical interconnection limitations.

Table 3 provides the acceptable technology applications at each of the available PNM controlled sites based upon existing site characteristics and infrastructure.

Table 3. Available BT Sites and Indicative Capacities

BT Site Options with Available Capacity	
- San Juan Generating Station	95.6 MW – Solar / Energy Storage
- San Juan Generating Station	236 MW – Thermal and/or Energy Storage
- La Luz Generating Station	40 MW – Thermal and/or Energy Storage
- Reeves Generating Station	240 MW – Thermal and/or Energy Storage
- Reeves Generating Station	100 MW – Energy Storage
- Algodones Generating Station	50 MW – Energy Storage

4.6 REQUIRED APPROVALS

Each Proposal must state that Respondent has obtained all necessary internal approvals prior to the submission of the Proposal. All Proposals must be signed as follows:

- Corporations: Signature of officer must be accompanied by a certified copy of the resolution of the board of directors authorizing the individual signing to bind the corporation.
- Partnerships: Signature of one partner must be accompanied by a certified copy of the power of attorney authorizing the individual signing to bind all partners. If a certified copy of the partnership's certificate submitted with the Proposal indicates that all partners have signed, no authorization is required.
- Joint Ventures: Signature by one of the joint venture parties accompanied by a certified copy of the power of attorney authorizing the individual signing to bind all the joint venture parties. If a certified copy of the joint venture party's certificate submitted with the Proposal indicates that all joint venture parties have signed, no authorization is required.

4.7 CREDIT REQUIREMENTS

The Respondent must be able to satisfy PNM's credit standards to ensure the Respondent has adequate financial capability. PNM requires qualified Respondents to either have an investment grade rating (S&P BBB- or above; Moody's Baa3 or above) or have sufficient equity security to cover Respondent's anticipated delivery obligations under any agreement entered into as a result of this RFP process. PNM will utilize the lower of the published credit ratings from S&P or Moody's for long-term senior unsecured debt to determine a Respondent's credit rating. PNM may also consider credit rating by other credit rating agencies serving the U.S. market. If Respondent is unable to satisfy the foregoing credit standards, Respondent may designate a credit support provider / guarantor, and if the credit support provider / guarantor is satisfactory to PNM, the Respondent will be deemed to have satisfied PNM's credit standards. The quality of credit of the proposed credit support provider / guarantor will be evaluated under the same standards as that of the Respondent.

Execution of a final, definitive agreement under this RFP will be conditional upon full satisfaction of PNM's credit support requirements. PNM reserves the right to impose additional credit standards and to review and evaluate the quality of credit of each Respondent and credit support provider/guarantor and to make adjustments, as necessary, in the application of the foregoing standards.

4.8 COST OF BIDDING

Respondent will bear all costs associated with the preparation and submission of its Proposal. Neither PNM, nor its parent company or affiliates, nor any agent of PNM will be responsible or liable for any costs, regardless of the cost or outcome of the bidding process.

4.9 BID SUBMISSION FEE

A non-refundable bid submission fee must accompany each Proposal in order to qualify the Proposal for consideration. The bid submission fee will be \$10,000 for each Proposal in response to the RFP.

The quantity of Proposals and associated bid fees will be determined based upon the following, each of which will be considered as a separate Proposal:

- Proposals for projects at different locations;

- Proposals for projects of different technology types or technology combinations;
- Proposals for projects with different contracting structures (e.g. PPA, ESA, DSR, APA, BT).

Proposals for projects with variations in the following factors will not be considered to be separate Proposals and will not require an additional bid submission fee. However, Respondents shall be limited to no more than eight (8) proposal variations for each bid submission fee paid;

- Guaranteed Start Dates
- Pricing structures
- Project capacity/sizing

Bid submission fee examples are as follows:

- 1) An RFP response that offers a solar/battery energy storage hybrid solution, a stand-alone wind, and a stand-alone battery energy storage offer under a PPA contracting structure will require a bid submission fee of \$30,000 based upon three individual technology offers being proposed.
- 2) An RFP response that offers a DSR solution with varying capacities and availability will incur a single bid submission fee of \$10,000.
- 3) An RFP response that offers a single Proposal for a combined hybrid wind, solar, and storage solution will incur a single bid submission fee of \$10,000.
- 4) An RFP response offering an energy storage BT project at three different sites and two different capacities at each site will incur a bid submission fee of \$30,000 based upon projects being offered at three different sites.
- 5) An RFP response offering energy storage solutions of varying capacities, storage durations, and pricing structures, under an ESA contracting structure at a single site with two proposed Guaranteed Start Dates will incur a bid submission fee of \$10,000.

