

**PNM Exhibit PJO-1
2012 Plan Avoided Supply Side Capacity Benefit Calculation**

Year	Calculate Deferred Capacity Value				
	Baseline Cumulative New Capacity	2012 EE & LM Plan Cumulative New Capacity	Baseline Annual Capital & FOM	2012 EE & LM Plan Annual Capital & FOM	Deferred Resource Benefit
	A	B	C	D	E = C - D
	(MW)	(MW)	(\$000)	(\$000)	(\$000/yr)
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	40	40	12,941	12,941	-
2016	125	125	36,533	36,533	-
2017	165	125	48,947	35,351	13,596
2018	342	302	77,630	63,076	14,554
2019	342	387	73,540	86,719	(13,178)
2020	427	387	97,026	83,586	13,440
2021	427	472	93,533	107,358	(13,825)
2022	512	472	117,620	103,475	14,146
2023	552	649	129,155	132,413	(3,258)
2024	729	649	158,021	127,635	30,386
2025	729	649	152,198	122,581	29,617
2026	729	826	146,056	153,256	(7,200)
2027	906	826	176,579	147,562	29,017
2028	906	866	169,866	159,409	10,457
2029	906	866	162,850	153,024	9,826
2030	991	1,043	189,821	185,775	4,047
2031	991	1,043	182,428	178,632	3,795

NPV of Benefit = \$52,370.46
Discount Rate = 8.20%

Year	Calculate 2012 Plan Capacity		
	2012 Plan EE Capacity	2012 Plan LM Capacity	2012 Plan EE & LM Capacity
	F	G	H = F + G
	(MW-yr)	(MW-yr)	(MW-yr)
2013	17	58	75
2014	21	60	81
2015	18	62	80
2016	15	62	77
2017	12	65	77
2018	10	-	10
2019	9	-	9
2020	7	-	7
2021	5	-	5
2022	1	-	1
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-

Sum of 2012 Plan Capacity = 422

Avoided Capacity Benefit for 2012 Plan (\$/kW) = \$ 124.04