

To PNM Customers:

The enclosed document is required by the New Mexico Public Regulation Commission ("NMPRC"). The purpose of the document is to provide notice for PNM's proposed electric vehicle filing.

The notice:

- describes the Public Regulation Commission process to consider this request.
- describes how you can participate in this process if you choose to do so.

If you **do** wish to participate in the regulatory process, the attachment provides details on how to take part. If you **do not** wish to participate in the regulatory process, you are not required to do anything.

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION )  
FOR APPROVAL OF ITS 2022-2023 TRANSPORTATION ELECTRIFICATION PROGRAM ) Case No. 20-00237-UT**

**NOTICE TO PNM'S CUSTOMERS REGARDING PROCEEDING AND HEARING ON PNM'S ELECTRIFICATION PROGRAM, PROGRAM COST TARIFF RIDER, AND ELECTRIC VEHICLE CHARGING RATE OPTIONS**

**NOTICE** is hereby given by the New Mexico Public Regulation Commission of the following:

On December 18, 2020, Public Service Company of New Mexico ("PNM") filed its Application for Approval of its 2022-2023 Transportation Electrification Program. The Application is PNM's first pursuant to NMSA 1978, Section 62-8-12, which was enacted in 2019 to expand the electrification of the transportation sector in New Mexico. PNM's Transportation Electrification Program ("TEP") proposes a comprehensive approach to increase the adoption of transportation electrification through incentives to both residential and non-residential customers for the installation of charging infrastructure. The charging incentives will promote the availability of electric vehicle ("EV") charging in a number of different settings. Closely coupled with the proposed charging incentives are two new rate options for residential and non-residential customers designed to encourage EV charging at off-peak hours as EVs become a larger part of PNM's load.

PNM's TEP presents the following portfolio that targets qualifying customers in residential (including low- and moderate- income ("LMI")) and non-residential segments:

**A. Residential Charging Incentives:**

- Up to \$500 rebates for the purchase cost of 3,000 Level 2 residential chargers;
- \$1500 supplemental rebates for the installation costs of 150 Level 2 chargers for low-to-moderate income customers ("LMI") who also receive the charger rebate;

**B. Non-Residential Charging Incentives for qualifying premises:**

- Up to \$25000 rebates for the installation cost of electrical infrastructure behind the meter and up to the base of the charging station ("make-ready infrastructure") for public Direct Current Fast Charging ("DCFC") along corridors for commercial customers;
- Up to \$5000 rebates for the installation of make-ready infrastructure for public Level 2 charging stations;
- Up to \$5000 rebates for the installation cost of make-ready infrastructure for workplace Level 2 charging for non-residential customers;
- Up to \$5000 rebates for the installation cost of make-ready infrastructure for Level 2 chargers at multifamily housing in LMI communities; and
- Funding for rebates for the installation of make-ready infrastructure for mass transit operations that serve LMI communities.

**C. EV Rates:**

- PNM's proposed Whole Home Electric Vehicle Charging Rate Pilot, which will be a limited new temporary option under current Rate No. 1A – Residential Service offered to encourage EV charging and load shifting from 10:00 P.M. to 5:00 A.M. The proposed WHEV Rate is \$0.0304438/kWh.
- PNM's proposed time-of-use rate pilot for non-residential customers under new Rate No. 3F – Non-Residential Charging Station Pilot rate that is an energy only TOU rate. The proposed 3F customer charge is \$81.91 per bill and the proposed on peak energy rate for summer billing months is \$0.1855246/kWh and \$0.1373415/kWh for non-summer bill months. The proposed off-peak energy rate will be \$0.0638779/kWh.

**D. Marketing, Education, and Outreach:**

- Customer education and outreach programs to increase the awareness of transportation electrification as required by the TE Statute, including media engagement, community outreach, and website development; and
- Emphasis on outreach to LMI communities.

**E. Program Administration**

- In-house and third-party administrative support;
- Third-party support for saturation and potential studies and to evaluate program performance; and
- Software tools.

