

Integrated Resource Plan



ZIA NATURAL GAS COMPANY

VILLAGE OF RUIDOSO – PUBLIC ADVISORY MEETING

JULY 8, 2025

Integrated Resource Plan



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Integrated Resource Plan



Topics for Discussion:

- Integrated Resource Plan – What is it?
- System Overview & Load Forecast
- Evaluation of existing supply- and demand- resources
- Assessment of need for additional resources
- Resources options
- Evaluation of potential additional resources
- Cost-effective portfolio of resources
- Energy Efficiency Program Overview

Integrated Resource Plan – What is it?



GOAL: To identify the most cost effective portfolio of resources to supply the existing and future energy needs of our customers.

Requirements are outlined in NMAC 17.7.4; Integrated Resource Plan for Gas Utilities

Integrated Resource Plan – What is it?



IRP Requirements

- File every 4 years
- Planning period – 4 to 10 years
- Public Advisory participation
- Evaluation of natural resources and infrastructure
- Commission compliance review

Integrated Resource Plan – What is it?



IRP Report Contents

- Current load forecast
- Existing portfolio of resources
- Summary of foreseeable resource needs
- Anticipated resource additions
- Description of gas supply sources and delivery system
- Evaluation of alternative resources
- Description of Public Advisory process
- Other Information to aid PRC review

Integrated Resource Plan – What is it?



IRP Process

- Public Advisory participation
- Review of existing planning processes
- Review of existing supplies and demands
- Identification of needs
- Coordination of Energy Efficiency & Load management options with IRP
- Development of process improvements
- Development of cost-effective energy portfolio

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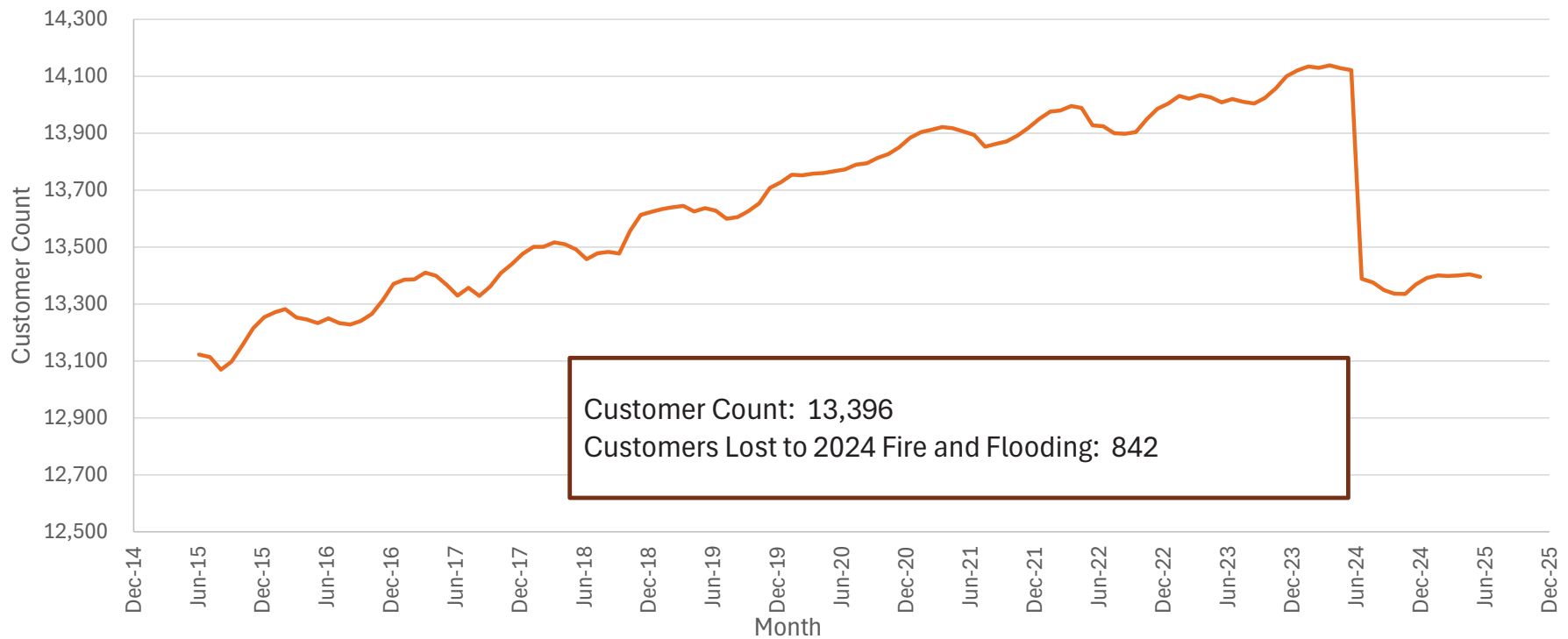
Serving New Mexico since 1988.