The bid submission fee may be paid by certified check made out to "Public Service Company of New Mexico". Payment via Automated Clearing House ("ACH") is also accepted.

Mail bid fees to: Public Service Company of New Mexico
 Attn: Division Accounting MS-ES01
 2021 Gen Resources RFP
 4201 Edith Blvd.
 Albuquerque, NM 87107

ACH Remittance Instructions:

To be provided upon vendor registration to the RFP event.

4.10 DISCLAIMER

Respondent is responsible for examining the complete Bid Documents and any subsequently issued RFP addenda and is responsible for analyzing all RFP requirements that might in any

way affect the cost of the project or performance of any part of the Work. Failure to do so will be at the sole risk of the Respondent, and no relief will be given for errors or omissions resulting therefrom.

4.11 RESPONDENT'S REPRESENTATION

Each Respondent, by submitting a Proposal, represents that the Respondent has read and understands the Bid Documents and is familiar with the local conditions under which the Work is to be performed. Respondent further represents that it holds all licenses and permits required by applicable law to submit its Proposal and that all such licenses and permits are issued in its name.

4.12 PROPOSAL SUBMITTAL

Respondents must submit Proposals via the PNM Supply Chain Sourcing Team's RFP event as explained in Section 1.5.3. Complete Proposals, including all exhibits, forms, and fee, must be received on or before 8:00 p.m. (Mountain) on the RFP Proposal Due Date via the RFP event. All Proposals will become the property of PNM and will not be returned to the Respondent. Upon uploading the Proposal(s) to the applicable RFP module, Respondents must click the "Submitted" button, which changes the Proposal status to "Submitted," to fully transmit all of the Proposal's uploaded files and allow for its proper retrieval.

4.13 WITHDRAWAL OF PROPOSALS

Beginning at 8:00 PM on the Proposal Due Date, if a Respondent withdraws a Proposal after submitting the Proposal in response to this RFP, it will be excluded from further consideration and the Respondent shall forfeit the associated bid submission fee.

4.14 CONFIDENTIALITY AND COMPLIANCE

PNM will take reasonable precautions and use commercially reasonable efforts to protect any claimed proprietary and confidential information contained in a Proposal, provided that such information is clearly identified by the Respondent as "PROPRIETARY AND CONFIDENTIAL MATERIAL". Notwithstanding the foregoing, PNM in its sole discretion may release such information: (1) to any external contractors for the purpose of evaluating Proposals, but such contractors will be required to observe the same care with respect to disclosure as PNM; (2) to others who have a need for such information for purposes of evaluating the RFP and the Proposals, the RFP process or a final definitive Agreement, including but not limited to the Commission, its employees, staff, consultants and/or agents, and other parties, their consultants and/or agents, or in any Commission proceedings relating thereto; or (3) if PNM is requested or compelled to disclose such information (or portions thereof) (i) pursuant to subpoena or other court or administrative process, (ii) at the direction of any governmental authority with jurisdiction over PNM or the subject matter of this RFP, or (iii) as otherwise required by law. If PNM determines that the release of such information will be made under one of the circumstances set out above, PNM will provide Respondent with written notice. PNM is under no duty or requirement to Respondent to withhold such information or take legal steps to protect the information from disclosure if, in PNM's judgment, there is a need to provide it under the circumstances described above. Under no circumstances will PNM, its parent corporation or affiliates, or any of their directors, officers, management, employees, agents or contractors be liable for any damages resulting from the disclosure of Respondent's claimed proprietary and confidential information during or after the RFP process. By submitting a Proposal in response to this RFP, Respondent acknowledges and agrees to the requirements in this provision concerning confidentiality. In the event PNM uses internal, proprietary projections in its evaluation process, the resulting projections will not be shared with Respondents.

