

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE
COMPANY OF NEW MEXICO'S 2017
INTEGRATED RESOURCE PLAN**

Case No. 17-000174-UT

NOTICE TO PNM CUSTOMERS

NOTICE is given by the New Mexico Public Regulation Commission ("Commission" or "NMPRC") of the following:

On July 3, 2017, Public Service Company of New Mexico ("PNM") filed its 2017 Integrated Resource Plan (the "2017 IRP") to comply with the requirements of the Efficient Use of Energy Act, NMSA 1978, Section 62-17-1, *et seq.* and the Commission's Rule 17.7.3 NMAC.

PNM's 2017 IRP proposes, among other things, that as part of its most cost-effective resource mix, PNM intends to retire its 497 MW share of San Juan Generating Station (SJGS) in 2022 and exit from its 13% share in the Four Corners Power Plant (FCPP) upon the expiration of the FCPP Coal Supply Agreement (CSA) in 2031. PNM would entirely shift its generation from existing base load coal based generation to resources that "better match varying loads and are better equipped to work with renewable energy." PNM expects that these new resources would be primarily a mix of solar energy, natural gas-fired peaking capacity, and energy storage, subject to revision based on the results of actual bids received through requests for proposals. PNM's analysis of the cost effectiveness of these proposed generation changes further relies on an assumption that it will recover the full costs of all of PNM's remaining

unrecovered investments (stranded costs) in SJGS and FCPP. PNM further proposes to retain existing supply side resources through 2022 and to retain its interests in Palo Verde Nuclear Generating Station (PV) including any leases that expire in 2023 and 2025. In addition, PNM proposes to utilize energy purchases and sales from the wholesale market and to consider possible technological improvements to phase out older generating resources.

A joint letter protesting PNM's 2017 IRP was transmitted to the Commission by New Mexico State Senators William Sharer and Steve Neville, as well as State Representatives Rod Montoya, James Strickler, Paul Bandy and Sharon Clahchischilliage ("NM Mexico Legislative Group"). Additional protests to PNM's 2017 IRP were filed by New Mexico Industrial Energy Consumers ("NMIEC"); Southwest Generation Operating Co., LLC, ("SWG"); Citizens for Fair Rates and the Environment ("CFRE"); and New Energy Economy, Inc. ("NEE"). Western Resource Advocates ("WRA"), Coalition for Clean Affordable Energy ("CCAIE"), and Interwest Energy Alliance ("IEA") each filed Initial Comments in Support of PNM's 2017 IRP.

The Commission issued an Initial Order finding that the grounds asserted in the Protests demonstrate to the Commission's reasonable satisfaction that a hearing is necessary to determine whether PNM's proposed 2017 IRP is in compliance with Rule 17.7.3. Accordingly, the Commission did not accept the proposed IRP as compliant with Rule 17.7.3 at this time and found this matter should be referred to a hearing examiner.

By Order issued in this case on September 14, 2017, the undersigned Hearing Examiner has established the following procedural schedule and requirements for this case at this time:

1. Any person desiring to intervene to become a party ("intervenor") to this case must file a motion for leave to intervene in conformity with Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC no later than November 6, 2017;

2. By November 20, 2017, parties shall file any legal briefing as to the appropriate scope of this proceeding; and

3. By December 8, 2017, parties shall file any responses to any legal briefing filed pursuant to item 2.

The procedural dates and requirements of this case are subject to further order of the Commission or the Hearing Examiner. Once the appropriate scope of the case has been set, a pre-hearing will be held to discuss other procedural dates, including the hearing date.

The Commission's Rules of Procedure 1.2.2 NMAC shall apply except as modified by order of the Commission or the Hearing Examiner. These Rules of Procedure may be obtained from the Commission or are available online at the official NMAC website, <http://www.nmcpr.state.nm.us/nmac/>.

Interested persons may appear at the time and place of hearing and make written or oral comments without becoming intervenors. Written comments, which shall reference Case No. 17-00174-UT, also may be sent to the Commission at the following address: New Mexico Public Regulation Commission (ATTN: Records Management Bureau), P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, NM 87504-1269, telephone (505) 827-6968. Pursuant to

1.2.2.23(F) NMAC, all comments governed by this paragraph shall not be considered as evidence in this case.

Interested persons may examine PNM's filing together with any exhibits and related papers filed in the public record of this case at the Commission's address set out above or online at the Commission's website, <http://www.nmprc.state.nm.us/> under "Case Lookup EdoCKET," or at PNM's principal office in New Mexico, located at 414 Silver Ave, SW, Albuquerque, New Mexico 87102, telephone (505) 241-2700 or PNM's website at <http://www.pnm.com/regulatory>.

Any person filing pleadings may file in person or by mail at the Commission's address set out above and shall serve copies on all parties of record, Staff, and the Hearing Examiner at Elizabeth.Hurst@state.nm.us on the date of filing. All documents emailed to the Hearing Examiner shall include versions in Microsoft Word or other native formats if available.

Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at (505)-827-6956 as soon as possible prior to the commencement of any public hearing.

ISSUED at Santa Fe, New Mexico this 14th day of September 2017.

NEW MEXICO PUBLIC REGULATION COMMISSION

Elizabeth C. Hurst
Hearing Examiner