NEW MEXICO TRANSMISSION OPERATING PROCEDURES

Section 1 Introduction

1.1 This Operating Procedure ("Procedure") is entered into between El Paso Electric Company ("EPE"), Public Service Company of New Mexico ("PNM") and Tri-State Generation and Transmission Association, Inc. ("Tri-State") (individually "Party" and collectively "Parties"). It shall inure to the benefit of their respective successors and shall supersede and replace the document with the same title dated January 1, 2005.

1.2 The purpose of this Procedure is to provide a basis for operation of the present Southern New Mexico ("SNM") Transmission System ("SNMTS") and Path 47, and the present Northern New Mexico ("NNM") Transmission System ("NNMTS") and Path 48, synchronously connected to the Western Interconnection under normal and outage conditions.

1.3 PNM, Tri-State and EPE have entered this Operating Procedure among and/or between EPE, PNM and Tri-State, to address the safe and reliable operation of the SNMTS and NNMTS and Path 47 and Path 48, respectively. PNM, as Operating Agent of the NNMTS, completed system improvements in 2014 that result in the Northern New Mexico Import Capability ("NNMIC") on Path 48 no longer being limited due to voltage conditions that originally drove the use of nomograms for Path 48 to represent the safe and reliable operating limits of Path 48 in coordination with Southern New Mexico Import Capability ("SNMIC") for Path 47. More recent studies continue to show limits are not voltage based. This Operating Procedure revises and relaxes the use of previously agreed to Path 47 and Path 48 limits and the associated scheduling limits of the Arroyo Station Phase Shifter ("PST") with an effective date of January 1, 2023, or the date designated by the Federal Energy Regulatory Commission upon acceptance, whichever occurs later.

1.4 The ownership transmission rights in the SNMTS between the Parties are:

1.4.1 Greenlee-Hidalgo 345kV line:
PNM: 160 MW
EPE: 107 MW

1.4.2 Hidalgo-Greenlee 345 kV line:
PNM: 300 MW
EPE: 200 MW

1.4.3 Hidalgo-Luna 345 kV line:
PNM: 214 MW
EPE: 286 MW

1.4.4 Luna-Hidalgo 345 kV line:

PNM: 214 MW
EPE: 286 MW

1.4.5 Belen-Elephant Butte 115 kV line:
Tri-State: 60 MW

1.5 SNMIC is 940 MW based on the WECC accepted simultaneous rating of Path 47. Each party's firm share based on ownership and long-term transmission service agreements is allocated as follows:

EPE: 645 MW
PNM: 185 MW
Tri-State: 110 MW

Section 2 Background

2.1 This Procedure shall coordinate operating responsibility and ensure that NNM and SNM power usage remains within operating limits defined by the capabilities of the NNMTS and SNMTS, Path 48 and Path 47, and contractual arrangements in effect. Such operating limits defined by applicable ratings reliability limits protect the New Mexico Transmission System ("NMTS") against violations of North American Electric Reliability Corporation ("NERC") and Western Electricity Coordinating Council ("WECC") reliability criteria for normal operations and following bulk transmission system contingency(ies).

2.2 Upon the occurrence of a system status change such as, but not limited to, (i) the inability to achieve a desired reactor or capacitor configuration in NNM or SNM, (ii) a line/transformer outage in NNM or SNM, or (iii) a generator outage in SNM or NNM, Path 48 and/or Path 47 limits may change. Such change may require adjustment to actual flows in each of the NNMTS and/or SNMTS. The magnitude and method of implementation of such adjustments shall be determined in accordance with this Procedure.

Section 3 Coordination of Operations

3.1 PNM shall have the responsibility for operating the NNMTS and Path 48 in accordance with all applicable NERC and WECC reliability criteria, including adherence to the Accepted Path Ratings of Path 47 and Path 48, and:

3.1.1 Accepting EPE schedules, as applicable.

3.1.2 Accepting Parties' and third-party schedules to EPE at the West Mesa 345 kV bus, as applicable.

3.1.3 Monitoring actual flows in the NNMTS.

3.1.4 Monitoring the impacts of facilities (generation/transmission) interconnected to the NNMTS that would unduly impact EPE's West Mesa-Arroyo 345 kV line ("EP Line") usage and the operation of the PST or any other NERC or WECC or EPE reliability criteria, and monitoring the output and impacts of PNM generating facilities interconnected to the EPE Balancing Area or the PNM Balancing Area to prevent the generation output from reaching a level that would unduly impact the reliability of, or exceed NERC or WECC reliability criteria for, any part of the PNM Balancing Area and/or the EPE Balancing Area.

3.1.5 It is the parties' expectation that the need to address overload conditions on the PNM system would be addressed in the first instance through actions taken by PNM. If further action is required, then:

a. PNM may request the bypass of the PST or PST to not hold to firm schedules provided this is needed to mitigate Belen-Socorro 115 kV line, Socorro-Elephant Butte 115 kV line or Elephant Butte-Frontier 115 kV line overloads and would not result in an adverse impact to the SNMTS. EPE will not unduly deny PNM's request.

or

b. PNM may request the insertion or change in tap setting of the PST if scheduled flows from the Four Corners/San Juan area to Albuquerque lead to (contingency) overloads in NNM and the PST can mitigate the overload condition, provided that such action would not result in an adverse impact to the flows and schedules in the SNMTS. Such insertion may not be possible if actual PST flows exceed the PST thermal rating. EPE will not unduly deny PNM's request.

