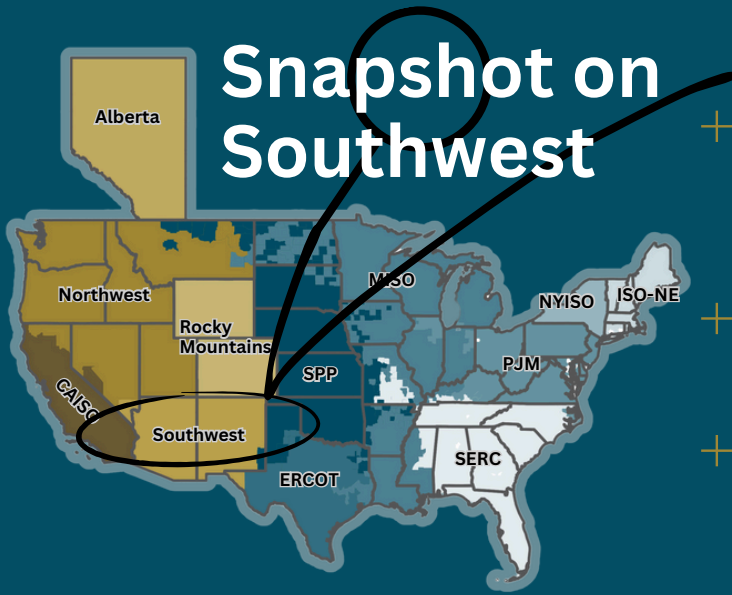


# Electricity Market Price Forecasts



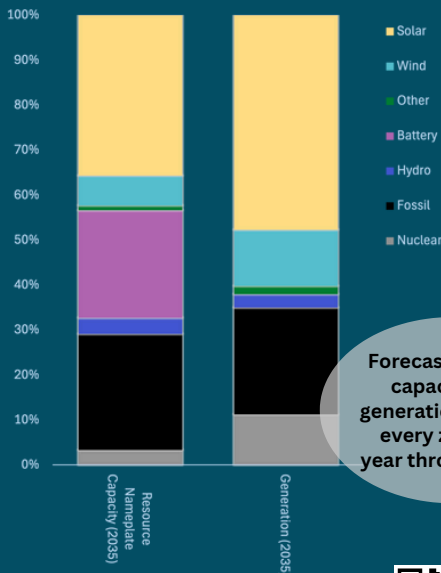
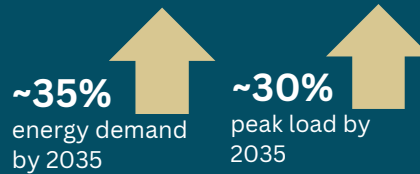
## Snapshot on Southwest

### Key Trends

- + Load growth in the Southwest is expected to come equally from growth in residential and commercial loads, electric vehicles, and new data centers. Electrification load growth (led by EVs) makes up ~30% of incremental new load by 2050. We estimate data center load in the region to reach ~9% of total load by 2050.
- + Utilities in AZ are leading the region's renewable energy additions to meet their own voluntary clean energy targets, while NM's statewide clean energy target drives renewable builds for its own loads and for export to AZ utilities.
- + Southwest utilities are increasingly concerned about reliability and capacity shortfalls, particularly given the challenges the region faces with high load growth and the increasing frequency of extreme weather events—particularly summer heat waves. Battery storage and new gas generation is built to meet these reliability needs over the forecast horizon.

### Resource Mix in 2035

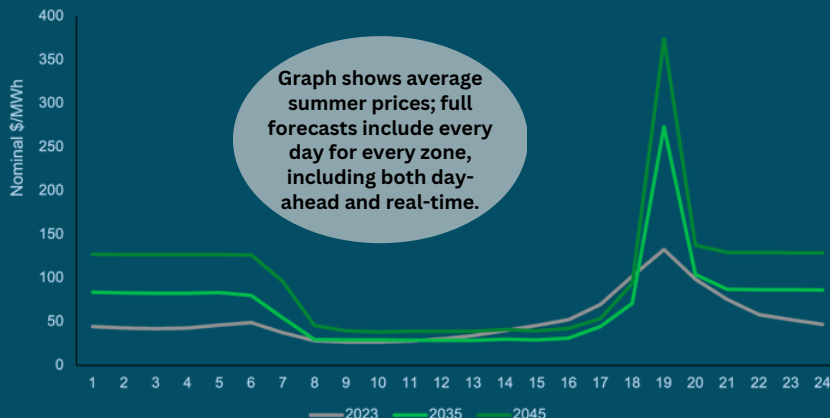
Solar is the most accessible renewable resource, while wind is available (with additional transmission investments) from AZ and NM. New gas is built for capacity and energy to complement solar, wind, and storage as load increases and coal plants are retired. The share of gas generation in the energy mix decreases significantly with increasing renewable penetration over time.



Forecasts include capacity and generation data for every zone and year through 2050.

### Hourly Day-Ahead Energy Prices

Energy prices climb steadily upwards in line with load growth and escalating gas prices over the long term. This drives a steady rise in average energy prices while daily and seasonal price volatility increases.



Graph shows average summer prices; full forecasts include every day for every zone, including both day-ahead and real-time.