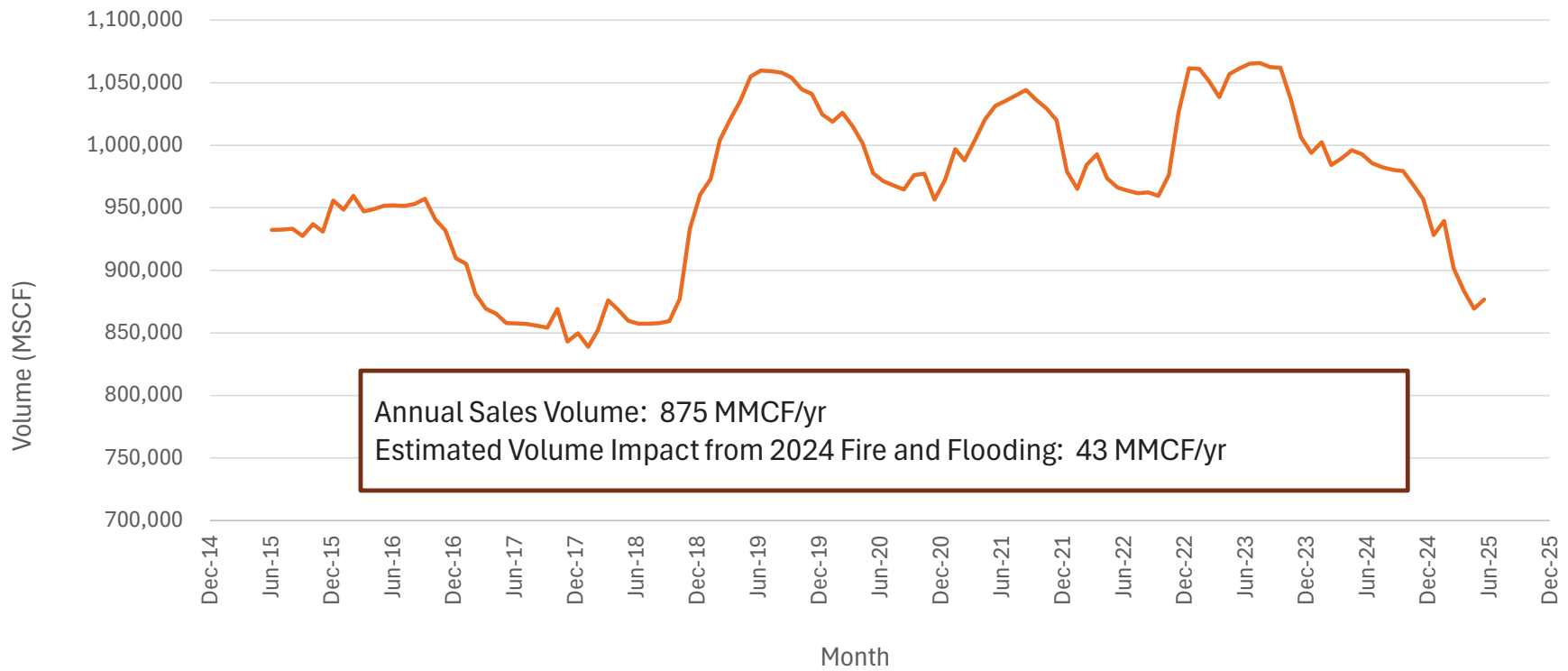
System Overview and Load Forecast

- Approximately 39,500 customers in New Mexico
- Approximately 3.8 bcf of gas sold annually
- Operate gas distribution lines in Lea, Eddy, Lincoln, Colfax, and Dona Ana counties.
- Operate gas transmission lines in Lincoln and Colfax counties.

Zia's Customers in Lincoln County



Zia's Sale Volume in Lincoln County



Zia's System in Lincoln County



Source for Natural Gas in Lincoln County

- Zia takes delivery of natural gas from El Paso Natural Gas interstate transmission line approximately 37 miles north of Capitan and feeds the system through an 8 inch and 4 inch pipeline.
- Together, these two lines can flow at over 20,000mcf/d.



Zia Capacity in Lincoln County



- In the past 5 years, the peak daily flow rate was 12,000 mcf/d, 60% of the capacity of Zia's transmission system.
- We currently purchase 10,000 mcf/d of firm capacity on the El Paso transmission line, but additional capacity is available if needed.

Therefore, we anticipate no capacity issues with the projected growth in the area.