PNM requests approval of its proposed TEP budget of \$8,438,000 covering program years 2022 and 2023 with budget flexibility of 25 percent of the entire TEP budget. PNM also requests Commission approval of Original Rider No. 53, a TEP Rider. The TEP Rider will collect the actual known costs and expenses of implementing the TEP through a non-bypassable \$/kWh charge to all non-lighting rate schedules (customer classes). However, any final rate design approved by the Commission may vary rates for all or some customer classes and consumption levels. PNM has also proposed an annual \$25,000 non-residential customer cap. If approved, the TEP Rider will be charged to customers beginning in the first billing cycle of May 2023. In conjunction with approval of the TEP Rider, PNM requests approval of a regulatory asset, along with carrying costs, to collect program costs as they are incurred until the time they are collected through the TEP Rider.

PNM's TEP budget will be allocated as shown:

| Program Component  | Total Cost         | Attributed to LMI        |
|--|--------------------|--------------------------|
| <b>Residential Charger Rebate</b><br>(3000 Level 2 chargers)                                 | \$1,500,000        | \$75,000                 |
| <b>Supplemental Residential Installation Rebate</b><br>(150 Installations for LMI customers) | \$225,000          | \$225,000                |
| <b>Commercial Infrastructure Rebate</b><br>(70 DCFC, 200 Level 2, Mass Transit)              | \$4,250,000        | \$1,600,000              |
| <b>Marketing, Education, and Outreach</b><br>(education, EV awareness)                       | \$1,000,000        | \$200,000                |
| <b>Program Administration</b><br>(2 FTEs, Third Party Support, e-Signatures)                 | \$1,463,000        | \$0                      |
| <b>TOTAL</b>   | <b>\$8,438,000</b> | <b>\$2,100,000 (25%)</b> |

At this time, PNM is requesting Commission approval of its methodology to calculate the TEP Rider, but not the actual rate for the TEP Rider. This is because PNM will not know the amount of the actual expenses to collect until they have been incurred. If the methodology for the TEP Rider is approved, PNM would file a revised TEP Rider in February of 2023 providing actual bill impacts with the filing.

To estimate the possible bill impact of the TEP, PNM has assumed that approximately half the proposed budget would be collected from customers by the TEP Rider to recover expenses during the first year, and the following potential bill impacts are provided for informational purposes to illustrate the TEP methodology:

| <b>1A - Residential</b> |  |   |           |          |
|-------------------------|--|---|-----------|----------|
| Consumption Level       | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 500 kWh                 | \$63.72                                  | \$63.74                                     | \$0.02    | 0.027%   |
| 750 kWh                 | \$99.68                                  | \$99.71                                     | \$0.03    | 0.026%   |
| 1000 kWh                | \$137.43                                 | \$137.47                                    | \$0.03    | 0.025%   |

| <b>1B - Residential TOU</b> |  |   |           |          |
|-----------------------------|--|---|-----------|----------|
| Consumption Level           | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 500 kWh                     | \$90.42                                  | \$90.91                                     | \$0.49    | 0.544%   |
| 750 kWh                     | \$121.89                                 | \$122.63                                    | \$0.74    | 0.605%   |
| 1000 kWh                    | \$153.36                                 | \$154.35                                    | \$0.98    | 0.641%   |

| <b>2A - Small Power</b> |  |   |           |          |
|-------------------------|--|---|-----------|----------|
| Consumption Level       | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 500 kWh                 | \$80.20                                  | \$80.43                                     | \$0.23    | 0.292%   |
| 1500 kWh                | \$207.91                                 | \$208.62                                    | \$0.70    | 0.338%   |
| 5000 kWh                | \$654.91                                 | \$657.25                                    | \$2.34    | 0.358%   |

| <b>2B - Small Power TOU</b> |  |   |           |          |
|-----------------------------|--|---|-----------|----------|
| Consumption Level           | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 1500 kWh                    | \$211.94                                 | \$212.64                                    | \$0.70    | 0.332%   |
| 5000 kWh                    | \$668.30                                 | \$670.64                                    | \$2.34    | 0.351%   |
| 10000 kWh                   | \$1,320.24                               | \$1,324.93                                  | \$4.69    | 0.355%   |