3.1.7 Notifying the Parties with NNM transmission rights of any required NNM curtailments.

3.1.8 Notifying EPE when the status of PNM's series capacitors on 345kV NNMTS lines change or when other series capacitors on the NNMTS are installed or experience a change in status, this will support PST angle settings and may impact Arroyo and/or Socorro PST settings.

3.1.9 Coordinating with EPE any NNMTS equipment maintenance which affects NNMIC when EPE's PST is bypassed or out of service.

3.2 EPE shall have the responsibility for operating the SNMTS in accordance with

applicable NERC and WECC operating criteria, and:

3.2.1 Accepting PNM, Tri-State's and third-parties' schedules, as applicable.

3.2.2 Accepting the Parties' and third parties' schedules to EPE, as applicable, at the West Mesa 345 kV bus.

3.2.3 Unless System Operating Limits prohibit, EPE may choose to operate the PST in either a bypassed mode or fixed-tap mode under normal and contingency system conditions. When the PST is bypassed, SNMI shall not exceed the SNMIC, and the parties shall not exceed their respective shares of SNMIC, subject to the parties' rights with respect to unused capacity entitlements under the SWNMT Participation Agreement, as amended. The parties shall not be required to purchase transmission service on the NNMTS if the party's SNMI schedules are within the party's share of SNMIC, or otherwise within the party's usage rights under the SWNMT Participation Agreement, as amended.

3.2.4 When the PST is unable to maintain schedules, or for other reasons within EPE's discretion as operator of the PST, EPE may operate with a fixed tap or bypass the PST in accordance with this operating procedure. See Section 3.2.3 above.

3.2.5 Notifying the Parties and third parties of any required SNM curtailments. Section 1.5 provides the basis for curtailment which will be pro-rata unless otherwise agreed by the parties.

3.2.6 Notifying PNM of SNMTS equipment maintenance which affects the line flow on the EP line with EPE's PST bypassed or out of service.

3.3 The parties recognize that use of the system at times is substantially different than that contemplated when Path 47 and Path 48 were originally defined with recent flows occurring in the opposite direction (export). It is recognized that the PST may contribute to optimizing the export of power from the SNMTS or NNMTS leading to potential additional coordination beyond that envisioned in Sections 3.1 and Section 3.2.

Section 4 Switching Under Normal and Emergency Conditions

4.1 Each Party's system controller will inform the other relevant Party of any scheduled outages of 345 kV transmission lines, transformers with a 345 kV high-side voltage or generators that may affect the reliability of the interconnected operations. Such outage notices shall be provided no later than the governing deadline established by the applicable Reliability Coordinator's ("RC") reliability criteria. Each Party's system controller will inform the other relevant Party of any scheduled outage that

could affect the quality of the service to the other Party's customers. Such outage notices shall be provided no later than the governing deadline established by the applicable RC reliability criteria.

4.2 To the maximum extent possible, emergency switching that may affect interconnected operations or the operations of the other Parties shall be coordinated between the Parties' respective system controllers prior to the switching taking place.

4.3 In any event in which advance notice is not possible, emergency switching activities that may affect interconnected operations shall be communicated to the other Parties as soon as practical following the switching activity.

Section 5 Data Exchange

5.1 PNM and EPE will exchange real-time system data as necessary to allow each other, in its role of Operating Agent of the NNMTS and SNMTS, respectively, to maintain the NMTS within applicable operating limits. This exchange of data will be used to monitor New Mexico transmission operations. Data required for safely operating the NMTS may change from time to time; therefore, the data exchange list will be modified and implemented, as needed, to allow responsible operation by PNM and EPE. All Parties will cooperate and provide information in a timely manner. To the extent that real time data is not available, PNM and EPE operators shall exchange required data to allow for the safe operation of the NMTS. Tri-State may have access to such data used to operate under this procedure, at Tri-State's expense.

Section 6 Normal ALIS Operations in SNM

6.1 EPE will operate the SNMTS during All Lines in Service ("ALIS") conditions to allow, on a firm basis, schedules by PNM, EPE and Tri-State to reach, on an hourly basis, each party's ownership and/or contractual rights in the SNMTS consistent with safe operating criteria.

Section 7 Operation of the PST

7.1 EPE shall be solely responsible for operation of the PST. EPE may operate the PST where it does not hold to firm schedules or in bypass mode as provided for in this operating procedure.

Section 8 Transmission Losses Not Addressed

8.1 The Parties recognize that the interaction between the NNM and SNM transmission systems is changing in a way that may require the parties to address responsibility

for transmission losses between the two systems not associated with either Party's transmission services under its respective OATT. Such matters are not addressed here but may be addressed between the Parties separately.

Section 9 Term and Modifications to This Procedure

9.1 This Procedure shall become effective as of the date identified in Section 1.3.

Section 10 Signature Clause

The signatories hereto represent that they have been duly authorized to enter this Procedure on behalf of the Party for whom they sign. This Procedure may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

EL PASO ELECTRIC COMPANY

By: DocuSigned by: Abel Bustillos 69DDCB269DFB45B...

Title: Director- System Operations Date: 7/6/2023

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: DocuSigned by: Manuel Sanchez 1988D7C55B1B43A...

Title: PNM Director Power Operations Date: 7/6/2023

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By: DocuSigned by: Barry Ingold DC5B61CBA6BA456...

Title: Chief Operating Officer Date: 7/20/2023