

## PNM SHAREHOLDERS FOR A RESPONSIBLE FUTURE

# WELCOME TO PNM SHAREHOLDERS FOR A RESPONSIBLE FUTURE

NOTICE TO INVESTORS/PNM Resources  
PNM Resources Annual Meeting, May 21, 2019

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**Shareholders are encouraged to vote FOR Proposal 4 as included in the PNM Notice of Annual Meeting for 2019.**

The PNM Resources shareholder Edith P Homans on behalf of the Edith P Homans Trust has proposed for inclusion in the 2019 PNM Resources Annual Shareholders Meeting a resolution asking that: "the Board prepare a complete report on the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the company."

PNM Resources (PNM) argued before the SEC that they be allowed to exclude the resolution from the 2019 meeting. They maintained (and continue to maintain in part in their proxy materials for the meeting) that the resolution was excludable because it related to the ordinary business of the company,

because it has already been substantially implemented, and because the resolution was materially false and misleading.

The SEC found all these arguments without merit and allowed the proposal to be included in this year's proxy materials.

It is highly likely that PNM will close the remaining two units of the San Juan Generating Station (SJGS) in the near future. At that point PNM must obtain approval from the New Mexico Public Regulation Commission (NMPRC) to retire its remaining share of the plant.

In its publicly available materials PNM has consistently minimized its possible financial exposure related to Coal Combustion Waste (CCW) and other contaminants from the generating station and from the materials used as backfill at the adjacent mine. It has also stated that it is confident it will be allowed full recovery costs for the future treatment of CCW. It has further indicated that it considers the mitigation steps it has taken to date sufficient and that it considers the risks of contamination by CCW to be non-existent.

However: PNM's argument that it has no responsibility for the CCW stored at the mine site because the mine belongs to another company is dubious. The issue of contamination by CCW has recently become of national concern. We believe that the question is not whether the materials deposited at the mine will become a hazard but when. And the changing political climate in New Mexico (a new governor and two new PRC members) makes it much less certain what will be required financially when PNM applies to abandon the plant.

Finally, the early contamination of the site, leaks and spills at the SJGS, and the lethargy with which PNM has implemented the requirements of a consent decree entered into with the Sierra Club in 2012 to monitor and capture groundwater downstream of SJGS and the mine, call into question PNM's assertion that it has done all required to adequately protect the public both now and in the future.

We therefore as shareholders feel it is entirely reasonable to ask that the company prepare a report for shareholders on the foregoing issues as described in the resolution. And we therefore encourage investors to vote their proxy FOR Proposal 4 as listed in the proxy materials for the PNM Resources 2019 annual meeting.

If you have any further questions, please feel free to contact me at 505 913-1622 or at [davhom2@gmail.com](mailto:davhom2@gmail.com)

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PNM Shareholders for a Responsible Future