| <b>3B / 3D - General Power TOU</b> |  |   |           |          |
|------------------------------------|--|---|-----------|----------|
| Consumption Level                  | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 30,000 kWh and 50 kW               | \$2,619.47                               | \$2,622.84                                  | \$3.36    | 0.128%   |
| 50,000 kWh and 75 kW               | \$4,113.92                               | \$4,119.52                                  | \$5.61    | 0.136%   |
| 75,000 kWh and 150 kW              | \$6,992.65                               | \$7,001.06                                  | \$8.41    | 0.120%   |

| <b>3C / 3E - General Power Low Load Factor TOU</b> |  |   |           |          |
|--|--|---|-----------|----------|
| Consumption Level                                  | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 10,000 kWh and 50 kW                               | \$1,518.48                               | \$1,519.60                                  | \$1.12    | 0.074%   |
| 12,000 kWh and 50 kW                               | \$1,721.50                               | \$1,722.84                                  | \$1.35    | 0.078%   |
| 15,000 kWh and 75 kW                               | \$2,235.28                               | \$2,236.96                                  | \$1.68    | 0.075%   |

| <b>4B - Large Power Service TOU</b> |  |   |           |          |
|-------------------------------------|--|---|-----------|----------|
| Consumption Level                   | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 150,000 kWh and 500 kW              | \$18,405.02                              | \$18,423.90                                 | \$18.89   | 0.103%   |
| 500,000 kWh and 1,500 kW            | \$56,344.92                              | \$56,407.89                                 | \$62.96   | 0.112%   |
| 1,500,000 kWh and 2,500 kW          | \$124,069.06                             | \$124,257.94                                | \$188.88  | 0.152%   |

| <b>5B - Large Service for Customers &gt;= 8,000kW min. at 115kV, 69kV or 34.5kV</b> |  |   |           |          |
|---|--|---|-----------|----------|
| Consumption Level   | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 2,000,000 kWh and 8,000 kW  | \$212,783.73                             | \$212,983.76                                | \$200.03  | 0.094%   |
| 2,500,000 kWh and 10,000 kW   | \$265,183.19                             | \$265,433.22                                | \$250.03  | 0.094%   |

| <b>10A Irrigation Service</b> |  |   |           |          |
|-------------------------------|--|---|-----------|----------|
| Consumption Level             | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 1500 kWh                      | \$168.22                                 | \$168.50                                    | \$0.29    | 0.171%   |
| 3500 kWh                      | \$378.56                                 | \$379.23                                    | \$0.67    | 0.178%   |
| 6000 kWh                      | \$641.49                                 | \$642.65                                    | \$1.15    | 0.180%   |

| <b>10B Irrigation Service TOU</b> |  |   |           |          |
|-----------------------------------|--|---|-----------|----------|
| Consumption Level                 | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 5000 kWh                          | \$244.97                                 | \$245.93                                    | \$0.96    | 0.392%   |
| 7500 kWh                          | \$362.22                                 | \$363.66                                    | \$1.44    | 0.398%   |
| 10000 kWh                         | \$479.47                                 | \$481.40                                    | \$1.92    | 0.401%   |

| <b>11B Water and Sewage Pumping Service TOU</b> |  |   |           |          |
|---|--|---|-----------|----------|
| Consumption Level                               | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 75,000 kWh                                      | \$5,911                                  | \$5,919                                     | \$7.86    | 0.133%   |
| 90,000 kWh                                      | \$6,999                                  | \$7,008                                     | \$9.43    | 0.135%   |
| 150,000 kWh                                     | \$11,350                                 | \$11,366                                    | \$15.72   | 0.138%   |

| <b>15B Large Service for Public Universities &gt; 8,000kW min. at 115kV</b> |  |   |           |          |
|---|--|---|-----------|----------|
| Consumption Level   | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 2,000,000 kWh and 8,000 kW  | \$206,570.04                             | \$206,768.41                                | \$198.37  | 0.096%   |
| 4,500,000 kWh and 12,000 kW   | \$365,265.44                             | \$365,711.76                                | \$446.33  | 0.122%   |