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Evaluation of Existing Supply- and
Demand- Resources

Assessment of Need for Additional
Resources



Public Input

- Projects that may need natural gas
- Potential loss of natural gas demand
- Projected housing growth in Lincoln County
- Economic Factors affecting Growth in Lincoln County
- Other

Assessment of Need or Additional Resources



Conclusion

We have sufficient capacity for the projected growth in Lincoln County.

Supply Side Resource Options

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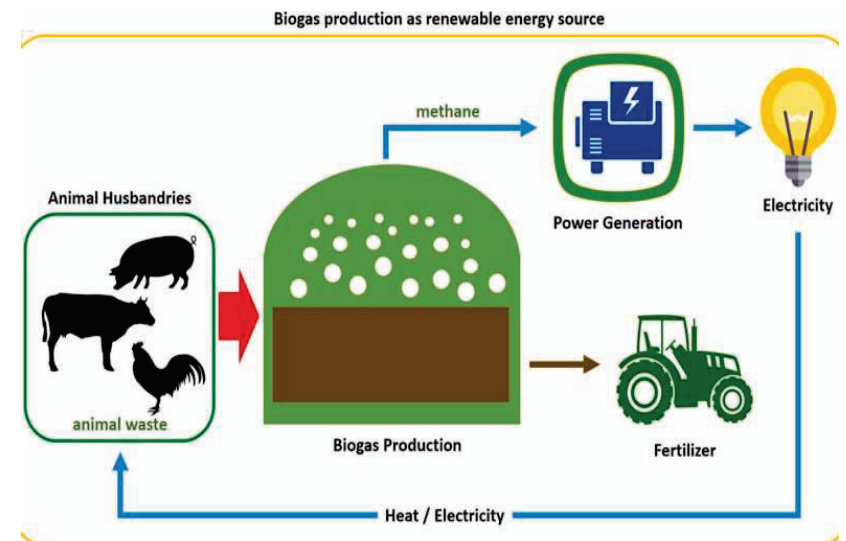
We are required to try to identify potential additional sources of natural gas.

Alternatives

- Biomass
- Dairy
- Hydrogen

Few feasible options for sources of natural gas

Public Input



Evaluation of Potential Resources

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Concerns

- Expensive Start-up Costs
- Availability is low
- Inconsistent Supply
- Quality Control

Public Input

Cost Effective Portfolio of Resources

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Plan

- Maintain Current Gas Supply
- Supply is Sufficient to Meet Future Demand

Questions? Suggestions?

Energy Efficiency Program

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Purpose

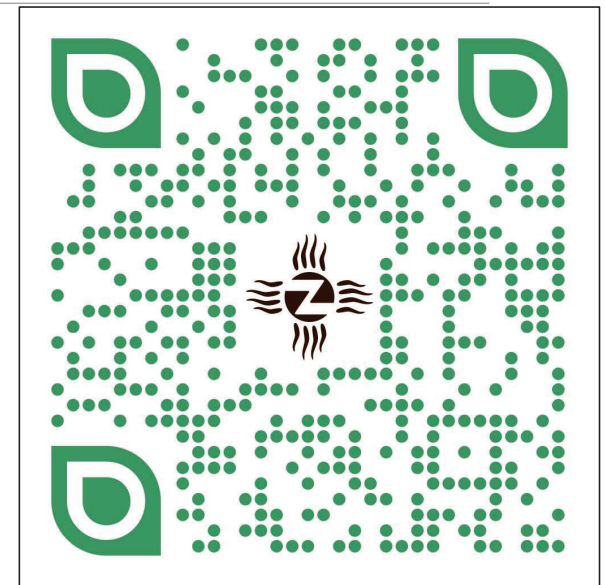


- ❖ Affecting the Demand side of the integrated resource plan by reducing natural gas consumption
- ❖ Promote energy efficiency and reduce customer consumption.
- ❖ Promote increased use of high efficiency instead of lower efficiency natural gas appliances and electric appliances.
- ❖ Net effect on the home is the overall reduction of utility bills.

Energy Efficiency Program – 2025-2027



- ❖ Space Heating
 - ❖ Rebates for upgrading to high efficiency natural gas appliances
 - ❖ Rebates for upgrading to R-30 or higher insulation
 - ❖ Rebates for programmable and smart thermostats
- ❖ Water Heating
 - ❖ Rebates for upgrading to high efficiency natural gas appliances
 - ❖ Free Water Conservation Packages
- ❖ New Construction
 - ❖ Rebate for building with high efficiency natural gas appliances
- ❖ Income Qualified
 - ❖ Direct Install program for qualified households
 - ❖ Partner with other programs for appliance, insulation, or other upgrades.
- ❖ Commercial
 - ❖ Direct Install Program, Prescriptive and Custom Rebates also available.



Thank You for Your Time and Attention



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