All successful parties will be required to register as necessary for all appropriate NERC registration functions commensurate with the functional role(s) played on the grid, as outlined in the NERC Rules of Procedure. Successful parties shall also comply with all applicable NERC requirements.

4.15 COLLUSION

By submitting a Proposal to PNM in response to this RFP, the Respondent represents and certifies that the prices presented in its Proposal were arrived at independently and that the Respondent has not divulged, discussed, or compared its Proposal with other Respondents or colluded in any manner whatsoever with any other Respondent or parties with respect to its Proposal or other Proposals; provided, however, that this provision is not intended to prevent multiple parties from making a joint Proposal in which the roles and responsibilities of each party are clearly delineated in the Proposal.

PART 5 – RFP PROCESS

5.1 COMMUNICATION

5.1.1 PNM Supply Chain Sourcing Team’s RFP Site

All inquiries and other communications relating in any manner to this RFP will be hosted on the Q&A Board of the corresponding RFP module “2029-2032 Generation Resources RFP-Market” and/or “2029-2032 Generation Resources RFP-BT”. To send a private message, inquiry, or communication to PNM’s RFP team, please utilize the option “Ask a Question.”

PNM makes no commitment to respond to other communications received via telephone, FAX, text messaging or other media. Additionally, Respondents may not rely on any oral representation or oral modification made by any PNM employee or agent of PNM. In order to preserve transparency in the process and to assure that all Respondents receive equal consideration, **Respondents may not contact any PNM employees or agents of PNM in regard to this RFP. Failure to comply with this requirement could result in disqualification of the corresponding Proposal. All communications are to be conducted through the RFP event.**

5.1.2 Responses to Inquiries

PNM will prepare written responses to questions received and will post the responses (without identification of the party asking the questions) in the applicable RFP module for all Respondents who accept the NDA terms and agree to comply with the Supplier Code of Conduct within the respective RFP module. Questions that are applicable to both the Market and BT modules will be shared with all Respondents. All questions must be submitted via the RFP module Q&A Board.

Questions must be formatted as follows:

- Clearly identify the specific document reference to which the question pertains, and date; and
- Clearly identify the document language or section in question.

Questions must be timely submitted in groups to allow for proper consideration and response. Questions that Respondent believes to be commercially sensitive or confidential must be

individually marked as "Confidential". Questions marked "Confidential" will not be shared with other Respondents unless PNM determines that the question is a general, non-sensitive technical or commercial question.

5.1.3 Clarification of Proposals

PNM may request clarification or additional information during the RFP evaluation process about one or more items in a Respondent's Proposal. Such requests will be sent via the respective RFP module Q&A Board to Respondents, who will be required to provide an electronic response within five (5) business days, or PNM will deem the Respondent to be non-responsive and either suspend or terminate evaluation of the Proposal. Respondents may provide an alternate point of contact to ensure a timely response to clarification questions.

5.2 SCHEDULE

The RFP process will proceed in accordance with the following schedule:

RFP SCHEDULE – ACTIVITY	DATE
RFP Released	December 30, 2024
Non-Disclosure Agreement, Supplier Code of Conduct, and RFP/Bid Documents available	(RFP/Bid Documents available after acceptance of NDA terms and Supplier Code of Conduct)
Virtual Pre-Bid Conference Registration Deadline	January 16, 2025
Pre-Bid Virtual Conference	January 22, 2025
Deadline for Questions from Respondents	April 24, 2025
Proposal Due Date & Bid Submission Fee Due *	May 14, 2025 (8:00 PM Mountain Time)
Estimated Successful Phase Two Short-List Respondents Notification	July 20, 2025
Recommended Resource Portfolio Established	September 11, 2025 (120 Days After Proposal Due Date)
Estimated Successful Respondent Notification	September 15, 2025
Estimated Agreement Execution Date	January 8, 2026
Estimated Filing for Regulatory Approval	January 12, 2026
Required Power Supply / Guaranteed Start Date	January 1 of Proposed In-Service Year or before

*** Respondents must note that the RFP Proposal Due Date is firm. No extensions to the bid process duration as noted above will be offered.**

PNM reserves the right to revise, suspend, or terminate this RFP process and any schedule related thereto at its sole discretion without liability to Respondents or any other person or entity.

