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## Xcel Energy makes proactive move to meet rising power demands

Published on July 31, 2024 by [Kim Riley](#)

Xcel Energy seeks proposals for a major expansion of its Texas–New Mexico power-generating system in a proactive move meant to meet growing customer electricity demands as older power plants are retired.

“We are excited to have another historic opportunity to realize an energy future that is cost-efficient, diverse and balanced with an aim of serving our customers economically for years to come,” said Adrian Rodriguez, president of Xcel Energy Texas–New Mexico.



The company on July 22 launched a request for proposals (RFP) following months of studies and consultation with regional stakeholders. During this process, bidders may submit any type of technology toward acquiring the needed power-generating capacity, Xcel Energy said in a statement.

“We are investing in real solutions for energy resources that support a robust economy w  
guez said.



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In addition to the need to replace retiring power plants and provide for growth on the system, Xcel Energy said it seeks to meet increased Southwest Power Pool resource adequacy requirements, which ensure providers have power-generating capacity in reserve in case there's a loss of scheduled power generation. Xcel Energy is a member of the Southwest Power Pool, which oversees the reliability of a transmission network covering all or portions of 14 states and operates a wholesale power market.

Based on forecasts, the company said that its region faces a future need of more than 3 gigawatts (GW) of accredited capacity, which would translate to more than 5 GW of additional nameplate capacity on the regional system by the end of the decade.

Comparatively, the current peak demand in Xcel Energy's Texas-New Mexico service area is a little more than 6,000 megawatts.

In addition to the fleet of conventional power-generating stations in its Texas-New Mexico service area, Xcel Energy also owns and operates two wind energy facilities.

The region's energy mix also includes electricity generated by outside suppliers and sold to Xcel Energy through power purchase agreements (PPAs). The RFP issued this month seeks options for new PPAs, extensions or changes to existing long-term PPAs, self-build projects, and build projects that transfer to Xcel Energy, the company said.

"We have served this region for more than 100 years, and we have a strong history of investing in power generating resources to sustain the growth of our communities and key industries at key points in their development," said Rodriguez.

Xcel Energy is working with an independent monitor appointed by state regulators to ensure the design and execution of the RFP is fair, competitive, and transparent.

Xcel Energy's Texas-New Mexico RFP identifies power needs for 2027, 2028, 2029, and 2030. Bids from developers are due by Jan. 3, 2025, and the company plans to evaluate submissions with proposed commercial operation dates within or before May 1, 2027, to May 1, 2030.

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