| <b>30B Large Service for Manufacturing &gt;= 30,000kW minimum at distribution voltage</b> |  |   |            |          |
|---|--|---|------------|----------|
| Consumption Level   | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change  | % Change |
| 25,000,000 kWh and 40,000 kW  | \$1,779,753.14                           | \$1,781,369.43                              | \$1,616.29 | 0.091%   |
| 25,000,000 kWh and 45,000 kW  | \$1,896,603.08                           | \$1,898,219.37                              | \$1,616.29 | 0.085%   |
| 30,000,000 kWh and 50,000 kW  | \$2,176,534.71                           | \$2,178,474.25                              | \$1,939.55 | 0.089%   |

| <b>33B Large Service for Station Power TOU</b> |  |   |           |          |
|--|--|---|-----------|----------|
| Consumption Level                              | Annualized Monthly Bill at Present Rates | Annualized Monthly Bill with TEP Cost Rider | \$ Change | % Change |
| 200,000 kWh and 500 kW                         | \$11,306.64                              | \$11,326.73                                 | \$20.09   | 0.178%   |
| 300,000 kWh and 500 kW                         | \$15,458.05                              | \$15,488.18                                 | \$30.13   | 0.195%   |
| 400,000 kWh and 750 kW                         | \$20,884.33                              | \$20,924.50                                 | \$40.17   | 0.192%   |

| <b>35B Large Power Service<br/>&gt;= 3,000kW TOU</b> |  |   |           |          |
|--|--|---|-----------|----------|
| Consumption Level                                    | Annualized<br>Monthly Bill at<br>Present Rates | Annualized<br>Monthly Bill with<br>TEP Cost Rider | \$ Change | % Change |
| 2,000,000 kWh and 3,000 kW                           | \$129,533.58                                   | \$129,731.74                                      | \$198.16  | 0.153%   |
| 3,000,000 kWh and 5,000 kW                           | \$202,061.63                                   | \$202,349.11                                      | \$287.47  | 0.142%   |
| 4,000,000 kWh and 7,000 kW                           | \$272,553.67                                   | \$272,936.97                                      | \$383.30  | 0.141%   |

| <b>36B Special Service<br/>Rate - Renewable Energy<br/>Resources</b> |  |   |            |          |
|--|--|---|------------|----------|
| Consumption Level  | Annualized<br>Monthly Bill at<br>Present Rates | Annualized Monthly<br>Bill with TEP Cost<br>Rider | \$ Change  | % Change |
| 38,963,000 kWh and 61,000 kW   | \$1,030,399                                    | \$1,031,211                                       | \$811.64   | 0.079%   |
| 47,618,000 kWh and 73,000 kW   | \$1,252,417                                    | \$1,253,409                                       | \$991.93   | 0.079%   |
| 55,278,000 kWh and 88,000 kW   | \$1,465,991                                    | \$1,467,143                                       | \$1,151.50 | 0.079%   |

\*Annualized Monthly bill information includes Riders 16, 23, and 36 in the calculations as applicable. Taxes and franchise fees are not included because they are location specific.

PNM's Application also asks the Commission to approve the following: PNM's request that it be allowed to make a second TEP filing by the end of June 2023; Variances from: Commission Rule 17.1.2.10(B)(2)(b), which requires a statement comparing proposed new rates with present rates and the rate impact on residential customers; and Commission Rule 17.9.530, which prescribes minimum data requirements to be filed in support of a tendered new rate schedule; and any other approvals, authorizations, and actions that may be required under the Public Utility Act or NMSA 1978, Section 62-8-12 to implement PNM's proposed TEP.

The Commission has suspended the implementation of PNM's proposed rates pending the outcome of the public hearing scheduled below and the Commission's final decision in this case.