Communications regarding the status of this RFP process, including any and all changes and addenda to this RFP or attendant schedules, will be made via the applicable RFP module.

5.3 PRE-BID CONFERENCE

5.3.1 Schedule

PNM will host a pre-bid conference further detailing information requested in the RFP. The pre-bid conference webinar information will be provided to Respondents participating in this RFP. Respondents are encouraged to bring any questions requiring clarification.

Date: January 22, 2025

Time: 1:00 PM – 2:00 PM, Mountain Time

5.3.2 BT SITE INSPECTION

PNM will host site visits to the potential BT project sites upon request from a Respondent provided that such Respondent has acknowledged and accepted the NDA terms and conditions within the "2029-2032 Generation Resources RFP-BT" module. Such request shall be submitted to PNM's Supply Chain Sourcing Team via the "Ask a Question" option in the Q&A Board of the RFP module.

In addition to these site visits, any supplemental information provided as part of this RFP process, and examination of the Bid Documents, each BT Respondent will be solely responsible for conducting such due diligence as it deems necessary or desirable to be fully informed as to the existing and expected job site and off-site conditions and matters that might in any way affect the cost and/or the performance and completion of the Work. Any failure by Respondent to fully investigate the job site and complete its due diligence as to job site conditions will not relieve Respondent from responsibility for estimating properly the difficulty or cost of successfully performing and completing the Work.

In addition, prior to submitting its Proposal, Respondent must familiarize itself with local conditions that could affect or impact the Work in any manner whatsoever, and all requirements of applicable permits, licenses, laws, codes, rules, regulations, ordinances, statutes, labor policies, zoning, and local transportation issues. All communications with any local authorities must be coordinated through PNM.

5.4 OWNERSHIP OF BID DOCUMENTS

The Bid Documents are confidential, are the property of PNM, and are only for the purpose of Respondents' preparing and submitting a Proposal in response to this RFP. Per the RFP event NDA between Respondent and PNM, no information contained or referred to in the Bid Documents may be disclosed or released except as agreed to by PNM.

5.5 PNM RESERVATION OF RIGHTS AND DISCLAIMERS

Nothing in this RFP constitutes an offer or acceptance by PNM, and PNM hereby disclaims any intent for this RFP to constitute a binding contract between PNM and any Respondent. PNM may, and expressly reserves the right to, at any time, and from time-to-time, without prior notice and without providing an explanation or reason therefor:

- Modify, suspend, or withdraw this RFP;
- Establish a minimum and/or maximum amount of energy or capacity to be acquired under any Proposal or combination of Proposals;
- Accept or reject any or all Proposals;
- Reject incomplete or unclear Proposals or contact Respondents for purposes of Proposal clarification;
- Request changes to any Proposal, scope or general offering as may be desired by PNM or as may be necessary based on regulatory requirements;
- Determine, in its sole discretion, the value to PNM and its customers of any or all Proposals;
- Negotiate with a Respondent or Respondents after submission of a Proposal;
- Negotiate with only those Respondents whose Proposals, as PNM determines in its sole discretion, have a reasonable likelihood of being executed;
- Enter into an Agreement at any time with a Respondent who, in the opinion of PNM, will provide the most value to PNM customers;
- Contract with Respondent(s) other than the lowest price Respondent or with other than the Respondent evidencing the greatest technical ability, if PNM determines that to do so would result in the greatest value to PNM customers;
- Decline to enter into an Agreement with any Respondent and terminate negotiations with any Respondent, at any time during the process; and
- Pursue any and all other resource options available to it in the event negotiations with a Respondent or Respondents do not produce a final and fully executed Agreement satisfactory to PNM and authorized by the Commission, without material changes, for inclusion in PNM's resource portfolio.

By way of example and not limitation, PNM may reject any Proposal that it determines, in its sole discretion:

- Does not meet the Minimum Requirements; or
- Does not include all required elements under 17.9.572 NMAC; or
- Does not provide required information in a manner that allows effective evaluation; or
- Is not economically competitive with other Proposals or, when evaluated in combination with other selected Proposals, does not meet PNM's requirements for energy, capacity and reliable generation by the proposed Guaranteed Start Date.

Those Respondents who submit Proposals do so without legal recourse against PNM, PNM's parent company or affiliates, and the directors, management, employees, agents or contractors of any of them, due to (1) PNM's rejection, in whole or in part, of the Respondent's Proposal; (2) PNM's rejection, modification, delay or withdrawal, in whole or in part, of this RFP; (3) failure to execute any Agreement; and (4) any other reason arising out of this RFP. PNM will not be liable to any Respondent or to any other party, in law or equity, for any reason whatsoever relating to PNM's acts or omissions arising out of or in connection with the RFP process.

Respondent will be liable for all of its costs, and PNM will not be responsible for any of Respondent's costs, incurred to prepare, submit, or negotiate its Proposal, a definitive Agreement or any other activity related thereto.

PART 6 – CONTRACTUAL CONSIDERATIONS

6.1 SMALL BUSINESS PLANS

PNM promotes and encourages diversity in project sourcing and encourages all Respondent's to maximize the use of small businesses, veteran-owned small businesses, service-disabled veteran-owned small businesses, HUBZone small businesses, small, disadvantaged businesses, and women-owned small business concerns to the greatest extent practical.

6.2 CONTRACTOR SAFETY PREQUALIFICATION PROGRAM

PNM has implemented a contractor prequalification process as part of its effort to continuously improve in the areas of health, safety, risk, and finance. BT Respondents who are finalists of this RFP will be required to register with ISNetworld (ISN) auditing at:

<https://www.isnetworld.com>

and obtain a passing safety grade prior to final award of an Agreement. PNM will notify all finalists and allow reasonable time for the registration process. Respondent is responsible for any costs associated with registration.

6.3 INSURANCE

The successful Respondent will be required to maintain, at a minimum, standard insurance coverages for Workers' Compensation; Commercial General, Employer's and Automobile liability; an Umbrella excess liability; and Cyber insurance coverage. Respondents are requested to provide evidence and level of coverage of such insurance for bidding purposes in the Proposal. Specific insurance requirements of PNM and lender's will be addressed as part of the evaluation and negotiation of the Agreement.

6.4 COMMERCIAL TERMS AND CONDITIONS

All Proposals will represent a firm offer to contract on the terms and conditions included as Appendices to this RFP. Each representation of fact and promise of future performance within a Proposal will be incorporated into the Agreement as a warranty or covenant. Any statement of fact or promise of future performance that is not intended by the Respondent as a warranty or covenant should be clearly identified.

6.5 AWARD

PNM reserves the right to reject any and all Proposals and will inform unsuccessful Respondents upon rejection of their Proposals. Prior to PNM's bid award, PNM may have discussions with Respondents whose Proposals are under consideration. Respondents may be required to travel to PNM's office or other locations for further discussions.

Negotiations arising out of the Proposals may be conducted with any or all Respondents, at PNM's sole discretion. Following the award of the Proposal, winning Respondents will be expected to enter into an Agreement addressing commercial terms and conditions. PNM will have no obligation to accept any Proposal submitted pursuant to this RFP. Whether, and on what terms, any Proposal is accepted is within PNM's sole discretion.

A Proposal will be deemed formally accepted only if and when the Agreement has been executed by a Respondent and delivered to PNM, and PNM has signed it. The effectiveness of any Agreement will be subject to certain conditions precedent, including Commission authorization. Until such conditions precedent are satisfied, none of PNM, its parent company, its subsidiaries or its other affiliates will have any obligation to any Respondent with respect to a proposed project, and following such time, the only obligations of PNM will be those set forth in the Agreement. By submitting a Proposal, each Respondent agrees that PNM (i) is under no obligation to consider or accept any Proposals made, (ii) will not be liable to any

Respondent for the selection of one Proposal in lieu of another Proposal or combination of Proposals and (iii) will not be liable for any costs incurred by any Respondent in connection with this RFP process. By submitting a Proposal, each Respondent agrees to the terms of these Instructions to Bidders and acknowledges that Respondent is relying solely upon its own independent investigation and evaluation of its proposed project.