The Commission has assigned Case No. 20-00237-UT to this proceeding and all correspondence, pleadings, inquiries or written comments concerning this matter should refer to that case number.

The present procedural schedule for this case is as follows:

**A.** On or before April 19, 2021, any person desiring to intervene to become a party ("intervenor") in this case shall file a motion for leave to intervene in conformity with NMPRC Rules of Procedure, 1.2.2.23(A) and (B) NMAC.

**B.** The Commission's Utility Division Staff ("Staff") shall, and any intervenor may, file direct testimony on or before May 3, 2021.

**C.** Any Rebuttal testimony shall be filed by May 13, 2021.

**D.** A public hearing will be held beginning at 9:00 A.M. on May 24, 2021, to hear and receive evidence, arguments and any other appropriate matters relevant to this proceeding. The hearing will continue as necessary through May 27, 2021. Due to the ongoing COVID-19 pandemic, the public hearing shall be conducted via the Zoom videoconference platform. Participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel, witnesses, and other representatives of the parties), the Commissioners, and other Commission personnel. Interested persons may view the evidentiary hearing via a livestream on YouTube provided on the Commission's website at <http://www.nmprc.state.nm.us/>.

The procedural dates and requirements of this case are subject to further order of the Commission or Hearing Examiner. Interested persons should contact the Commission at (505) 690-4191 for confirmation of the hearing date, time and place because hearings are occasionally rescheduled.

The Commission's Rules of Procedure, §§1.2.2.1 NMAC, et seq., shall apply to this case except as modified by order of the Commission or Hearing Examiner. A copy of the Rules may be obtained from the offices of the Commission or at <http://www.srca.nm.gov/parts/title01/01.002.0002.html>.

Interested persons may appear at the time and place of hearing and make oral comment via Zoom pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. Persons interested in providing oral public comment must request a Zoom invitation by e-mailing Ana Kippenbrock at [Ana.Kippenbrock@state.nm.us](mailto:Ana.Kippenbrock@state.nm.us) by no later than 5:00 pm on May 21, 2021. Public comments shall be limited to 3 minutes per speaker. Such comments will not be considered as evidence in this case.

Interested persons may also send written comments, which shall reference NMPRC Case No. 20-00237-UT, to the Commission at [prc.records@state.nm.us](mailto:prc.records@state.nm.us). However, pursuant to Commission rule 1.2.2.23(F) NMAC, comments will not be considered as evidence in this proceeding.

Anyone filing pleadings, documents or testimony in this case shall, until further notice, comply with the Commission's electronic filing policy, as amended from time to time. This includes filings in pdf format, with electronic signatures, sent to the Commission Records Management Bureau's email address at [prc.records@state.nm.us](mailto:prc.records@state.nm.us) within regular business hours on the due date in order to be considered timely filed. Documents received after regular business hours, will be considered as being filed the next business day. Regular business hours are from 8:00 a.m. to 5:00 p.m. Mountain Time.

All filings shall be e-mailed to the Hearing Examiner at [Elizabeth.Hurst@state.nm.us](mailto:Elizabeth.Hurst@state.nm.us). All documents e-mailed to the Hearing Examiner shall include Word files if created in that format.

Any person filing prepared testimony under 1.2.2.35.(I) NMAC on behalf of a party shall attend the hearing and submit to examination under oath.

Interested persons may examine PNM's Application and all other pleadings, testimony, exhibits and other documents filed in the public record for this case on the Commission's website at <https://edocket.nmprc.state.nm.us> or at the offices of PNM at the following address (subject to NM Covid-19 restrictions):

Public Service Company of New Mexico  
414 Silver Avenue, SW  
Albuquerque, New Mexico 87158  
Telephone number 505-241-2700  
PNM website – <https://pnm.com/regulatory>

Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's Procedural Order issued on February 5, 2021.

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING.

**ISSUED at Santa Fe, New Mexico, February 5, 2021.**

**NEW MEXICO PUBLIC REGULATION COMMISSION**

/s/Elizabeth C. Hurst

**Elizabeth C. Hurst**

**Hearing Examiner**